

Empanelment of Implementing Partners for the Karnataka Climate Resilient Coffee and Spices Landscape (KCRL) Program

Request for Information (RFI)

3 November 2023



idh
transforming markets



India is the 8th largest producer of coffee in the world which is unique in terms of production as most of the coffee is shade grown and agroforestry systems integrated with coffee production. The Western Ghats regions in India in the state of Karnataka accounts for nearly 70% of the total production for coffee and 50% production of black pepper followed by Kerala (20% for coffee and 30% for black pepper). Together, these states are responsible for about 90% of the coffee production in India. About 70%-75% of the total coffee produced in India is exported and the balance ~25% is consumed in the domestic market.

The Indian coffee is globally recognised for its unique coffee production systems which are shade-grown and are biodiverse. This unique shade-grown coffee covers 33% of the landscape in the region complementing the other forested landscapes like reserve forests, protected areas, sacred forests, and other wooded areas. The Western Ghats region is also known for its production of spices, such as cardamom and black pepper, often intercropped with coffee. Due to diverse forested ecosystems covering 78% of the region's total land area, the Southern Karnataka districts have been identified as a micro hotspot of biodiversity within the larger Western Ghat region in India¹.

Through this Request for Information (RFI), the KCRL is seeking to empanel eligible organisations to implement a pre-designed model (detailed further in the document) across the program between 2024 through 2025.

1. CONTEXT

Common farming practices of coffee farmers in production areas consist of an excessive use of fertilizers, agrochemicals and water as solutions to maintain and increase coffee yields on their farms. These inappropriate practices gradually contribute to negative impacts including soil nutrient depletion, higher acidity, shortage of irrigation water, high carbon emissions, and decreasing levels of underground water in the long term. Some of these key challenges have been summarized below:

Challenge 1: The impact of Climate Change on Coffee Production is reducing farm yields and destabilizing incomes.

Coffee growers in India bear the difficulty of handling multiple risks linked to weather unpredictability, such as erratic rainfall. Weather is said to negatively impact the cultivation of coffee in a variety of ways, including crop damage at sensitive times such

¹ <https://www.yumpu.com/en/document/read/30543459/cafnet-india-final-report-sept-27x-catie>



as blooming, increased incidence of pests and disease, and increased soil erosion. Over the last decade it has been observed that irregular rainfalls, higher temperatures, and unpredictable variations in the weather have reduced the coffee yields in India by as much as 10-15%. Projected higher temperature and variable precipitation levels by 2030 are expected to unequivocally reduce coffee bean yields further. Given that the international prices for coffee have been relatively stabilized during the last 3-4 years, any reduction in yields is expected to significantly reduce the farming incomes. Therefore, farmers must adopt climate change adaptation measures to mitigate the effects of climate change on coffee and spice production.

Challenge 2: Sustainable Livelihoods and income stabilization for coffee growers

There is a good mix of small farms (less than 10 Ha) and medium to larger farms in Karnataka with ~80% of the farms classified as small contributing to nearly 60% of the total produce. Income from coffee typically contributes to nearly 60% of the farming income in Karnataka. Any fluctuation in production yields, costs of production, or coffee prices, therefore, has a major impact on the livelihoods of the farming families in the region. Cost of production (CoP) has been increasing faster than the inflation rate making it difficult for farmers to earn optimal incomes from coffee.

- For Arabica: CoP- Rs 50-60k per acre, Income- Rs 60-70k per acre. The profitability is coming down due to lower plant yields, pest infestation (predominantly white stem borer) and higher cost especially of labour charges.
- For Robusta: CoP- Rs 30-35k per acre, Income- Rs 60-70k per acre. The profitability from Robusta has been steady but may come down due to higher cost of labour charges.

Challenge 3: High use of agrochemicals and fertilizers increases COP and carbon footprint.

