

Terms of Reference

IDH Sustainable Trade Initiative

Baseline scenario for greenhouse gas emission in coffee-based districts in Central Highlands

October 13, 2021

1. Introduction

IDH Sustainable Trade Initiative (“IDH”) accelerates and up-scales sustainable trade by building impact-oriented coalitions of front running companies, civil society, governments, knowledge institutions and other stakeholders in several commodity sectors. We convene the interests, strengths and knowledge of public and private partners in sustainability commodity programs that aim to mainstream international and domestic commodity markets. We jointly formulate strategic intervention plans with public and private partners, and we co-invest with partners in activities that generate public goods.

In our landscapes (ISLA) program, we help shape new governance models, and support sustainable production and sourcing of commodities, while changing business models and attracting new sources of finance to the landscape. Given political, environmental, and socio-economic differences between the landscapes, we adapt our approach to each local context. IDH’s landscape approach starts with creation of coalition that bring together key stakeholders in a landscape, including governments, businesses, farmers, communities, and civil society organizations. Together, the coalitions develop sustainable land-use plans, regulatory frameworks, and business models to achieve three interlinked goals: creating areas where commercial and food crops are grown sustainably (Production); forests and other natural resources are sustainably used and protected (Protection); and farmers’ and communities’ livelihoods are enhanced (INCLUSION)- thereby contributing to the UN Sustainable Development Goals (SDGs) towards 2030.

Since 2018, IDH, Ministry of Agricultural and Rural development (MARD), Lam Dong Provincial People Committee, Daklak Provincial People Committee and other partners have convened for the establishment of multi-stakeholder coalitions (MSC) that work towards a sustainable low-emission coffee landscape based on green growth and sustainability in Lam Dong and Daklak. Up to 2021, four MSCs have been set up in Di Linh, Lac Duong, Krong Nang and Cu M’gar, covering more than 100,000 ha coffee and 200,000 ha forest area.

On basis of these Terms of Reference (“ToR”) IDH and Department of Crop Plantation (DCP) aim to select a party **to develop baseline scenario of GHG emission in coffee-based districts in Lam Dong (Di Linh and Lac Duong) and Daklak (Krong Nang and Cu M’gar)**. This baseline scenario is expected to contribute directly to the baseline scenario of coffee sector in Vietnam, led by Ministry of Agriculture and Rural development.

2. Background

IDH convenes public and private stakeholders in four districts in the two provinces to create neutral and inclusive platforms for improved governance, sustainable commodity supply chains, and enhanced environmental sustainability. These platforms involve government representatives from the provincial, district, and commune levels; international and national coffee-sourcing companies; and farmers and community organizations. The platforms we convene also enable investment from coffee-sourcing companies into field-level projects that can eventually be upscaled to cover 100,000 ha coffee and 200,000 ha forest area.

During the first phase of the ISLA program from 2015-2020, according to AgriLogic's analysis, all the monitored farms participating in the program have transformed from carbon sources with a net emission of 0.44 MtCO₂e/ha in 2016 to carbon sinks with net sequestration of 0.76 MtCO₂e/ha¹ in 2019. Recent analysis of 15,000 farmers participating in sustainability projects supported by IDH and coffee roaster JDE in the Central Highlands region has estimated a potential carbon emission reduction of 2 MTCO₂e/MT GBE (green bean equivalent), 83% contributed by fertilizer optimization². ICRAF's study also emphasized that carbon sequestration by establishing agroforestry systems in Central Highlands can contribute annually roughly 13 to 30 mil MTCO₂e/year and has the most favourable conditions to increase compared with other regions in Vietnam³. South Pole's high level analysis also shows as significant potential for the development of carbon asset through both carbon credit and SBT footprint reduction pathways in Di Linh district. With support from supply chain actors and public sector, we have been collected key data points in the key production area:

- Land use planning and current land use situation
- Forest : Total planning area, total area, forest coverage, Forest harvesting and replantation planning, forest law violation situation
- Agriculture land: (i) Land classification by crops, by purpose; (ii) Crop cultivation information:
 - Coffee cultivation information: average age, density, yield, replantation, intercropping density, tree age, yield
 - Other key crops

(* Noted that for this assignment, the secondary data will be encouraged to utilize and very limited budget shall be developed to collect primary data)

As part of these efforts, to explore the opportunities of carbon emission reduction and carbon removals in key coffee production area and to increase our learning on how to support the transition toward low-carbon agriculture, IDH and Department of Crop Plantation is commissioning a consultancy to develop baseline scenarios of Greenhouse gas emission (GHG) in Lam Dong districts (Di Linh and Lac Duong), and in Daklak districts (Cu M'gar and Krong Nang).

