TERMS OF REFERENCE

COFFEE AGRO-FORESTRY AND FOREST ENHANCEMENT FOR REDD+ (CAFÉ-REDD) PROJECT IN LAM DONG

Design and implementation of a digital traceability tool for the coffee supply chain

Background

Lam Dong province in the Central Highlands was among the first provinces to develop a provincial action plan to reduce emissions from deforestation and forest degradation (REDD+). Lam Dong has also been a frontrunner in the piloting and implementation of Payments for Forest Environmental Services (PFES) and has recently approved a Green Growth Action Plan (2018). However, despite these policies and plans deforestation and forest degradation have continued unabated, largely driven by the conversion of forests to agriculture, in particular coffee in the case of Lam Dong.

The Government of Vietnam's updated National REDD+ Action Programme (NRAP), approved in 2017, gives clearer orientation towards the integration of REDD+ and sustainable development/green growth. Several of the new policies/measures in updated NRAP indicate REDD+ actions beyond the forest sector - notably reviewing land use planning and the promotion of sustainable and deforestation-free agriculture in key forest landscapes.

In this context, and in an effort to support the provincial government of Lam Dong to implement its stated policies and plans, SNV – The Netherlands Development Organisation (SNV) has obtained funding from the International Climate Initiative (ICI) for a project entitled 'Coffee Agroforestry and Forest Enhancement for REDD+ in Lam Dong' (CAFÉ-REDD). The project aims to establish and develop a public-private-producer partnership (4P) for forest landscape conservation and restoration in one of Lam Dong's most important forested landscapes i.e. the Lang Biang Biosphere Reserve comprised of Bi Doup Nui Ba National Park and Buffer Zone in Lac Duong District. Activities will include; i) strengthening public sector capacity for climate smart/sustainable land use planning and collaborative management of forests with communities, ii) working with coffee-buying companies to improve monitoring and traceability systems to prevent deforestation in supply chains; and iii) investing in (mainly ethnic minority) smallholder farmers to promote climate smart, sustainable coffee production techniques leading to improved coffee quality and prices, whilst also promoting landscape restoration through mixed agroforestry systems and alternative livelihoods.

In August 2019, a Memorandum of Understanding (MOU) was signed by Lac Duong Peoples' Committee, SNV, and others detailing commitments to activities, responsibilities and budget allocations in support of the LoI. In this MOU, SNV committed, among other things, to "*work with at least 5 companies that committed to sustainable business models and to establish effective monitoring and traceability systems including verifiable deforestation free coffee supply chain."*

Establishing a digital monitoring and traceability system is a key activity in the establishment of a supply chain of, and market for, verifiably deforestation-free coffee from Lac Duong and Lang Biang. Such a system will first allow actors at each stage of the supply chain to accurately, and effectively, track where supply is being sourced from, and cross-compare with information and characteristics about the producers and processors upstream – such as farming practices, certifications, and whether they are in deforestation-risk areas. Secondly these systems can allow end-customers to see the story and origins behind their coffee and support the coffee industry in development of a trusted Lac Duong coffee brand.

