

Terms of reference (ToRs) for the procurement of services below the EU threshold

Analysis and Evaluation of the key private stakeholders in processing sustainable cotton in India	Project number/ cost centre: 18.0128.1-002
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0. List of abbreviations

AVB	General Terms and Conditions of Contract (AVB) for supplying services and work 2018
ToRs	Terms of reference

1. Context

The global cotton programme

On behalf of the German Federal Ministry of Economic Cooperation and Development (BMZ) the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) is implementing the global programme 'Sustainability and Value Added in the Cotton Economy'. The partner countries included are Burkina Faso, Cameroon, India and Uzbekistan. The programme is part of BMZ's special initiative "ONEWORLD – No Hunger" (SEWOH). The duration of the programme is from 04/2019 until 03/2023. The objectives of the global programme are to increase the income of cotton farmers and textile workers, to protect natural resources and to create new income opportunities and employment perspectives within the relevant cotton economies. On global level, the programme supports transfer of know-how and innovations between the partner countries.

The German Government broadly supports the implementation and strengthening of sustainable supply chains for various industries including consumer products (e.g. cotton textile and apparel). Within this broad endeavour, the German Federal Ministry of Economic Cooperation and Development (BMZ) – responsible for and financing bilateral and multilateral development cooperation – has set a focus on sustainable supply chains for cotton textiles and the implementation of social and environmental standards along the chain from the field to the consumer. In collaboration with national and international governmental as well as non-governmental organisations, significant progress has been achieved during the last decade promoting sustainable cotton production systems and sustainability concepts for the entire textile chain. Promotion work at global level is ongoing and receives support from public (e.g. ICAC) and private resources (international textile brands and large retail companies, e.g. within the framework of the German Textile Partnership).

The GIZ project "Sustainability and Value Added in the Cotton Economy" is a new project to India within the portfolio of the long-lasting development cooperation between India and Germany. The project itself is a country package within the global programme promoting sustainability and value addition in cotton supply chains. Project activities in India are about to commence in the last quarter of 2019.

On national level, the overarching components of the project in India are two-fold. The first focuses on farmers, agriculture and the promotion of sustainable cotton production. 'Sustainable' cotton production is defined according to the most important international standard systems (Better Cotton Initiative (BCI), Cotton made in Africa (CmiA), Fairtrade Cotton and Organic Cotton) as well as national reference definitions and frameworks. The second focuses on entrepreneurship and the downstream segments of the textile 'pipeline' beyond ginning, in order to develop and strengthen domestic capacities for processing sustainable cotton. The project aims to foster sustainability along the entire supply chain in close cooperation with so-called 'lead firms' of the cotton-based textile and garment value chain, in India as well as internationally.

The case of India

During recent years, India turned into the largest cotton producer and supplier in the world. In addition, India is also a key player in the supply of semi-finished and finished cotton textiles on a global level. Growth in volume of cotton grown has been very impressive over the last decade. Both cotton production and processing of cotton, from ginning until the finished garment/CMT, are major contributors to national and more specific to rural economies. More

than 6 million cotton farmers and numerous processors and textile companies are widely spread over the country creating employment and income opportunities.

Only a small portion of the entire cotton production and cotton supply chains has adopted internationally recognized sustainability standards or is about to adopt adequate quality management standards as required under these sustainability standard regimes. Nevertheless, India is still the largest producer of organic cotton. In addition, approximately 1 million cotton farmers produce according to BCI standards.

With entering India, the GIZ project intends to support the promotion of sustainability and value addition in India's cotton supply chain (from cotton seed to finished product), in close cooperation with the Ministry of Textiles and other implementation partners from public and private sector. Emphasis is given to the states of Maharashtra and Gujarat.

2. Tasks to be performed by the contractor

Within the scope of this assignment, the consultancy (hereafter referred to as 'the Contractor') should mainly focus on transactions from farm gate to ready-made products, so excluding primary cotton production. In order to facilitate the kick-off of the project 'Sustainability and Value Added in the Cotton Economy' in India and as a starting point for activities in downstream processing in cooperation with the private sector in India, the Contractor shall produce a short-list of 20 cotton handling (processing/trading) companies, which could be potential partners for the implementation of activities by the project in India. These companies should already be certified under / or dealing with various sustainability standards (BCI, Fairtrade, organic etc.) or are about to enter the process. The Contractor will render short profiles of the identified companies (processing/trading) interested in cooperating with the project.