¹ According to Agri-logic report: "[Scaling up sustainable Robusta coffee production in Vietnam: Reducing Carbon footprints while improving farm profitability](#)" which analysed data from the Farmers Field Book.

² Scaling up Sustainable Robusta Coffee Production in Vietnam: Reducing Carbon Footprints while improving farm profitability, M.Kuit, 2020

³ Enhancing Vietnam's Nationally Determined Contribution with Mitigation Targets for Agroforestry: A Technical and Economic Estimate, M.Rachmat, 2020

3. Assignment

Objectives

The overall objective of this assignment is to generate the baseline scenario of GHG emission in coffee-based compact and identify the intention to use the carbon in the future or programs in place for this end.

The assignment consists of two main parts:

- (i) Based on existing data, literature review and possibly additional primary data collection (subject to be discussed and agreed with IDH after reviewing existing database) conducting the baseline scenario for the greenhouse gas emissions in coffee supply chain in key districts (Di Linh, Lac Duong, Cu M'gar and Krong Nang), covering (1) total emissions in the farm-level (covering every activities inside the coffee farms direct or indirect related to coffee production); (2) the footprint of each ton of coffee produced under the compacts (covering farm-level, logistics, benefiting, roasters, etc.); (3) the identification of other uses of such carbon emission reduction and removals
- (ii) Conducting the baseline scenario of greenhouse gas emission from Agriculture and LULUCF in coffee-based compacts (Di Linh, and potentially: Lac Duong, Cu M'gar and Krong Nang*) including but not limited to: GHG sources, GHG sinks, (current and/or potential) uses of carbon emission reduction and removals, proposed GHG accounting mechanism and confidentiality, data gaps, and map out how the data collections, milestones.

(*Please develop the proposal and budget for Assignment (ii) into two options: Option 1 is for Di Linh only and Option 2 is for the whole 04 districts)

Deliverables

The deliverables of this assignment will be:

Deliverables of assignment	Deadline
Review existing database/survey, applied methodology and survey tools,	December 15 th 2021
Develop and collect primary data (subject to be discussed and agreed with IDH)	December 15 th 2021
Interim results	January 20 th 2022
A brief summary report of baseline scenario emissions for the emissions in coffee supply chain in key districts covering the key findings and recommendation (max 5 pages) (in English and Vietnamese)	February 15 th 2022
A PPT-style report of baseline scenario for the emissions for the emissions in coffee supply chain in key districts (Di Linh, Lac Duong, Cu M'gar and Krong Nang) covering all the mentioned points above (in English and Vietnamese)	February 15 th 2022
A brief summary report of baseline scenario of emission from Agriculture and LULUCF in coffee-based compacts covering the key findings and recommendations (max 5 pages) (in English and Vietnamese)	February 28 th 2022
A PPT-style Baseline scenario of emission from Agriculture and LULUCF in coffee-based compacts covering all the mentioned points above (in English and Vietnamese) (WORD and PDF format) (in English and Vietnamese)	February 28 th 2022

4. Selection Procedure

The procedure will be as follows:

1. Publishing the tender and inviting services providers to submit a proposal based on this ToR.
2. Evaluation of the proposals by the evaluation committee (including IDH, DCP). The evaluation committee will evaluate the proposals based on the selection criteria as published in this ToR.
3. Decision on selection of the service provider.
4. Inception meeting with the selected service provider.

The schedule below indicates the timelines for the tender procedure:

Tender process	Timeline
ToR published	Oct 13 th 2021
Closing date questions*	Oct 20 th 2021
Publication of information notice	Oct 25 th 2021
Deadline for submission of proposals**	Oct 30 th 2021
Selection of Service provider	Nov 15 th 2021
Start of assignment	Nov 30 th 2021

* Questions received by IDH after this date will not be answered.

** Proposals submitted after the deadline will be returned and will not be considered in the tender procedure.

After the deadline to submit a proposal has passed, the evaluation committee will evaluate the proposals.

The proposals will first be tested for completeness:

- The absence of the documents referred to in Section 6 of this document can lead to exclusion from further participation in the tender procedure. This is also the case when minimum requirements listed in this ToR are not met.
- If the proposal is complete, the selection committee will evaluate the proposal based on the criterion as mentioned in section 6.

