

Technical Backstopping and Design of Methodology for Incentives for Ecosystem Services, and Impact Framework Development in India	Project number/ cost centre: G-012003-013
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0. List of abbreviations

BMZ	The German Federal Ministry for Economic Cooperation and Development
EU	The European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
MoAFW	Ministry of Agriculture & Farmers Welfare
SMEs	Small and Medium Enterprises
ToR	Terms of Reference
VL	Value Links
VL4AFS	Value Links for Agri Food System
AG	Commissioning party
AN	Contractor
PES	Payment for Ecosystem Services
AVB	General Terms and Conditions of Contract for supplying services and work
FK	Expert
FKT	Expert Days
KZFK	Short term expert

1. Brief Information on Project

The CompensACTION Initiative for food security and a healthy planet was launched under the German G7 Presidency by the German Federal Ministry for Economic Cooperation and Development (BMZ). Its vision is to provide adequate compensation for agricultural producers worldwide, particularly smallholders in developing countries, for their multifunctional services. This includes earning a living income from their produce and being paid for ecosystem services, which necessitates compensation mechanisms that combine income generation with ecosystem service payments.

The CompensACTION pilot initiative in India is implemented by the India country measure of the global project Sustainable Agricultural Systems and Policies (AgSys), which is part of the BMZ Special Initiative "Transformation of Agricultural and Food Systems" (SI AGER). The project aims to strengthen the framework conditions for aligning conventional horticulture with social, climate change, and biodiversity goals. Bundled Incentives for Promotion of Multiple Ecosystem Services in Indian Horticulture The objective of the CompensACTION pilot in India is to bundle the incentive mechanisms that effectively promote sustainable farming practices while ensuring the long-term provision of ecosystem services. Himachal Pradesh and Karnataka, two of the leading states in horticultural production, are also home to rich biodiversity, and are vulnerable to climate change impacts. The approach focuses on enhancing and combining existing incentive structures from public policies, private sector and financial institutions to facilitate financing for sustainable agriculture and compensation to farmers, especially women, for the provision of multiple ecosystem services through incentives for adoption of sustainable agricultural practices.

The CompensACTION India pilot project is working in close collaboration with the Department of Horticulture under the Ministry of Agriculture & Farmers Welfare (MoA&FW), along with a wide range of stakeholders aligned with the project's objectives. Given the innovative and strategic focus of the project, multiple workshops, events, and partner meetings are planned over the course of its implementation.

The CompensACTION India pilot operates in a complex and innovative context, aiming to align horticultural production with biodiversity conservation, climate resilience, and improved livelihoods for smallholder farmers through bundled incentive mechanisms. Achieving this requires not only strong technical concepts but also well-structured participatory and robust methodologies that bring together diverse stakeholders, including government institutions, private sector actors, and farming communities.

2. Context

Sustainable agricultural practices are critical for India's long-term food security, rural livelihoods, and ecological resilience, particularly as nearly 30% of India's land is estimated to be degraded or undergoing desertification. Sustainable approaches such as agroecology, integrated nutrient management, crop diversification, and water-efficient cultivation can significantly strengthen the provision of ecosystem services that underpin agricultural productivity and human well-being. Healthy soils supported through reduced chemical inputs and improved organic matter management enhance nutrient cycling, water retention, and carbon sequestration, thereby sustaining agricultural productivity over time. Pollination services are especially important in India: a study by the Indian Council of Agricultural Research (ICAR) found that 108 out of 211 assessed crops in India (51.2%) depend on animal pollination to some extent, with crops such as rapeseed and mustard showing particularly high

dependence. Globally, around 75% of leading food crops depend at least partly on pollinators, and pollinators influence approximately 35% of global crop production. Sustainable farming landscapes that reduce pesticide use and conserve biodiversity-rich habitats therefore directly support yield stability, nutrition security, and farmer incomes. In addition, sustainable agriculture contributes to important cultural ecosystem services by preserving traditional farming knowledge, indigenous crop varieties, rural identities, and culturally significant agricultural landscapes that are deeply embedded in India's heritage. Recent estimates by India's Ministry of Statistics and Programme Implementation (MoSPI) further show that pollination services contributed between 8–10% of India's total crop output value between 2012–13 and 2021–22, with their economic contribution rising more than two-fold over the decade.

