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

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

CONFIDENTIAL

Consultancy services for Environmental, Social, and Governance auditing and certification for tanneries in SADC region	**Project number/ cost centre:** **G-011806-001** **Tender number** **10010299**

0. List of abbreviations

AG	Commissioning party
AN	Contractor
AVB	General Terms and Conditions of Contract for supplying services and work
BMZ	Federal Ministry of economic cooperation and development
CO_2	Carbon dioxide
DC	Development Cooperation
EDF	European Development Fund
ESG	Environmental, Social and Governance
EU	European Union
FK	Fachkraft (Expert)
FKT	Expert days
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GmbH)
JV	Joint-Venture
KZFK	Kurzzeitfachkraft (Short-term expert)
LVC	Leather Value Chian
M&E	Monitoring and Evaluation
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MS	Member States
OHS	Occupational Health and Safety
PTSC	Project Technical Steering Committee
RVC	Regional Value Chains
SADC	Southern African Development Community
SE	Short-term Expert
SLF	Sustainable Leather Foundation
SME	Small and Medium sized Enterprises

ToRs Terms of Reference

1. Context

1.1 Background

The program "Cooperation for the Enhancement of Southern African Development Community (SADC) Regional Economic Integration" (CESARE III) supports the Southern Africa Development Community (SADC) in its goal to strengthen regional economic integration and development and thereby contribute to the SADC industrialisation and regional integration agenda. Its main cooperation partner is the SADC secretariat in Gaborone, Botswana. The program is further implemented in cooperation with the national governments of SADC member states and with associations and companies of the private sector and civil society. One of the focus areas of the program is to enhance private sector participation in the region and support regional economic integration in the areas of trade and industrialization through the development of value chains within the agro-processing, pharmaceutical and medical products sectors. The objective is to counteract the weak cross-linkage in the economy by developing and strengthening selected regional value chains.

Under the component Value Chain Development (VCD), the CESARE program addresses key concerns that are currently impeding industrialisation in the SADC region by addressing both market failures and coordination and linkages failures between the national and regional levels as well as between the public and private sectors. The component supports the development of the following value chains: The Leather Value Chain (LVC) and the Pharmaceutical and Medical Technology (Pharma MedTech) Value Chains.

The leather value chain component supports the SADC regional private and public sectors by enhancing their participation throughout the whole value chain. Measures include (i) raw material supply strategies, (ii) improving the quality of raw hides and skins, (iii) increasing capacities of tanneries and their compliance to international Environmental, Social and Governance standards, (iv) marketing strategies of manufactured goods, (v) research and development of emerging trends and (vi) identifying policy gaps along the regional leather value chain.

GIZ implements the VCD as part of the BMZ – commissioned program CESARE III which has an implementation period of up to 36 months, with effect from October 2023 until August 2028.

1.2 Objective of the assignment

In the SADC regional leather value chain (RLVC), existing tanneries often use outdated machinery and tanning technology for their operations, which consequently leads to non-compliance with international environmental requirements and regulations. Furthermore, because of a shift in consumer behavior, it has become apparent that the choice of purchasing end products is strongly influenced by sustainable and ethical production practices by companies along LVC. In addition, legislation has been put in place to guide and control the ethical manufacturing/production of goods that are traded and consumed in the EU and globally. An example of such legislation is the European Union Deforestation Regulation (EUDR), which has an impact on the leather industry. To successfully compete on the domestic, regional, and global markets, the existing tanneries in the SADC region must aim to achieve compliance with Environmental, Social, and Governance (ESG) standards.

It is against this background that six (6) tanneries within the SADC region from four (4) member states (Zambia, Namibia, Zimbabwe, and Madagascar) were supported through training and full audits to achieve compliance with Sustainable Leather Foundation (SLF)' ESG compliance standards. These tanneries partially achieved compliance in selected modules for ESG compliance standards and were registered on the SLF online dashboard.

<u>The following six (6) tanneries were supported and will be further guided in achieving full compliance in additional modules of the SLF ESG standards:</u>

- Nakara (Pvt) Ltd (Namibia)
- MeatCo - Okapuka Tannery (Namibia)
- Tambudze Tanning (Zimbabwe)
- Prestige Leathers (Zimbabwe)
- Zamleather (Zambia)
- Aigle d'Or (Madagascar)

The objective of the assignment is to support the tanneries to advance in achieving full compliance with SLF' ESG standards and updating their online dashboard platform.