The assignment will be awarded to the service provider with the most economically advantageous tender. This is determined based on the evaluation criteria price and quality.

IDH will reject the proposal if any illegal or corrupt practices have taken place in connection with the award or the tender procedure.

Questions

Questions regarding the assignment or the ToR can be submitted until Oct 20th 2021 GMT+7, by e-mail to duongpham@idhtrade.org, with the express mention: "Baseline scenario for greenhouse gas (GHG) emission in selected districts in Central Highlands". Questions must be submitted in the English language and using the Template Question Form, attached to this ToR as annex 1.

The submitted questions will be grouped, anonymized, and combined in an information notice. This notice will be sent to all consultants in a reply to the e-mail in which the questions were submitted.

The responsibility for the timely and accurate submission of the questions lies with the service provider. When IDH indicates that questions have not been received by IDH before the indicated deadline, the service provider must demonstrate that the questions were sent timely.

5. Proposal requirements

IDH is requesting the service providers to hand in a proposal of maximum 10 pages (excluding company biographies, CVs, sample work and references). The proposal must be handed in a MS Word or PowerPoint version next to a PDF submission to facilitate any copy-and-pasting of content that we may need during evaluation.

The proposal must at least include:

Content:

- a. A succinct, well-documented approach addressing the requirements set out this ToR. We request that the proposal structure match the selection criteria as closely as possible
- b. An overview of the project team, including the CVs of the project team members; copy of nationality for project team members; information about the legal form and ownership structure (extract chamber of commerce)
- c. Budget presented in Euros (ex VAT) with a break-down of days/rate per project team member
- d. Statement on Ground for exclusion (see section 7 below)

Administrative:

- e. Copy of most recent (audited) financial accounts

The proposal must be submitted to Ms Duong Pham, Senior Program Officer at duongpham@idhtrade.org before Oct 30th 2021 at 08.00 (GMT+7)

6. Testing and weighing

The assignment will be awarded to the service provider with the most economically advantageous tender. The most economically advantageous tender is determined on the basis of the evaluation criteria of price and quality.

Grounds for exclusion

1. Service providers shall be excluded from participation in this tender procedure if:
 - a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
 - b) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata;
 - c) they have been guilty of grave professional misconduct proven by any means which the IDH can justify;
 - d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established, or with those of the Netherlands or those of the country where the contract is to be performed;
 - e) they or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization, money laundering or any other illegal activity.

Service providers must confirm in writing that they are not in one of the situations as listed above.

2. Service providers shall not make use of child labor or forced labor and/or practice discrimination and they shall respect the right to freedom of association and the right to organize and engage in

collective bargaining, in accordance with the core conventions of the International Labor Organization (ILO).

Scoring and weighing

The evaluation criteria are compared and weighed according to the procedure below. This concerns a general outline of the scoring methodology and an explanation how the service provider can demonstrate compliance with the requirements.

Step 1 - Criterion Quality

Evaluation scores will be awarded for each of the components. The evaluation committee will score each component unanimously.

The proposal will be assessed based on the following selection criteria:

Component		Criteria	Max. Grading
1	Proposal overall	The extent to which the proposal meets the requirements set out in Section 3 above and throughout this document. Can the Service provider deliver the requirement deliverables? Will the Service provider be able to deliver a comprehensive solution?	5
2	Design and Development process	The extent to which the Service provider demonstrates that a clear design and development process will be followed and IDH and DCP is adequately consulted for input during the design and development. The extent to which it is clear what is required of IDH and DCP in terms of human resources, digital assets and other input to deliver the project without being too onerous on our staff.	5
3	Track record	The extent to which the Service provider presents the required level of expertise and knowledge to fulfil the requirements both at team member and company level. To extent to which the Service providers gives a clear description of the project team, relevant (delivering similar projects) experience of team members and time allocation per team member. [Relevant experience in non-profit sector is advantageous.]	5

The evaluation committee will unanimously score each component by assigning scores from 1 to the maximum grading, with the maximum grading representing optimal performance on the component and 1 representing extremely poor performance on the respective component.

Step 2 - Criterion price

A combined price in Euros (ex VAT) is to be presented. This is to be broken down by team member rate and hours.

The criterion of assessment is “the best price for the proposed level of quality” with a maximum grading of 5.

Step 3 - Weighting

The final score will be weighted 70% on Quality and 30% on Price.