To scale sustainable agricultural practices that promote the provision of ecosystem services like these, existing incentives within the Indian system and payment for ecosystem services (PES)-like mechanisms, including government subsidies and public support schemes, growing private sector engagement in sustainable value chains, and emerging financial sector instruments such as green finance and blended finance mechanisms, will be key to enabling and rewarding ecosystem services in India's agricultural sector.

Conventional agriculture also plays a crucial role in the agroecological transformation towards sustainable agricultural systems. The participation of sector stakeholders is key for increasing productivity and income while respecting planetary boundaries, strengthening resilience and reducing agriculture's contribution to climate change, and assuring the availability of ecosystem services required for agricultural production. Given that the Horticulture sector contributes to one third of the entire agricultural output in India, the active engagement of stakeholders in this sector is crucial to drive the transformation towards agriculture and food systems forward.

Given the technical complexity of designing compensation mechanisms for ecosystem services, such as pollination, and the need to build on iterative learning from workshops and partner engagement, specialized support is required. The facilitation of peer- learning workshops with experts, documentation of best practices and recommendations, development of a methodology and a practical manual, and the formulation of robust impact hypotheses are critical to ensure that project approaches are coherent, scalable, and grounded in evidence. Furthermore, continuous backstopping is essential to maintain methodological rigor, adapt to emerging insights, and ensure that results are effectively translated into actionable project outputs. This assignment will therefore play a key role in strengthening the overall quality, consistency, and impact orientation of the CompensACTION pilot in India.

Objective of the assignment

The overall objective of this assignment is to provide technical and methodological support to the CompensACTION India pilot in the design, facilitation, and consolidation of processes related to incentive mechanisms in horticulture systems for provision of ecosystem services.

Specifically, the contractor will:

- Develop a practical and methodologically sound manual on how to develop incentives that promote ecosystem services in agriculture, based on existing incentive mechanisms in India from the public, private and financial sectors, building on existing frameworks (FAO publications, Integration of Ecosystem Services into Development Planning, Value chain promotion methodologies, etc.), materials and workshop reports;

- Support the effective design and facilitation of peer learning and expert workshops, to further strengthen the developed methodology ensuring high-quality engagement and structured documentation of results;
- Strengthen the project's results framework through the development of clear and evidence-based impact hypotheses, including change logic, outcomes, and critical assumptions aligned with GIZ standards;
- Provide ongoing backstopping and quality assurance to the CompensACTION PES design process, ensuring methodological coherence, continuous learning, and integration of results into project outputs.

3. Tasks to be performed by the contractor

The contractor is responsible for providing the following services:

1. Co-facilitation of 2 expert workshops– January 27 / January 28

- a. Preparation – review of previous results, adjustment of objectives and agenda
- b. Validation of agendas and development of facilitation plan for 2 workshops
- c. Development of facilitation materials (materials, PPT, matrices, exercises)
- d. Execution of two Workshops on site
- e. Co-facilitation of key sessions (group dynamics, plenary synthesis)
- f. Real-time documentation of results (structured capture of inputs)
- g. Photo documentation

Deliverables:

Technical report for each workshop (including results and key recommendations)

2. Manual: Development of facilitators manual on Incentives for Ecosystem Services (based on existing frameworks and material used in the kick-off workshop)

- a. Review and structuring of existing material
- b. Systematization of tools and approaches used
- c. Development of methodological content (concepts, steps, applied examples)
- d. Adaptation into a practical manual format
- e. Technical review and editorial revision

Deliverables:

1. Manual structure (annotated table of contents)
2. Complete draft of the manual
3. Final edited version (Word/PDF)

3. Development of Impact Hypotheses

- a. Interviews with the team members
- b. Review of project documents and intervention logic
- c. Analysis of results from workshops and previous processes

- d. Identification of change mechanisms
- e. Formulation of outcomes (module level)
- f. Development of impact hypotheses (GIZ structure)
- g. d. Identification of critical assumptions
- h. Technical validation with the team

Deliverables:

- 1. Change logic document (diagram + narrative)
- 2. 1–3 formulated impact hypotheses
- 3. Matrix of critical assumptions
- 4. Table: hypotheses ↔ indicators ↔ results
- 5. Validated version for integration into project documents

4. Backstopping of the CompensACTION PES Design Process

- a. Review and feedback on key deliverables (agendas, reports, documents)
- b. Methodological adjustments during implementation
- c. Support in preparing activities (workshops, sessions)
- d. Debriefing and continuous improvement
- e. Systematization of lessons learned

Deliverables:

- 1. Commented versions of key deliverables
- 2. Technical recommendation notes
- 3. Minutes of coordination meetings
- 4. Learning notes
- 5. Final backstopping report (summary of contributions and improvements)

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

Milestones/process steps/partial services	Deadline/place/person responsible
Inception meeting	04.09.2026
Manual: Development of Biodiversity-Friendly Incentives (based on the material used in the kick-off workshop)	30.10.2026
Development of AgSys Impact Hypotheses	30.11.2026
Co-facilitation of Compensaction follow-up workshop 1	15.01.2027
Co-facilitation of Compensaction follow-up workshop 1	15.01.2028
Backstopping of the CompensACTION PES Design Process	15.05.2028

Period of assignment: from 01.07.2026 until 30.06.2028

3. Concept

In the bid, the bidder is required to show how the objectives defined in Chapter 2 are to be achieved. In addition, the bidder must describe the project management system for service provision.

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 3 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 3 (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 bidder is required to explain its approach for coordination with the GIZ project.

- The contractor is responsible for selecting, preparing, training and steering the trainings and seminars planned.
- For the seminars and trainings all the relevant trainings material in English to be provided and updated as per need of the project in agreed form. Tender should explain training and seminar concept.
- The contractor manages costs and expenditures, accounting processes and invoicing in line with the requirements of GIZ.

4. Personnel concept

The tenderer is required to provide personnel who are suited to filling the positions described, on the basis of their CVs (see Chapter 6), 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.

Key expert 1

Tasks of key expert 1

- Develop a manual for identification and design of incentives for ecosystem services in the agricultural sector.
- Draft and finalize a practical manual on incentives and PES-like mechanisms.
- Prepare and coordinate expert workshop agendas, facilitation plans, and materials
- Co-facilitate up to two expert workshops and document results that will feed into the methodology
- Analyze project documents and conduct interviews to develop impact hypotheses and change logic
- Provide ongoing backstopping, including review of deliverables, methodological support, and reporting

Qualifications of key expert 1

- Qualification (2.2.1): Higher University qualification in agricultural sciences, natural resources, or any other field relevant to the sector.
- Language (2.2.2): Excellent business language skills in English C1
- General professional experience (2.2.3): 30 years of professional experience in the sustainable agricultural sector with focus on sustainability and incentives.
- Specific professional experience (2.2.4): 10 years of specific professional experience in developing custom manuals based on existing frameworks on PES such as Integration of Ecosystem Services into Development Planning (ISE), value chain development methodologies and Incentive Frameworks for sustainable agriculture.
- Regional experience (2.2.6): 2 years of experience in projects/training in Asia
- Development Cooperation experience (2.2.7): 8 years of experience in development cooperation
- Other (2.2.8):
 - 5 custom facilitation manuals developed based on existing methodologies and approaches.
 - 30 expert workshops based on participatory approaches based on adult learning on the topics of ecosystem services and political, social and economic enabling factors and benefits.
 - 5 workshops conducted in India on the above-mentioned topics.
 - Expert knowledge about payment for ecosystem services, IES methodology and existing international frameworks on incentives for ecosystem services.

5. Costing requirements

Assignment of personnel and travel expenses

Per-diem and overnight accommodation 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 at <https://www.bundesfinanzministerium.de>).

Accommodation costs which exceed this up to a reasonable amount and the cost of flights and other main forms of transport 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 would like to reduce greenhouse gas emissions (CO₂ 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 CO₂ efficiency. For short distances, travel by train (second class) or e-mobility should be the preferred option.

If they cannot be avoided, CO₂ emissions caused by air travel should 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
Expert 1	1	45	45	
Travel expenses	Quantity	Price	Total	Comments
International flights	2			Against evidence
National flights	2			Arrival in Delhi and potential travel to training cities (TBD)
Compensation of CO ₂ emissions	2	100	200	Against evidence
Transportation in India/abroad	2			Against evidence
Per-diem allowance	14			Two seminars 7 days each
Overnight accommodation allowance	14			Two seminars 7 days each
Other costs	Quantity	Price	Total	Comments
Visa costs	2			

Workshops and training

The contractor implements the following workshops/study trips/training courses:

- Two seminars with the value chain stakeholders to analyse selected VC in India. GIZ to cover all occurring costs of the workshop.

6. Requirements on the format of the tender

The structure of the tender must correspond to the structure of the ToRs. 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.

The complete tender must not exceed 12 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 **Fehler! Verweisquelle konnte nicht gefunden werden.** 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 need to be submitted in English.

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.