Café REDD has carried out an intensive farm mapping activity for over 2700 coffee farms in 1500 ha for 10 target villages in Lac Duong. The database is now can be utilized for near real time forest monitoring system and Global forest watch Pro.
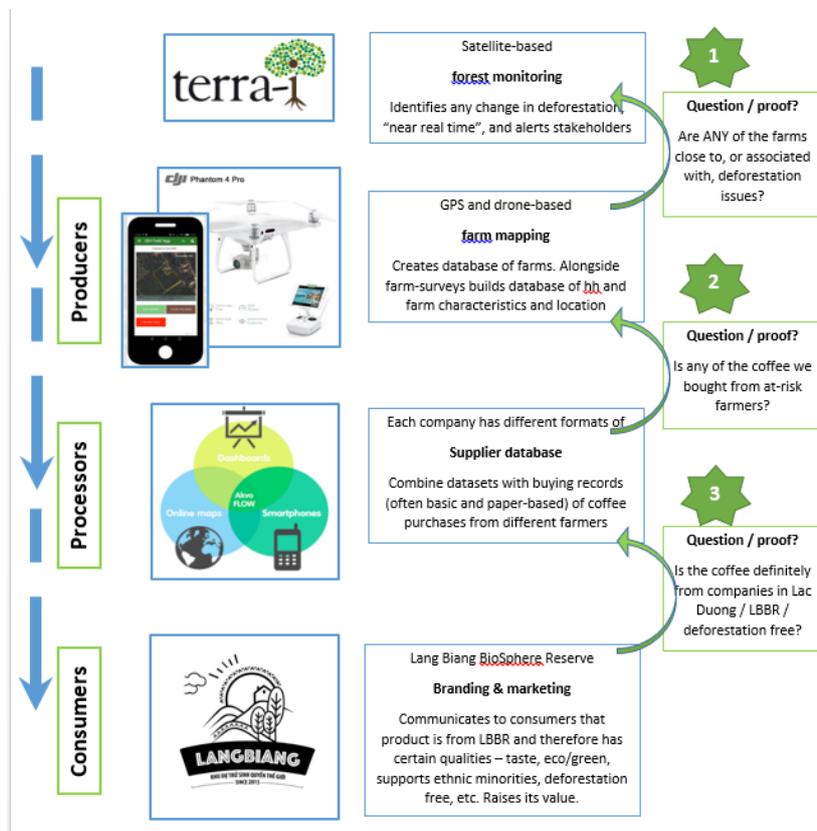
A qualified firm/organisation is required by the project to design and implement a digital supply chain traceability system, in collaboration with coffee companies and farmer organisation who will ultimately be the end-users of the system.

The overall objective of the assignment is to design and implement a digital supply chain traceability system, in collaboration with coffee companies and farmer organisation, who will be the end users of the system. This will allow coffee companies and other value-chain actors to trace supply and demonstrate compliance with certification/standards, and deforestation free requirements.

About the supply chain:

- The project is directly targeting about 1,500 farmers in four target communes within Lac Duong (Lat, Da Sar, Da Nhim and Da Chais), organised primarily in 10 villages;
- The project will be establishing farmer organisations and/or cooperatives as a means to organise farmers for multiple purposes (training, buying, providing services etc.);
- It is expected that the chosen firm/organisation will be able to utilise 'village leads' to conduct data collection, training of farmers, and ongoing monitoring of the system's implementation.

The system must:

- Be user friendly and simple visual, and in Vietnamese, allowing farmers and extension workers to complete information, and manage the QR/barcode systems;
- Should have mobile applications for smallholder and companies
- Integrate easily with other data sources, for example on deforestation monitoring, and mapping of coffee farms – data collection activities being conducted by other stakeholders;
- Provide a farm-cup traceability function;
- Be hosted in a digital platform allowing data analysis, Geo-spatial data visualization, and reporting including creation of private profiles for different users;
- Allow additional data, for example characteristics of production and processing methods, to be added to profiles at subsequent stages of product development. It is expected that to some extent the system is based on a principle of estimating production capacity for each farm, in order to ensure no side-selling occurs, and this must be factored into the system's design.

- Adhere to the principles that will be established in the upcoming national regulation on traceability system, as outlined in Decision 100/QĐ-TTg of January 19th 2019. The system will need to be able to migrate to new system in case of regulatory impact.

It is a key indicator in the contract between SNV and the project donor that coffee companies continue to use the system beyond the end of the project – at least three coffee companies should adopt the traceability system after the end of the project. The selected firm will be expected to support SNV to advocate for and 'sell' the benefits of adopting and utilising the system to all project partners. This creates an opportunity for the selected firm to generate ongoing revenue from implementation of the system, and as such a high degree of cooperation and investment by the selected firm is expected.

TASKS

The firm/organisation is requested to propose a task list and activity plan in their submission for this contract, based on the context provided above.