If scores of service providers are equal, priority will be based on the total scores that were given for the Criterion Quality. The assignment will be awarded to the service provider that has received the highest score for the Criterion Quality. If the evaluation of the Criterion Quality does not lead to a distinction, the score for the component “Proposal overall” will be decisive. If this does not lead to a distinction, the ranking will be determined by the drawing of lots.

7. Communication and Confidentiality

The Service provider will ensure that all its contacts with IDH, with regards to the tender, during the tender procedure take place exclusively in writing by e-mail to Ms Duong Pham via duongpham@idhtrade.org . The Service provider is thus explicitly prohibited, to prevent discrimination of the other Service providers and to ensure the diligence of the procedure, to have any contact whatsoever regarding the tender with any other persons of IDH than the person stated in the first sentence of this paragraph.

The documents provided by or on behalf of IDH will be handled confidentiality. The Service provider will also impose a duty of confidentiality on any parties that it engages. Any breach of the duty of confidentiality by the Service provider or its engaged third parties will give IDH grounds for exclusion of the Service provider, without requiring any prior written or verbal warning.

All information, documents and other requested or provided data submitted by the Service providers will be handled with due care and confidentiality by IDH. The provided information will after evaluation by IDH be filed as confidential. The provided information will not be returned to the Service provider.

8. Disclaimer

IDH reserves the right to update, change, extend, postpone, withdraw, or suspend the ToR, this tender procedure, or any decision regarding the selection or contract award. IDH is not obliged in this tender procedure to make a contract award decision or to conclude a contract with a participant.

Participants in the tender procedure cannot claim compensation from IDH, any affiliated persons or entities, in any way, in case any of the afore-mentioned situations occur.

By handing in a proposal, participants accept all terms and reservations made in this ToR, and subsequent information and documentation in this tender procedure.

9. Annexes

Annex 1: General Terms and Conditions

Annex 2: Template Question Form

IDH SUSTAINABLE TRADE INITIATIVE GENERAL TERMS AND CONDITIONS for services

Contents

I. GENERAL CONDITIONS.....	1
1. DEFINITIONS.....	1
2. APPLICABILITY OF THE IDH GENERAL TERMS AND CONDITIONS FOR SERVICES	1
3. LIMITATION OF LIABILITY	2
4. INDEPENDENCE	2
5. FRAUD AND CORRUPTION	2
6. PRIVACY.....	2
7. ICSR	2
8. COMPETITION COMPLIANCE.....	2
9. SAFEGUARDING.....	2
10. SPEAKUP.....	3
II. PERFORMANCE OF THE SERVICES.....	3
11. RESPONSIBILITIES OF THE CONTRACTING PARTY.....	3
12. DELAYS, UNFORSEEN CIRCUMSTANCES, CHANGES TO THE SERVICES	3
13. COMPLIANCE WITH LOCAL LAWS.....	3
14. THIRD PARTY COMPLIANCE.....	4
15. INSURANCES.....	4
16. GOOD ADMINISTRATION.....	4
17. RIGHT TO AN ADDITIONAL AUDIT	4
III. FINANCIAL CONDITIONS.....	4
18. FUNDING BY IDH	4
19. EXCHANGE RATES.....	4
20. TRANSFER OF FUNDS & PAYMENT CONDITIONS	4
IV. CONFIDENTIALITY.....	4
21. CONFIDENTIALITY.....	4
V. INTELLECTUAL PROPERTY.....	5
22. INTELLECTUAL PROPERTY.....	5
VI. TERM & TERMINATION.....	5
23. TERM.....	5
24. AMENDMENT & TERMINATION	5
VII. APPLICABLE LAW & DISPUTE RESOLUTION.....	5
25. APPLICABLE LAW	5
26. DISPUTE RESOLUTION	5

These General Terms & Conditions for services of IDH Sustainable Trade Initiative ("IDH") state the rights and obligations of both the contracting party and IDH regarding their cooperation in general. Specific rights and obligations are agreed to in a separate agreement between the contracting party and IDH.

I. GENERAL CONDITIONS

1. DEFINITIONS

1.1. In these General Terms and Conditions of IDH Sustainable Trade Initiative, the following definitions apply:

"IDH": Stichting IDH Sustainable Trade Initiative, a foundation under the laws of the Netherlands, registered with the Dutch Chamber of Commerce under number 53521129, having its registered office and its place of business at Arthur van Schendelstraat 500 (3511 MH) Utrecht, the Netherlands.