This assignment will be conducted in consultation with the tannery management of the individual listed tanneries above and the GIZ LVC team. The tanneries must select additional modules to achieve full compliance with SLF's ESG compliance standards and update their online dashboard after successful completion of full audits. The modules are to be selected from the ESG spectrum provided below.

Environmental	Social	Governance
• Permits, Licenses, Statutory • EMS • Environmental Footprint • Environmetal Health & Safety • Energy Consumption • Soil Contamination • Machinery & Equipment • Air Emissions • Water Use • Land Use • Solid Waste • Raw Materials & Chemicals • Effluent Treatment	• Permits,Licenses, Statutory • Age of Workers • Compulsory labour • Discrimination • Wages & Benefits • Staff Development & Representation • Worker Health & Safety • Working hours • Corporate social responsibility	• Permits, Licences, Statutory • Ethical Business Practice • Animal Welfare Practices • Traceability • Housekeeping • Best Available Techniques • Process Control & Quality • Restricted Substance • Chemical control • Occupational Safety and Health • PR & Communication

2. Tasks to be performed by the contractor

The contractor is responsible for providing the following services:

- Consult with the selected tanneries to conduct preparatory audits with the goal of identifying shortcomings/gaps and or improvement areas to achieve full compliance with SLF's ESG standards.
    - The preparatory audits should be virtual and in addition, have group-in sessions where tanneries can continuously refer questions and receive guidance until they are ready for full audits.
- Develop one (1) report per tannery on the preparatory audits highlighting all the identified areas for improvement and recommendations provided.
- Conduct formal ESG 3-Pillar full audits for the selected tanneries and update their online dashboard platform to reflect compliance with ESG standards.
- Participate physically in a communication and visibility event to be organized by the GIZ CESARE LVC team (the date will be advised).
- Monitor and evaluate the project from the inception, 4th of May 2026 to completion of project 30th of December 2026. This includes the collection and evaluation of data for monitoring and evaluation purposes as instructed by the contracting party.
- Develop one (1) monitoring and evaluation report per individual tannery. The report must highlight modules selected for certification and status of each tannery on compliance. Requested data for monitoring and evaluation purposes should be presented and analyzed in this report (compare point above).
- Provide equipment and supplies (consumables) and assumes the associated operating and administrative costs.
- Manage costs and expenditure, accounting processes and invoicing in line with the requirements of GIZ.
- Report regularly to GIZ in accordance with the current AVB of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

Certain milestones, as laid out in the table below, are to be achieved during the contract term:

Milestones/process steps/partial services	**Deadline**
Consultation with individual tanneries and conducting preparatory audits.	1 month after contract signature
One (1) comprehensive preparatory audit report per individual tannery.	1 month after contract signature
Full audits conducted at six (6) tanneries in Zambia, Botswana, Zimbabwe & Madagascar.	4 months after contract signature
Updated online dashboards.	8 months after contract signature

Period of assignment: from 4th of May 2026 until 30th of December 2026.

3. Concept

In the tender, the tenderer is required to show *how* the objectives defined in Chapter 2 (Tasks to be performed) are to be achieved, if applicable under consideration of further method-related requirements (technical-methodological concept). In addition, the tenderer must describe the project management system for service provision.

Note: The numbers in parentheses correspond to the lines of the technical assessment grid.

Technical-methodological concept

Strategy (1.1): The tenderer is required to consider the tasks to be performed with reference to the objectives of the services put out to tender (see Chapter 1 Context) (1.1.1). Following this, the tenderer presents and justifies the explicit strategy with which it intends to provide the services for which it is responsible (see Chapter 2 Tasks to be performed) (1.1.2).

The tenderer is required to present the actors relevant for the services for which it is responsible and describe the **cooperation (1.2)** with them.

The tenderer is required to present and explain its approach to **steering** the measures with the project partners (1.3.1) and its contribution to the **results-based monitoring system** (1.3.2).