Objectives and content of the study

The consultancy service shall fulfil three objectives:

- a. Creation of transparency about the prevalence and application of internationally recognized/accepted sustainability standards in India's cotton supply chain (e.g. BCI, Fairtrade, organic labels etc.) and estimate of volume traded/processed at ginning levels
- b. Presentation of a schematic sketch about the structure of cotton supply chains in India
- c. Setting-up a short list of 20 companies currently actively implementing cotton sustainability standards that might be interested in working with the project, including short profiles (one page per company) of each company (main task of assignment). The list should also include a comment by the Contractor on why these companies might be of interest for the project and how a cooperation could look like. The GIZ project will then evaluate and if suitable contact companies from the list for further combined activities promoting sustainability along the cotton supply chain.

Objective A: Creation of transparency:

- Identify current sustainability standards applied in India's cotton industries (certification for cotton production such as organic and BCI as well as processing standards such as GOTS/OCS). Please provide a list of sustainability standards currently applied in the cotton supply chain.
- Quantify the importance of each standard and underlying supply trends (summary of statistics of the last decade).

- Summarize the rise and fall of 'organic' certified cotton within the last years, including underlying reasons.
- Contact and interview representatives of the different cotton textile standards in order to collect their views on the opportunities and challenges of sustainable cotton in India.
- Produce a status statement about sustainability standards in India's cotton supply chains (max. 10 pages). The statement should include recommendations for further project interventions.

Objective B: Structure of the Cotton Supply Chain

- Screen available literature about the schematic organization structure of India's supply chain of cotton textiles in general and the flow of 'certified' cotton.
- Conduct experts' interviews (5-8) about supply chain structures (e.g. with BCI, organic trade promoters, chamber of textile and/or chamber of commerce).
- Key challenges and risks that affect supply chain of cotton in India (e.g. logistical issues and high market fluctuations), including the broad existing solutions, should be discussed in the interviews and analysed by the Contractor (the 3-5 key challenges and risks identified should be included in the report).
- Produce a schematic sketch for the flow of 'certified' cotton (during GIZ's project implementation the graphic will be used for orientation and guidance of project interventions).

Objective C: Shortlist of companies interested in promoting sustainability along the cotton supply chain

- Based on previous interviews (objective B) and guided by the Ministry of Textile and/or affiliated offices (e.g. Indian Cotton Corporation, ICC) prepare a long list of companies involved in promoting sustainability standards along the entire cotton supply chain (including cotton seed companies). Herein, some lead companies might provide extension service to the field, which is also of interest for the study. If reasonable, important private players in intermediate stages of cotton value chain (after the ginning stage) should also be included, for example: spinning and fibre manufacturing (weaving, knitting, processing).
- Prepare a questionnaire covering the key aspects of the study. The content should be limited to details necessary to draft company profiles.
- Conduct up to 30 interviews with companies involved in sustainable cotton supply chains of which at least 10 to be conducted in Maharashtra and Gujarat state.
- According to pre-defined evaluation criteria (need to be worked out and agreed with GIZ project team) develop a short-list of 20 companies (with a ranking 1-20) a) interested in sustainability standards along the cotton chain and b) demonstrating real interest in cooperating with the project concept.
- Prepare short standardized company profiles for each of the selected 20 companies (one page per company) and highlight specific topics each company is interested in, promoting sustainable cotton and value addition (note: the aspect of value addition should be linked and tied-up with the aspect of sustainability).
- Summarise experiences and impressions of the conducted interviews and explain reasons for choosing these 20 companies for the shortlist.