"Contracting Party": The party (or parties) that has been awarded an assignment by IDH for providing services.

"Party" / "Parties": IDH and the Contracting Party individually and collectively.

"Affiliates": affiliates and/or subsidiaries (*groeps- en/of dochtervennootschappen*) within the definition of section 2:24 a and b of the Dutch Civil Code (*Burgerlijk Wetboek*);

"IDH General Terms and Conditions for services": The terms & conditions in this document.

"Letter of Assignment": the specific agreement (and all amendments thereto) between IDH and the Contracting Party in which IDH and the Contracting Party agree that the Contracting Party will provide services for IDH (under section 7:400 of the Dutch Civil Code ('overeenkomst van opdracht')).

"Entire Agreement": The IDH General Terms and Conditions for services and the Letter of Assignment together, as well as any annexes or other documents and terms and conditions which are applicable to the relationship between IDH and the Contracting Party ('Additional Conditions') and to which the Letter of Assignment expressly refers.

"Services": The services to be performed by the Contracting Party pursuant to the Letter of Assignment.

2. APPLICABILITY OF THE IDH GENERAL TERMS AND CONDITIONS FOR SERVICES

2.1 The IDH General Terms and Conditions for services apply to the Entire Agreement between the Contracting Party and IDH. The applicability of any of the Contracting Party's conditions or other conditions is expressly excluded.

2.2 IDH has the right to change or add to the IDH General Terms and Conditions for services. IDH will notify the Contracting Party of any changes and/or additions before they take effect.

2.3 In case of inconsistencies between the General Terms & Condition and the Letter of Assignment, the Letter of Assignment will prevail over the General Terms & Conditions.

3. LIMITATION OF LIABILITY

3.1 IDH cannot be held liable for damages, losses and/or personal injury suffered by the Contracting Party and/or any third party resulting from the execution of the Entire Agreement, including any infringement of intellectual property rights. In addition, either Party's liability for consequential damage, consequential loss, lost profits, lost savings, loss of goodwill, damage through business interruptions or damage ensuing from claims by third parties - whether based on contract, tort or otherwise - shall be excluded. The limitations of liability mentioned in this clause, or elsewhere in the Entire Agreement, shall not apply if and insofar as the damage or injury is the result of the willful intent or deliberate recklessness by the Parties or their executives.

4. INDEPENDENCE

4.1 The Contracting Party is not a legal signatory for IDH and does therefore not have the mandate to sign any contracts or other legally binding documentation on behalf of IDH.

4.2 The Entire Agreement does not, in any way, constitute an employment agreement between the Contracting Party and IDH. Therefore the Contracting Party shall be fully responsible for the payment of all taxes, social security and other costs and obligations. IDH cannot be held liable for any financial claims in this respect.

5. FRAUD AND CORRUPTION

5.1 The Parties are aware of the IDH Code of Conduct (which can be found [here](https://www.idhsustainabletrade.com/policies), or via the 'Our policies' tab on the 'About' webpage: <https://www.idhsustainabletrade.com/policies>). The IDH Code of Conduct provides the ethical framework in which IDH and any party contracted by IDH must operate. It provides an overview of the values, commitments, responsibilities and integrity that IDH stands for. IDH expects its business partners to apply similar standards of conduct when working for IDH.

5.2 The Parties will not offer to third parties or seek or accept from third parties, for themselves or for any other party, any gift, remuneration, compensation or benefit of any kind whatsoever, which would be deemed corrupt or illegal.

5.3 The Parties will refrain from providing any form of support to activities that have the goal of undermining the political independence of a state, or unlawfully overthrowing a lawful government. The 'lawfulness' (or unlawfulness) referred to in this clause is not solely defined by the opinions or views of the government in question, but is also defined by international standards and/or international law.

5.4 IDH partners and persons associated with IDH projects who become aware or suspect the existence of fraud, corruption or bribery shall bring it to the attention of IDH.

6. PRIVACY

6.1 The privacy statement for business partners and consultants can be found [here](https://www.idhsustainabletrade.com/policies) or via the 'Our Policies' tab on the 'About' webpage: <https://www.idhsustainabletrade.com/policies>.

7. ICSR

7.1 The Contracting Party aims to cooperate in the Program in a manner that is compatible with the *ICSR Policy* of IDH, which can be found [here](https://www.idhsustainabletrade.com/policies), or via the 'Our Policies' tab on the 'About' webpage: <https://www.idhsustainabletrade.com/policies>.