Broadly, the expected tasks are as follows:

1. Review existing traceability system used in the coffee sector, relevant regulations affecting the coffee sector (including Decision 100/QĐ-TTg of January 19th 2019, National Sustainability Curriculum and other policies affecting traceability tools), and other project documents, including Café REDD baseline study, farm mapping and household's information.
2. Review K'ho coffee pilot traceability system carried out by Café REDD
3. Prepare detailed inception report and delivery plan on commencement of the assignment
4. Utilize database from farm mapping results (primary, secondary) in collaboration with project partners (i.e. farmer representatives, village leads, and coffee companies) on the farm and supply chain in order to inform system design. (Detail report to be provided later)
5. Agree detailed implementation plan with SNV and project partners.
6. Set up system and required accounts for different stakeholders.
7. Conduct pilot test of small group of farmers (suggest one farmer organisation) to ensure system is working well and provide report to all project partners.
8. Prepare progress report and traceability tool users experiences
9. Customized the system to address the users and customers comments
10. Conduct training for different stakeholders who will be conducting the data collection among the whole target community, support initial data collection efforts, and monitor remaining data collection.
11. Design and maintain coffee database for QR code with detail information such as household name, contact, location, land use right certificate, farming practices, production date, delivery date, transportation route, certifications, etc.
12. Create and print QR stickers for coffee products partner with coffee companies (exact quantity to be confirmed with partners)
13. Prepare regular monitoring reports
14. Support implementation of full system and prepare hand over plan.
15. Prepare final report and recommendations

TEAM COMPOSITION/QUALIFICATIONS

Firms/organisations are free to propose their own ideas for the delivery of the assignment and division of labour amongst experts.

In order to perform the above tasks, and contribute to the broader delivery of the MOU for deforestation free coffee in Lac Duong, the successful firm/organisation is expected to have the following:

1. Proven experience providing (and selling) similar services and systems for the private-sector. The proposal should provide clear examples of how their services meet the needs of the private sector and ideas and recommendations to us on how to best ensure sustainability and legacy of this system in Lac Duong, by supporting coffee companies to adopt (at their cost) the system after the end of the project. The provider should have

clear understanding of how this system meets needs of coffee companies, how to practically integrate it into the operations of buying companies and the local supply chain context, and be able to sell the continued offer of services after the end of this contract.

2. The ability to demonstrate cost effectiveness of the system at all stages of development, from preparation, to operation and monitoring, the chosen supplier will be able to demonstrate cost-effectiveness, and understand the implications of the cost and benefit) on the supply chain in terms relevant to the end-users (e.g. cost per bag, or cost per kg).
3. Experience in Central Highlands, Vietnam, coffee or other perennial/tree crops is desirable.

4. While the final tool must be in Vietnamese, many of the project's stakeholders use English as the working language. Reports, and web-applications, should also be available in English and the selected firm is expected to have excellent English language skills.

TIMEFRAME

The work specific above is expected to be completed within 12 months, by April 2021, covering a period of 2020 coffee harvest seasons, with time for final training and hand over to companies and government agencies before end of contract in advance of 21/22 harvest season.

DELIVERABLES

The following deliverables are expected, although firms/organisation are able to suggest their own proposed timetables:

No.	Deliverables	Deadline
1	Inception report detailing proposed system design and action plan for delivery	June 2020
2	System established and tested with one pilot group during 20/21 harvest season	Aug 2020
3	Full-implementation, including training of all relevant farmers and farmers group, and monitoring of data collection. QR code delivery minutes.	Nov 2020
4	Finalise system design, including capacity building for all actors involved, for full implementation of the system	April 2021

APPLICATION

Please submit the following documents to the link https://smrtr.io/3-3Xk by 17.00 April 15, 2020:

Technical Proposal:

- Cover letter highlighting the firm/organisation or groups of individuals experience in completing similar assignments

- A brief technical proposal (10 pages) outlining understanding of the assignment, a proposed approach/methodology, work plan and staffing plan

- CVs of proposed team members

Financial Proposal:

- Personnel costs inclusive of fees only (travel, workshop, printing, farm level data collection and other reimbursable costs will be covered by the project).