The inordinate use of agrochemicals and fertilizers in the last decade has resulted in higher costs of production and larger carbon footprint. Though the coffee production systems in India are shade-grown with agroforestry systems integrated within, the carbon footprint across the supply chain still persists thereby limiting its potential to be branded as low or zero-carbon coffee. Our private sector partner ECOM, had undertaken a carbon assessment pilot in 2022 with a select group of farmers under its Nespresso program in Kodagu, Hasan and Chikamagalur districts to estimate the CO2 equivalent in the coffee cultivation cycle. The results indicated that the cultivation cycle for coffee in Karnataka was carbon positive across the supply chain (from pre-harvest, cultivation, and supply to ECOM processing site)



- Average 2.3 Kg of CO₂ equivalent per kg of green bean equivalent in Robusta (the observed range was between 9 kg of CO₂ equivalent to 1.2 kg CO₂ equivalent indicating high variability)
- 67% of the carbon emissions were from fertilizer and agro-chemicals usage.
- 27% of the carbon emissions across the supply was attributed to the fertilizer production and type of fertilizers used.

Challenge 4: Non-native agroforestry systems impacting soil health and biodiversity

The Western Ghats region of Karnataka and Kerala have been classified as biodiversity hotspots and the coffee production systems have an agroforestry system that is transforming canopy densities and altering the production systems. Native tree species have been replaced with silver oaks, which has impacted soil fertility and biodiversity. Land use and Land cover (LULC) change analysis indicates that the area under forests has remained stable in the coffee production areas, whilst cropland and urban areas have increased significantly in other parts of Karnataka.

The intensification of coffee production through replacing native trees with silver oak species in ecologically fragile areas may lead to long-term effects on ecosystem services, groundwater availability, carbon storage and biodiversity. A soil nutrient analysis was completed in 2022 for over a 100 farms in the project area of Ecom to identify areas of intervention. The following were the key observations:

- Soil organic carbon was between 1.5% to 2.25% across the selected samples (preferred range 2-2.5%) indicating relatively good levels of carbon sequestered.
- For coffee farms with silver oak as the majority of shade trees, the soil organic matter was around 1.5-1.75% compared to farms with native trees that had higher soil organic carbon (2%+).
- Soil potash (K) and Phosphorous levels were found to be quite high in all the samples indicating lower nutrient capacity of the soil which impacts coffee yields.
- For farms with silver oak dominant as shade trees, the soil was more acidic and pH level was between 5.5 to 5.8. Farms with native trees had better pH levels of greater than 6. Since the pH level of soil impacts coffee yields, the farms with native trees are likely to perform better in terms of production yields.

Karnataka Climate Resilient Coffee & Spices Landscape Program

Recognizing the climate change faced by the coffee and spices growing farmers in Karnataka, IDH since early 2022, has engaged private sector partners as well as other public actors and civil society in Karnataka, to move towards a shared agenda and



commonly owned targets based on Production, Protection, Inclusion (PPI) framework. The Landscape approach creates and links a rising market demand for responsibly produced agricultural commodities as well as uses market forces and local governance to co-invest in sustainable production.

The KCRL program was launched in early March 2023 in Bangalore where it was agreed to build a multi-stakeholder partnership towards the following impact areas:

- Build greater climate resilience and improve farm yields in the production systems for coffee and black pepper in Karnataka with focus on the districts of Kodagu, Hassan and Chikamagalur,
- Apply regenerative principles to preserve and enhance natural resources as soil and water,
- Improve smallholder incomes with a focus to shift it towards more stable and equitable incomes,
- Mitigate GHG emissions from coffee production and interventions in the commons,
- Preserve and enhance biodiversity through nature-based solutions.

Production-Protection-Inclusion in the Karnataka Landscape

Production	Protection	Inclusion
<ul style="list-style-type: none"><input type="checkbox"/> Stabilize and reduce variability productivity in a sustainable way<input type="checkbox"/> Diversification of farmers' sources of income from agriculture: multi-cropping and/or agroforestry.<input type="checkbox"/> Enable adoption of climate smart practices (towards a resilient cropping system to maximize economic value).<input type="checkbox"/> Reduce GHG footprint from production activities	<ul style="list-style-type: none"><input type="checkbox"/> Revitalize degraded land and soil health incl. carbon sequestration<input type="checkbox"/> Secure equitable access to, and management of water as a resource.<input type="checkbox"/> Enable communities and ecosystem actors to conserve biodiversity.<input type="checkbox"/> Mitigation of deforestation<input type="checkbox"/> Human animal conflict issues to be explored	<ul style="list-style-type: none"><input type="checkbox"/> Improving livelihoods through diversification and entrepreneurial enterprise<input type="checkbox"/> Agency of farmers and communities towards stewardship of natural environment<input type="checkbox"/> Strengthening farmer collectives<input type="checkbox"/> be gender aware and intentional to enhance women's participation in economic activities<input type="checkbox"/> Creating local ownership through participatory approaches in planning