8. COMPETITION COMPLIANCE

8.1 The Contracting Party specifically acknowledges that IDH works in compliance with competition laws and principles as set out in IDH's *Competition Compliance Policy*, (which can be found [here](https://www.idhsustainabletrade.com/policies), or via the 'Our policies' tab on the 'About' webpage: <https://www.idhsustainabletrade.com/policies>) IDH and the Contracting Party, individually and collectively, shall not engage in any behavior that restricts competition. IDH and the Contracting Party are free to enter into any agreements with third parties.

9. SAFEGUARDING

9.1 The Parties are aware of the IDH Safeguarding Policy (which can be found [here](https://www.idhsustainabletrade.com/policies), or via the 'Our Policies' tab on the 'About' webpage: <https://www.idhsustainabletrade.com/policies>).

9.2 The Parties have a zero-tolerance approach towards any form of sexual exploitation, abuse and harassment. The Contracting Party will comply with IDH's Safeguarding Policy and shall take all reasonable steps to prevent the sexual exploitation, abuse and harassment of any person linked to the execution of the Entire Agreement by both its employees and any third party subcontracted in relation to the execution of activities under the Entire Agreement.

9.3 The Contracting Party shall immediately report to IDH any breach of the Safeguarding Policy and credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment related to the Entire Agreement. The Contracting Party will assess credibility based on the source of the allegation, the content, and the level of detail or evidence provided. The Contracting Party can use the reporting mechanisms described in articles 10.1 and 10.2 below.

9.4 The Contracting Party shall also report any credible suspicions of, or actual incidents that are not directly related to the Entire Agreement but could be of significant impact to IDH's reputation or partnerships with its donors. The Contracting Party can use the reporting mechanisms described in articles 10.1 and 10.2 below.

9.5 The Parties will fully co-operate with investigations into such incidents.

9.6 If the Contracting Party fails to comply with the IDH Safeguarding Policy or commits a breach of any of the terms included in article 9, IDH has the right to immediately terminate the Entire Agreement without the risk of incurring liability for damages or compensation.

10. SPEAKUP

10.1 IDH is committed to conducting its work with honesty, dignity, fairness and with respect for each other and the law. The Contracting Party is encouraged to report to IDH any (suspected) violation by the Contracting Party's staff, IDH's staff or third parties of IDH's values and principles included in IDH's Code of Conduct, other IDH policies or laws or regulations that has occurred or may occur in relation to the Entire Agreement. The Contracting Party can report this directly to its contact person at IDH, to IDH's Executive Board or by using IDH's SpeakUp line.

10.2 IDH's SpeakUp line can be accessed online or by phone. Click [here](#) for a list of free phone numbers in each country or to report online. For more information, please refer to the SpeakUp policy (which can be found [here](#), or via the 'Our Policies' tab on the 'About' webpage: <https://www.idhsustainabletrade.com/policies>).

10.3 The Contracting Party shall promote the IDH SpeakUp line with its employees and any third party related to the execution of activities under the Entire Agreement, as well as the individuals and communities directly affected by the activities under the Entire Agreement. The Contracting Party shall use the communications materials provided by IDH (which can be found [here](#), or via the 'Our Policies' tab on the 'About' webpage: <https://www.idhsustainabletrade.com/policies>).

II. PERFORMANCE OF THE SERVICES

11. RESPONSIBILITIES OF THE CONTRACTING PARTY

11.1 The Contracting Party is responsible for execution, coordination and results of the Services, as well as reporting on the Services to IDH, as agreed between the Parties in the Letter of Assignment. The Contracting Party must do so with the necessary care and transparency, and in accordance with the terms and conditions of the Entire Agreement.

11.2 The Parties agree to define "**satisfactory completion of the Services**" under the Letter of Assignment as the Consultant providing IDH with the deliverables described in the proposal attached to the Letter of Assignment and approval of these deliverables by IDH in writing (e-mail included). If satisfactory completion of the Services is not (fully) achieved, IDH shall have the right to adjust future payment, terminate payment and/or demand repayment of any payment, proportionate to the budget of the uncompleted (part of) the assignment.

12. DELAYS, UNFORSEEN CIRCUMSTANCES, CHANGES TO THE SERVICES

12.1 The Parties are obliged to promptly inform each other and consult with each other regarding any (suspected) changes in circumstances or irregularities that may affect the performance of the Services, and/or affect compliance with the Entire Agreement. Such notifications should include the financial interests involved (if applicable) as well as mitigating measures taken.

