HELVETAS Swiss Intercooperation

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Terms of Reference for Consultant

**Scoping Study on Potential for development of Pro-Poor Value Chains
for Shan Tuyet Tea in Northern Vietnam**
In support of the preparation of a project on
*„Developing Value Chains for High Quality Broad Leaf Tea for Poverty Reduction in Northern
Vietnam, Laos and Burma"*

Background

The centre of biodiversity of tea (Camellia Sinensis) encompasses North-Western India (Assam), Northern Burma, Northern Laos, Yunnan province of China and Northern Vietnam. Whilst a number of different varieties of tea are now produced in this region, the original and still dominant variety is Camellia Sinensis var. Assamica (commonly known as Assam type tea or big leaf tea). Tea production is undertaken at medium to high altitudes in all of these countries in a variety of production forms, varying from intensive commercial cultivation of modern tea types to extensive cultivation of ancient tea trees (more than 100 years old) and harvesting from wild tea trees.

In the Northern highlands of Laos, Vietnam and Burma, big leaf tea is grown predominately by ethnic minority farmers, including Mong (Miao), Dao (Yao), Akha/Ha Nhi (Hani), Ta'ang (Palaung) and Thai. In Vietnam, Shan Tuyet tea production in the Northern Mountains provides livelihood for around 15,000 households, whilst in Northern Laos approximately 5,000 households are involved in tea cultivation and wild tea gathering. The scale of the tea industry in Burma is relatively large, with an estimated 40,000 households involved in big leaf tea production in Shan State. Whilst tea production is potentially a good income source, in general the potential of tea production for poverty reduction has not yet been realized.

A lack of well functioning value chains means that the poor in the three countries have generally not been able to gain the full potential benefits of their tea production. Weaknesses in value chains can be classified as deriving from low quality production and processing, a lack of downstream and upstream market linkages and a weak value chain enabling environment. One of the main key advantages of tea produced in these areas is that very little or no chemical fertilizer or pesticides are used in production. This is markedly different to the intensive tea production areas in all three countries and the "organic by default" status of these teas should be capitalized on to gain more equitable market access.

While the overall world market for tea – especially the Western market for teabag tea – remains flat, certain market segments for tea are experiencing strong growth. These include, higher grade whole leaf teas in China and USA and "Yunnan/Assam" type whole leaf black tea worldwide. Both these categories offer good opportunities for tea produced in Northern Laos, Northern Vietnam and Burma. The key to generating sustained poverty reduction from this increased demand is to upgrade quality, develop sustainable market linkages and market understanding and to provide an enabling environment for the participation of the poor in value chains.

Tea Value Chain analyses undertaken under the DFID/ADB Making Markets Work Better for the Poor Project (Phase I) and by SNV in Lao Cai, Lai Chau and Ha Giang, as well as the results of the SDC funded Lao Forest Tea project have confirmed that quality improvements and better links to market in both Laos and Vietnam have the potential to deliver sustainable poverty reduction to ethnic minority households in the poorest regions of both countries.

HELVETAS Swiss Intercooperation Vietnam has shared a concept note for a Tea development project with donors and have received positive feedback. To be prepared for submitting a full proposal, HELVETAS Swiss Intercooperation is looking for national consultant to conduct a Scoping Study of pro-poor value chains for Shan Tuyet tea in Northern Vietnam.

Objectives of the study

1. To gather up to date information on production conditions and market conditions for Shan Tuyet tea in target provinces
2. To identify potential partner companies in the target provinces that could be entry points for pro-poor value chain development
3. To identify and categorize farmer groups which are linked to partner companies or could potentially link to the companies in the future.
4. To check the assumptions and expected outcomes detailed in the project concept note based on actual conditions and make recommendations on areas to improve.
5. To undertake discussions with potential government partners (NOMAFSI/IPSARD) and categorize their level of interest and expertise.
6. To explore potential links with new phase of DFID supported M4P project and with the MARD agriculture PPP program.
7. To update and improve the project concept note based on scoping study results, particularly in the areas of (i) tea quality improvement; (ii) market linkages; and (iii) strengthened value chain enabling environment.