The tenderer is required to describe the key **processes** for the services for which it is responsible and create an **operational plan** or schedule (1.4.1) that describes how the services according to Chapter 2 (Tasks to be performed by the contractor) are to be provided. In particular, the tenderer is required to describe the necessary work steps and, if applicable, take account of the milestones and **contributions** of other actors (partner contributions) in accordance with Chapter 2 (Tasks to be performed) (1.4.2).

The tenderer is required to describe its contribution to knowledge management for the partner (1.5.1) and GIZ and to promote scaling-up effects (1.5.2) under **learning and innovation**.

Project management of the contractor (1.6)

The tenderer is required to explain its approach for coordination with the GIZ project. In particular, the project management requirements specified in Chapter 2 (Tasks to be performed by the contractor) must be explained in detail.

The tenderer is required to draw up a **personnel assignment plan** with explanatory notes that lists all the experts proposed in the tender; 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. Personnel concept

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

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

Team leader

Tasks of the team leader

- Consult with the selected tanneries to conduct preparatory audits with the goal of identifying shortcomings/gaps and or improvement areas to achieve full compliance with SLF's ESG standards.

- Develop one (1) report per tannery on the preparatory audits highlighting all the identified areas for improvement and recommendations provided.
- Conduct formal ESG 3-Pillar for full audits for the selected tanneries and update their online dashboard platform to reflect compliance with ESG standards.
- Participate physically in a communication and visibility event to be organized by the GIZ CESARE LVC team (the date will be advised).
- Monitor and evaluate the project from the inception, 4th of May 2026 to completion of project 30th of December 2026. This includes the collection and evaluation of data for monitoring and evaluation purposes as instructed by the contracting party.
- Develop one (1) monitoring and evaluation report per individual tannery. The report must highlight modules selected for certification and status of each tannery on compliance. Requested data for monitoring and evaluation purposes should be presented and analyzed in this report (compare point above).
- 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.
- Personnel management, identifying the need for short-term assignments within the available budget, as well as planning and steering assignments, and supporting local and international short-term experts.

<u>Qualifications of the team leader</u>

- Education/training (2.1.1): University degree (German ‘Diplom’/Master) in Business Administration, Sustainability or Leather Technology.
- Language (2.1.2): C2-level language proficiency in English Language.
- General professional experience (2.1.3): 7 years of professional experience in the leather sector and ESG tannery auditing.
- Specific professional experience (2.1.4): 4 years in ESG technical consulting in the leather or tanning industry.
- Leadership/management experience (2.1.5): 5 years of management/leadership experience as project team leader or manager in a leather processing company
- Regional experience (2.1.6): 3 years of experience in projects in the SADC region (6 points), of which 2 years in projects in Namibia, Zambia, Zimbabwe and Madagascar (4 points).
- Development cooperation (DC) experience (2.1.7): 3 years of experience in DC projects

Key expert 1

<u>Tasks of key expert 1</u>

- Consult with the selected tanneries to conduct preparatory audits with the goal of identifying shortcomings/gaps and or improvement areas to achieve full compliance with SLF’s ESG standards.
- Conduct formal ESG 3-Pillar full audits for the selected tanneries and update their online dashboard platform to reflect compliance with ESG standards.

<u>Qualifications of key expert 1</u>

- Education/training (2.2.1): University qualification (international degree) in Environmental compliance/science, Industrial Engineering or Leather processing.
- Language (2.2.2): C2 -level language proficiency in English Language

- General professional experience (2.2.3): 5 years of professional experience in the leather industry sector.
- Specific professional experience (2.2.4): 4 years of professional experience in ESG tannery auditing.
- Leadership/management experience (2.2.5): 2 years of experience in tannery management.
- Regional experience (2.2.6): 3 years of experience in the SADC region.
- Development Cooperation (DC) experience (2.2.7): 2 years of experience in DC Costing requirements

Assignment of personnel and travel expenses

Per diem allowances are reimbursed as a lump sum up to the maximum amounts permissible under tax law for each country as set out in the country table in the circular from the German Federal Ministry of Finance on travel expense remuneration (downloadable from the German Federal Ministry of Finance – tax treatment of travel expenses and allowances for international business travel as of 1 January 2026 (GERMAN ONLY)).

Accommodation allowances are reimbursed as detailed in the specification of inputs below.