13. COMPLIANCE WITH LOCAL LAWS

13.1 In the performance of the Services, the Contracting Party must comply with all applicable laws and respect internationally recognized human rights, multilateral environmental agreements and internationally agreed core labor standards.

13.2 In the event of conflict between applicable laws and internationally recognized human rights, multilateral environmental agreements and/or internationally agreed core labor standards, the Contracting Party shall seek ways to respect the principles of internationally recognized human rights, multilateral environmental agreements and/or internationally agreed core labor standards to the greatest extent possible given the circumstances.

13.3 In case a breach of article 13.1 occurs or such actual or potential conflict, as referred to in article 13.2, arises under the Entire Agreement, the Contracting Party shall immediately inform IDH in writing of the breach or of the actual or potential conflict and must request IDH's approval prior to continuing the performance of Services.

14. THIRD PARTY COMPLIANCE

14.1 The Contracting Party will not assign the Entire Agreement or transfer any right or obligation

thereunder to an Affiliate or any third party without the prior written consent of IDH.

14.2 The Contracting Party will ensure that any and all of the terms and conditions in the Entire Agreement shall be incorporated in equivalent contract terms in any sub-contract between the Contracting Party and a third party related to the execution of activities by the Contracting Party under the Entire Agreement. Any engagement of the Contracting Party with third parties in relation to the Letter of Assignment must be in writing and will not relieve the Contracting Party of its responsibility for the third parties' performance.

15. INSURANCES

15.1 The Contracting Party is responsible for their own insurances, social premiums, income tax and any other levies related to the Project regarding their performance of the activities related to their roles and responsibilities under the Entire Agreement.

16. GOOD ADMINISTRATION

16.1 In order to provide proof that the activities under the scope of the Services have indeed been executed as agreed to between IDH and the Contracting Party in the Letter of Assignment, as well as for the purpose of good governance in general, the Contracting Party is required to have and maintain a proper and transparent (financial) administration and management.

17. RIGHT TO AN ADDITIONAL AUDIT

17.1 IDH, or any third party nominated by IDH, shall have the right to carry out audits of the Contracting Party's and/or subcontracted third parties' records to verify compliance with the provisions of the Entire Agreement, as may be relevant. IDH shall further be entitled to carry out audits of the Contracting Party's and/or subcontracted third parties' books and records insofar as they relate to the Services under the Entire Agreement and the manner in which the Services have been performed by the Contracting Party. In this respect, IDH, or any third party nominated by IDH, shall have access to all records, including systems and computers where information is stored electronically, and to all other material and records related to the performance of the Entire Agreement. Such information will be treated as confidential and will be used exclusively for auditing. Information once verified will not be used for any other purpose without the prior written consent of the party to whom it relates. Any extra costs related to an additional audit referred to in this clause shall be agreed to between the Parties in writing.

17.2 The Contracting Party shall maintain the material and records referred to in clause 17.1 until expiry of a period of two (2) years from the date of termination of the Entire Agreement or for the length of time

required under the applicable law, whichever is longer.

III. FINANCIAL CONDITIONS

18. FUNDING BY IDH

18.1 IDH reserves the right to adjust any future installments due to the Contracting Party, or to (proportionally) reassign or reclaim any amount already transferred to the Contracting Party, in the event that the Contracting Party, without the prior written consent of IDH, does not fulfil, or not fulfil on time, its obligations under the Entire Agreement.

19. EXCHANGE RATES

19.1 For all payments made by IDH to the Contracting Party under the scope of the Letter of Assignment, the exchange rate of the day of receipt by the Contracting Party of the IDH's contribution(s) is applicable.

20. TRANSFER OF FUNDS & PAYMENT CONDITIONS

20.1 Payment requests sent to IDH by the Contracting Party must contain the total amount to be transferred and a reference to the IDH contract number (in Letter of Assignment) that the payment relates to. Payment will be made by IDH within 45 days after receiving a payment request, provided such is in accordance with the terms and conditions in the Entire Agreement.

20.2 IDH is an organization that is dependent on funding from multiple donors and subject to various levels of (government) approvals for payments. IDH will use its best efforts to transfer the payment to the Contracting Party on time in accordance with the Entire Agreement. However, a late payment by IDH, notwithstanding IDH's best efforts, that is later than 45 days but no more than 60 days later than the date of the payment request, will not be considered a breach of the Entire Agreement. For payments received later than 60 days, the Contracting Party has the right to adapt the planning of the Services to ensure, to the extent possible, uninterrupted delivery of the deliverables agreed to in the Letter of Assignment. The Contracting Party must notify IDH of the adapted planning as soon as possible.