2. TARGETS AND GOALS 2023 - 2025

Potential outreach of the KCRL program

- 50,000 smallholder farmers adopt the Sustainability Code for Coffee (to be released by the Coffee Board of India).
- Strengthen Farmers institutions / groups to facilitate aggregation and sourcing of coffee and black pepper from the KCRL program area.
- 100,000+ hectares of coffee plantation, where sustainable farm and land management practices such as regenerative agriculture and natural resource management are adopted.

3. REQUEST FOR INFORMATION FOR POTENTIAL PARTNERSHIP:

KCRL is seeking information from organisations to empanel them as potential Implementing Partners (IPs). The eligible organisations can be:

- Non-profit organisations with FCRA and related compliances
- For profit organisations with relevant compliance to receive foreign funding
The organisations should have prior experience of working on the coffee value chain, with farmers' institutions and a good understanding of the coffee sector.
- Organisations with a base in Karnataka with experience of working with Farmer Producer Organisations in the coffee production districts of Chikamagalur, Hassan, Kodagu and Chamrajnagar will have additional weightage.

4. ROLE OF AN IMPLEMENTATION PARTNER (IP)

The IP(s) are expected to work in close collaboration with the KCRL Program Management Team to deliver on the planned interventions. The IPs role in implementation of the KCRL implementation framework will include:

Project Management:

- Planning implementation activities in line with the KCRL intervention framework, monitoring interventions on the ground and maintaining a strong MIS system,
- Sharing key learnings from the field for continuous improvement,
- Communicating success stories for greater outreach and coordinating with the Secretariat on other issues of pertinence,
- Reporting to the Secretariat/Programme Management Team as per schedule indicated in a timely and complete manner.



Project Implementation:

Engage with multiple stakeholders as: smallholder coffee planters, workers, communities, Farmer Producer Organisations (FPO) / Producer Companies (PCs) and other eco-system stakeholders as private sector companies to deliver the interventions according to the Implementation Framework. For this the IPs is expected to:

- Work with relevant stakeholders to understand the prevailing conditions, existing systems and processes.
- Support to build capacities and develop clear response and prevention mechanisms, create opportunities for women and small holder planters to participate at higher levels in community level institutions and measure their own progress.
- Work with women workers to build their capacity, create safe spaces for them to share and learn, enhance their leadership and skills.
- Map and work with the other eco-system partners as government departments, civil society, research agencies and private sector service providers; that work towards addressing access to resources and multiple vulnerabilities within small holder farmers.

5. SKILLS AND COMPETENCIES REQUIRED

The key skills and competencies expected from the Implementing Partners are:

- The IP must have experience in planning and implementing large-scale programmes. This includes all project related tasks such as project designing, execution, reporting, M&E, budgeting and financial management.
- Given the complex issue of living income and climate resilience being tackled by KCRL, organizations and team members are expected to understand the multiple forms of vulnerabilities (including economic and gender-based ones). Entities may have qualified and adequately trained team members.
- Organizations must have strong interest and adaptability for implementing the monitoring and evaluation (M&E) system that is being designed for the program. IPs should be able to report in a timely and comprehensive manner on the project deliverables.
- Organizations must have the expertise in designing IEC materials for awareness, developing plans for social media and highlighting success stories from the field.



6. ASSESSMENT CRITERIA

	Qualification Criteria	Evidence
1	Expertise in relevant areas	Provide samples of previous work covering project planning, designing, financial management, M&E, communications, etc. This can include project Report / annual report / website link etc.
2	Experience of working in Karnataka and the coffee sector	Reports of previous work done
3	Experienced and adequate staff	List of staff members with description of experience and expertise in project management, M&E, finance, communications.
4	Legal compliances	Registration documents including 12A, 80G, FCRA etc if a non-profit organisation
5	Financial compliances	Audit reports of last 3 years
7	Scale	Share written documented evidence of the largest programme implemented by the organization (in terms of geography / beneficiary / stakeholders), and clearly state your role in the same.
8	Company policies on gender equality, child protection and sustainability issues	Mention and share specific policies
9	References	From reputed organisations with whom the service provider has worked before

7. EMPANELMENT PROCESS

This is the 1st Stage in the Empanelment Process. The stages involved during the empanelment process are given below:

a. Request for Information

Organizations are requested to fill out the questionnaire given below, attaching all supporting documentation where specifically requested. Kindly provide copies of all



relevant registration, certificates, statutory compliance documents, reports etc with the application. All questions must be answered in a concise way.