With special justification, additional Accommodation costs up to a reasonable amount can be reimbursed against evidence.

All business travel must be agreed in advance by the officer responsible for the project

Sustainability aspects for travel

GIZ has undertaken an obligation to reduce greenhouse gas emissions (CO_2 emissions) caused by travel. When preparing your tender, please incorporate options for reducing emissions, such as selecting the lowest emission booking class (economy) and using means of transport, airlines and flight routes with a higher CO_2 efficiency. For short distances, travel by train (second class) or e-mobility should be the preferred option.

CO_2 emissions caused by air travel must be offset. GIZ specifies a budget for this, through which the carbon offsets can be settled against evidence.

There are many different providers in the market for emissions certificates, and they have different climate impact ambitions. The Development and Climate Alliance (German only) has published a list of standards (German only). GIZ recommends using the standards specified there.

Specification of inputs

Fee days	**Number of experts**	**Number of days per expert**	**Total**	**Comments**
Designation of TL	1	12	12	Remote support to the selected tanneries in four countries which are Madagascar, Namibia, Zambia, Zimbabwe.

Designation of Key Expert 1	1	12	12	Remote support to the selected tanneries in four countries which are Madagascar, Namibia, Zambia, Zimbabwe.
Travel expenses	**Quantity**	**Price EUR**	**Total EUR**	**Comments**
Total travel expense budget	1	17.500,00	17.500,00	The total travel budget is for return flights (international flights from place of residence & regional flights between Namibia, Zimbabwe, Zambia & Madagascar), accommodation allowance, per diems, visa requirements, road transportation and any health regulations that might be required in different countries. To be invoiced against evidence and according to accommodation allowance rates.
CO_2 compensation for air travel	1	1.120,00	1.120,00	A fixed budget of EUR **1.120,00** is earmarked for settling carbon offsets against evidence.
Other costs	**Number**	**Price EUR**	**Total EUR**	**Comments**
Flexible remuneration	1	10.000,00	10.000,00	A budget of EUR 10.000,00 is foreseen for flexible remuneration. Please incorporate this budget into the price schedule. Use of the flexible remuneration item requires prior written approval from GIZ.
Tannery audits	6			For ESG auditing and certification of 6 tanneries in total in the following countries: Namibia (2 tanneries), Zimbabwe (2 tanneries), Zambia (1 tannery) & Madagascar (1 tannery).

5. Inputs of GIZ or other actors

Other actors are expected to make the following available:

- Facilities for auditing: By selected tanneries in section 1.2.

6. Requirements on the format of the tender

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

The complete tender must not exceed 10 pages (excluding CVs). If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment. External content (e.g. links to websites) will also not be considered.

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

Please calculate your financial tender based exactly on the parameters specified in Chapter 5 Quantitative requirements. The contractor is not contractually entitled to use up the days, trips, workshops or budgets in full. The number of days, trips and workshops and the budgets will be contractually agreed as maximum limits. The specifications for pricing are defined in the price schedule.

7. Outsourced processing of personal data

The data protection and information security provisions are set out in the most recent GIZ AVB (section 1.10 Data Protection) apply.

The performance of the contract may be associated with the processing of personal data by the contractor, such as (but not limited to) names and contact information and who would alone define the nature of such data and how such processing would be carried out. In such cases, the contractor shall act as an independent DATA CONTROLLER and must alone comply with ALL applicable data protection obligations, including those stemming from regional and local laws. The contractor shall process personal data only when a given goal cannot be reasonably attained without such data. The data protection principles such as lawfulness, data minimization, accuracy, purpose limitation, storage limitation, transparency, integrity and confidentiality, and accountability, as well as the numerous rights of the data subject must be paid due attention. The GIZ is NOT in any way responsible for such processing.

Whenever the contractor executes the instructions of a partner to the GIZ with regard to such processing, the partner shall be the data controller, and the data processing shall be carried out in accordance with the partner's instructions as well as laws and standards to which it is subject.

If the contractor is not subject to the GDPR and the applicable laws do not contain any explanation on the data protection principles and rights mentioned here, the definitions and meanings provided by the GDPR (Regulation (EU) 2016/679) should be considered.

8. Annexes

- GIZ AVB