IV. CONFIDENTIALITY

21. CONFIDENTIALITY

21.1 It is understood and agreed to that certain information may be provided to the Consultant by IDH and/or any other parties, in the context of this assignment, that is and must be kept confidential. Both during the term of this Agreement and after the termination thereof, for whatever reason, the Consultant or its substitute shall refrain from disclosing, in any way whatsoever and to any other party, any information of a confidential nature

regarding IDH's activities which has come to the Consultant's or its substitute's attention in the course of performing the Services under this Agreement and whose confidential nature is clear or should reasonably be clear. This obligation shall apply, by way of example and without limitation, to any technical, financial and other information, the names of partners, proposed transactions, computer software, computer systems and databases, patent and/or trade secret laws.

V. INTELLECTUAL PROPERTY

22. INTELLECTUAL PROPERTY

22.1 If IDH's donors, or the governments they may relate to, request use of reports, documentation, studies, publications, logo's or other material that is Arising Intellectual Property belonging (jointly) to IDH or free to use by IDH, IDH is free to share such information with the donor freely and without the consent of the Contracting Party.

22.2 Nothing contained in this Entire Agreement shall affect the absolute and unfettered rights of each Party in all materials, inventions, discoveries and intellectual property owned or controlled by that Party independently of the subject matter of the Entire Agreement (the "**Background Intellectual Property**").

22.3 Each Party (the "**Indemnifying Party**") will indemnify and hold the other Party (the "**Indemnified Party**") harmless from claims of third parties as a consequence of infringement of intellectual property rights of said third party, provided that the Indemnified Party informs the Indemnifying Party immediately in writing of the existence and content of the alleged right to claim. The aforementioned obligation to indemnify and hold harmless lapses if and insofar as the concerned infringement is related to modifications in the intellectual property rights made by the Indemnified Parties, or by third parties mandated by the Indemnified Party.

VI. TERM & TERMINATION

23. TERM

23.1 The Entire Agreement takes effect on the starting date agreed to between the Parties in the Letter of Assignment. The Entire Agreement ends on the end date agreed to between the Parties in the Letter of Assignment or if the Entire Agreement is terminated in accordance with the terms and conditions in the Entire Agreement. If the end date agreed to in the Letter of Assignment is exceeded yet the obligations of the Contracting Party have not been met, the Entire Agreement will remain in effect until all obligations have been met by the Contracting Party or the Entire Agreement is terminated, whichever is earlier.

24. AMENDMENT & TERMINATION

24.1 The terms and conditions of the Letter of Assignment can be amended only if the Parties agree to such amendment in writing.

24.2 IDH is an organization that is dependent on funding from multiple donors. In the event that IDH's donors terminate or materially change their funding of IDH, IDH and the Contracting Party individually and collectively have the right to terminate the Entire Agreement with immediate effect and without the risk of incurring liability for damages or compensation.

24.3 Either Party to the Agreement may terminate the Agreement immediately without the risk of incurring liability for damages or compensation, in the event that:

- a. the other Party fails to remedy any breach of its obligations under the Agreement within 30 days of written notification requiring it to do so;
- b. suspected fraud, or other illegitimate circumstances exist to such an extent that IDH considers the Contracting Party to be at fault or grossly negligent and further continuation of the Services is not possible or of too much risk. Written notice of termination shall be provided in this case, stating the applicable circumstances;
- c. the other Party files a petition for bankruptcy or is declared bankrupt; or has a liquidator, receiver, trustee or administrator appointed to it; or becomes insolvent; or admits its inability to pay its debts as they fall due.

24.4 A late payment by IDH, notwithstanding IDH's best efforts, that is no more than 60 days later than the date of the payment request, will not be considered a breach of the Agreement.

VII. APPLICABLE LAW & DISPUTE RESOLUTION

25. APPLICABLE LAW

25.1 The Entire Agreement is governed by the laws of the Netherlands.

26. DISPUTE RESOLUTION

26.1 Any dispute arising from or in connection with this Agreement which cannot be resolved amicably shall be submitted exclusively to the district court in Utrecht, the Netherlands, and each Party to this Agreement hereby submits irrevocably to the jurisdiction of such court.

Annex 2 – Template Question Form

[illegible]