The next steps will be as follows:

- i. Due diligence - document check and IDH's Legal/ Finance Assessment.
- ii. Shortlisting of organizations based on information provided, background and reference checks.
- iii. Invitations to organizations to present to the KCRL selection panel.
- iv. Review by IDH Management team
- v. Final decision communicated to the applicant organisation.

All organizations whose information are found to be consistent with KCRL's needs will be sent a subsequent Request for Proposal (RFP) and take the engagement forward.

b. Submission of Application

Please send the RFI application in format provided in the annexure (below) with all relevant details and copies of documents before 20th of November 2023 to Mr. Saurabh Sinha (Senior Programme Manager)- sinha@idhtrade.org and Mr. Pritam Nanda (Programme Manager)- nanda@idhtrade.org. Any inquiries can also be directed to these email addresses.



ANNEX 1:

Section 1: Organization Details

Full Name of the organization	
Legal form of entity	
Do you currently possess a valid FCRA approval (Y/N)	
Full name, email address and position of Legal representative	
Complete address of the organization (including website, if any)	
Name of the contact person	
Contact details of above-named person	

Section 2: Expertise and Experience within the Coffee and Spices value chains

Have you implemented similar project(s)? Please narrate your experience and provide 2-3 sample reports.	<ul style="list-style-type: none">● Name of Project(s) [please use a different table to describe each of your major projects]● Duration (start and end dates)● Key client/ donor● 70-100 words description of Project (include indicators to reflect the scale - number of trainees, entities, etc)
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Which are the geographic areas where you have worked previously.	Key states In Karnataka, please mention districts.
Describe your experience of working in the coffee & Black pepper industry / value chain in this region.	Max 150 words
Describe your experience of working on the agro-ecological system within the coffee and black pepper value chain.	Max 150 words
Describe your experience (if any) of working on gender issues within the coffee and black pepper value chain.	Max 150 words
Describe your experience of working with small-holder farmers and their institutions within the coffee value and black pepper value chain.	Max 150 words

Section 3: Expertise and Experience within Other value chains/ regions (especially important if limited experience on Coffee and Karnataka)

Have you implemented similar project(s)? Please narrate your experience and provide 2-3 sample reports.	<ul style="list-style-type: none"> - Name of Project (s) [please use a different table to describe each of your major projects] - Duration (start and end dates) - Key client/ donor - 70-100 words description of Project (include indicators to reflect the scale - number of trainees, entities, etc)
Which are the geographic areas where you have worked previously.	Key states please mention districts.



Describe your experience of working in agri-value chains and/or landscapes	Max 150 words
Describe your experience of working on the agro-ecological systems	Max 150 words
Describe your experience (if any) of working on gender issues within agri value chains	Max 150 words
Describe your experience of working with small-holder farmers and their institutions	Max 150 words

Section 4: Human Resources and In-house Capacity

What is the current number of permanent staff on rolls in your organization.	Please split across functions as: Management, HR, M&E, Communications, IT, Program Managers, Field Functionaries
Please describe your strategy for staff deployment in Karnataka for the IDH program described in the preceding pages	Eg: will you recruit a new team? Will the current team be deployed? Time period for deployment and training of new team members etc?

Section 5: Language Skills

What languages are the project team proficient in?

Language	Basic	Average	Fluent	Native
Kannada				
English				
Other				

Section 6: Finances and Resourcing:

Please provide copies of your most recent financial reports and balance sheets	
How is your organization funded?	If the funding has been received from various sources, please provide the



	segregated details of different types of funding (e.g. Earned Income, Membership fee, Funds raised / donation received, funds received from government / CSR and from national / international donors)
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