Implementation details

1. *Kick-off workshop and preparatory desk study (Timeframe: 2 weeks)*
 - The project of the study will start with a kick-off workshop (1 day) which will either take place in India (Delhi or Mumbai) or via video conference. On that occasion, the Contractor has to present his project proposal, discuss open questions and agree with GIZ's project management team about the final project design. During the kick-off, the Contractor also has to present a list with potential interview partners in India (for Output A+B, plus first ideas for Output C).
 - The first component will be a desk study evaluating existing data and studies concerning the relevant topic.
 - Finally, and after clearance with GIZ, the Contractor has to establish communication with interview partners for Output A+B.
2. *Field research and interviews (Timeframe: 1 week)*
 - The relevant contacts, data, information and sources to realize the study will be collected through site visits, interviews etc.
 - The Contractor is conducting the relevant interviews for Output A+B.
3. *Submission of interims report, presentation of questionnaire and definition of evaluation criteria for shortlist (Timeframe: 1 week)*
 - The Contractor submits the interims report together with the longlist and a list of 30 interview partners (companies to be evaluated for shortlist), the draft questionnaire and a proposal for the evaluation criteria (Output C).
 - These documents will be discussed with the GIZ project team via video conference.
 - Depending on feedback from GIZ, the documents will be revised by the Contractor.
 - Finally, and after clearance with GIZ, the Contractor has to establish communication with interview partners for Output C.
4. *Field research and interviews (Timeframe: 2 weeks)*
 - The relevant contacts, data, information and sources to finalize the shortlist will be collected through site visits, interviews etc.
 - The Contractor is conducting the relevant interviews for Output C.
5. *Finalization of the study (Timeframe: 2 weeks)*
 - During the final project stage, the summary of the interviews conducted as well as a summary report and the shortlist of 20 potential partner companies for the project will be elaborated by the Contractor's project team.
 - Depending on the feedback of GIZ, the drafts of the study documents will have to be revised by the Contractor and submitted to the GIZ again.
 - During the study finalization process, the Contractor's project team will present the results of the study at the GIZ's premises India (Delhi or Mumbai).

The contractor is responsible for providing the following services:

- Contractor's concept paper on implementing the study (project proposal) (5 pages) (Week 1)
- Interims report summarizing objective A+B (max. 10 pages, including status statement about sustainability standards in India's cotton supply chains and schematic sketch of supply chain for cotton textiles in India) (Week 4)

- Draft questionnaire design and longlist of companies as well as a list of 30 companies to be interviewed (Week 4)
- Shortlist of 20 companies including profiles (one page each) (Week 8)
- Summary report (max. 20 pages, including experiences and impressions during interviews and reasons to choose these 20 companies) (Week 8)

Certain milestones, as laid out in the table below, are to be achieved by certain dates during the contract term, and at particular locations:

Milestone	Deadline/place/person responsible
Kick-off meeting within one week after signing the contract agreement	Last week of November
First interviews	Week 1 st and 2 nd of December
Presentation of interim results objectives A+B	3rd week of December
Interviews	Week 1 st and 2 nd week of January
Presentation of interview summary	3 rd week of January
Presentation of Results of the consultancy service	End of January 2019
Summary report and shortlist	End of January 2019

Period of assignment: From Nov, 20th 2019 until Jan, 31st 2020.

3. Concept

In the bid, the bidder is required to show how the objectives defined in Chapter 0 are to be achieved, if applicable under consideration of further specific method-related requirements (technical-methodological concept). In addition, the bidder must describe the project management system for service provision.

Technical-methodological concept

Strategy: The bidder is required to consider the tasks to be performed with reference to the objectives of the services put out to tender (see Chapter 1). Following this, the bidder presents and justifies the strategy with which it intends to provide the services for which it is responsible (see Chapter 0).

The bidder is required to present the actors relevant for the services for which it is responsible and describe the **cooperation** with them.

The bidder is required to describe the key **processes** for the services for which it is responsible and create a schedule that describes how the services according to Chapter 0 are to be provided. In particular, the bidder is required to describe the necessary work steps.

Project management of the contractor

The bidder is required to explain its approach for coordination with the GIZ project.

The bidder is required to draw up a **personnel assignment plan** with explanatory notes that lists all the experts proposed in the bid; the plan includes information on assignment dates (duration and expert days) and locations of the individual members of the team complete with the allocation of work steps as set out in the schedule.

4. Agency should have following experience *in conducting the assignment*:

The agency is required to submit detailed technical and financial proposal comprising a profile that contains the current CVs and summary of relevant professional experiences of both—organizational as well as individual experts.

- Minimum 5 years of experience and technical expertise in the textiles and cotton sector and consulting
- Familiarity with supply chain of cotton in India, particularly in states of Maharashtra and Gujarat
- Well-qualified team of professionals and experts in sustainable cotton value chain
- At least 5 years of experience of conducting such large-scale assignments in cotton and textile or related supply chain aspects with due quality
- The agency should have proven ability to mobilize resources and support and deep knowledge of cotton textile sector in India
- Excellent reporting, writing and presentation skills
- Prior experience of working with GIZ or other multi-lateral/ bilateral organizations would be preferred

Agency should have following administrative and financial requirement in conducting the assignment:

- Average annual turnover for the last three financial years should be at least 100,000 Euro
- Number of employees as at 31.12.2018 should be at least 10
- The technical assessment is only based on reference projects (Textiles sector, Cotton sector) with a minimum commission value of 20,000 Euro

5. Personnel concept

The bidder is required to provide personnel who are suited to filling the positions described, on the basis of their CVs (see Chapter 7), the range of tasks involved and the required qualifications.

Project Team:

- Considering the scope of work and the timeframe of approx. eight working weeks, it will be necessary to assign a working team of two experts (team leader and expert). Both experts should be knowledgeable in the cotton supply chain (esp. processing of textiles) and must have extensive work/consulting experience in the textile and garment supply chain in India.
- Both experts assigned by the Contractor have to be fluent in English. German is an advantage.

The below specified qualifications represent the requirements to reach the maximum number of points.

Team leader

Tasks of the team leader

- Overall responsibility for the advisory packages of the contractor (quality and deadlines)
- Coordinating and ensuring communication with GIZ, partners and others involved in the project
- Regular reporting in accordance with deadlines

Qualifications of the team leader

- Education/training (2.1.1): University qualification (Diploma/Master) in Textile Engineering/Management or Business Administration, Supply Chain Management or related fields
- Language (2.1.2): Good business language skills in English
- General professional experience (2.1.3): At least 10 years of professional experience in the textile/cotton sector
- Specific professional experience (2.1.4): At least 10 years in Textile Sector/Consulting
- Leadership/management experience (2.1.5): At least 6 years of management/leadership experience as project team leader or manager in a company
- Regional experience (2.1.6): At least 5 years of experience in projects in India
- Development Cooperation (DC) experience (2.1.7): 5 years of experience in DC projects
- Other (2.2.8): NA

Expert 1

Tasks of expert 1

- Support the project leader in implementing the project and the reporting

Qualifications of expert 1

- Education/training (2.2.1): University qualification (Diploma/Master) in Textile Engineering/Management, Supply Chain Management or related fields
- Language (2.2.2): Good business language skills in English
- General professional experience (2.2.3): 5 years of professional experience in the textile/cotton sector
- Specific professional experience (2.2.4): 5 years in Textile Sector/Consulting
- Leadership/management experience (2.2.5): NA
- Regional experience (2.2.6): 5 years of experience in projects in India
- Development Cooperation (DC) experience (2.2.7): NA
- Other (2.2.8): NA

6. Costing requirements

Assignment of personnel

Team leader: Assignment for 25 expert days

Expert 1: Assignment in country of assignment for 30 expert days

Travel

The bidder is required to calculate the travel by the specified experts and the experts it has proposed based on the places of performance stipulated in Chapter 0 and list the expenses separately by daily allowance, accommodation expenses, flight costs and other travel expenses.

7. Requirements on the format of the bid

The structure of the bid must correspond to the structure of the ToRs. In particular, the detailed structure of the concept (Chapter 3) is to be organised in accordance with the positively weighted criteria in the assessment grid (not with zero). It must be legible (font size 11 or larger) and clearly formulated. The bid is drawn up in English.

The complete bid shall not exceed 30 pages (excluding CVs).

The CVs of the personnel proposed in accordance with Chapter 5 of the ToRs must be submitted using the format specified in the terms and conditions for application. The CVs of each expert shall not exceed 4 pages. The CVs must clearly show the position and job the proposed person held in the reference project and for how long. The CVs must be submitted in English.

If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment.

Please calculate your price bid based exactly on the aforementioned costing requirements. In the contract the contractor has no claim to fully exhaust the days/travel/workshops/ budgets. The number of days/travel/workshops and the budget amount shall be agreed in the contract as 'up to' amounts. The specifications for pricing are defined in the price schedule.

8. Option

After the tasks put out to tender have been completed, important elements of these tasks can be continued or extended within the framework of a follow-on assignment. Individual points:

1. **Type and scope:** If the GIZ Global Programme "Cotton" asks for more suggestions of potential partners the contract can be extended by two months (team leader expert days: 20, expert days; 30).

The option is exercised in the form of an extension to the contract based on the already offered individual rates.