Study Locations

The scoping study will be undertaken in four provinces in Northern Vietnam with significant potential for high quality Shan Tuyet tea production by smalholder farmers. These provinces are Lao Cai, Ha Giang, Lai Chau and Yen Bai. Within the provinces, the study should concentrate on linking with companies and farmers in selected districts, as outlined in the table below. The table below details the In addition, the scoping study will include discussions in Hanoi and Phu Tho with HELVETAS Swiss Intercooperation and potential government partners (IPSARD and NOMAFSI).

Province	Proposed Districts
Lao Cai	Bat Xat
Lai Chau	Tam Duong
Ha Giang	Hoang Su Phi
Yen Bai	Van Chan, Mu Cang Chai

Specific information to be gathered in the study

A. Production and market conditions for Shan Tuyet tea
- Overall production, area and number of households involved in Shan Tuyet tea in Vietnam and in the 4 provinces in the scoping study.
- Proportion of ancient tree, extensive cultivated and intensive cultivated Shan Tuyet tea in Vietnam and in the 4 provinces of the scoping study.
- Yields of Shan Tuyet tea for different production practices.
- Overall assessment of quality of Shan Tuyet tea (raw materials and finished products)
- Main finished product types (black tea/green tea) and main markets and trade channels.
- Price trends of Shan Tuyet tea at farmgate and as finished products.
- Image of Shan Tuyet tea in the domestic and international market.
- Existence of trademarks and brands for Shan Tuyet tea.

B. Potential partner companies as entry points for pro-poor value chain development
- Profile and number/density of tea processing companies located in Shan Tuyet tea production regions.
- Company strategy and methods for raw material supply and willingness to develop links with farmers/farmer groups.
- Main end products and markets of company.
- Company requirements in terms of leaf quality and quantity and harvesting time
- Challenges in terms of quality and quantity of raw material supply.
- Impact of unstable market on investment, processing and marketing of tea.
- Understanding about international standards of quality tea and the potential for higher quality markets, including ways to develop market knowledge and linkages with buyers.

C. Potential farmer groups to link to value chains.
- Form of farmer group – club, cooperative, cooperation group, no legal form...
- Main activities of farmer group
- Number of farmers in group, total area, total production
- Current marketing system, prices, quantities, customers
- Knowledge of quality standards for harvesting and production.
- Access to extension and support services
- Income of farmers from tea production, other agricultural production and off-farm activities.

D. Potential government partners
- Rules and regulations that impact on tea value chains
- Policies relating to brands/trademarks and market promotino for Shan Tuyet tea
- Policies to promote links between producers and companies
- Control of dirty/fake tea products from factories
- Policies/programs to support high-quality tea value chain.

E. Links with other programs and projects
- Projects/programs that are currently providing support to high quality tea value chains
- Potential linkages to existing and planned programs.

Expected outcomes

- Provision of up to date information on Shan Tuyet tea value chains in Northern Vietnam
- Identification of potential companies and farmer groups to participate in tea project
- Recommendations to improve concept note to present to donors.

Methodologies

- Conduct desk research: use information from existing sources, data bases and the Tea Concept Note;
- Discussions with stakeholders in Hanoi and Phu Tho;
- Field trip to four provinces to conduct personal interviews;
- Compile/analyse data and information collected;
- Submit a draft report to HELVETAS for feedbback;
- Develop final report.

Deliverables

Concise report on findings (not longer than 25 pages, excluding annexes)
Revisions to concept note as appropriate.

Timeline

The scoping study is expected to take 1 person month of effort as follows:

No	Activities	Number of Days
1	Developing the research methodology and report format, reviewing background documents	2
2	Stakeholder Meetings and discussion (Hanoi and Phu Tho)	4
3	Collecting secondary data and implementing the research (3 days/province for 4 provinces)	15
4	Developing draft report	6
5	Presenting the finding in the meeting and get feedback	1
6	Finalise the report	2
	Total	**30**

Consultants

The selected consultant is expected to have:

- A deep understanding of high quality broad leaf tea (Shan Tuyet tea) in the Northern highlands of Vietnam;
- A proven experience in value-chain analysis, notably for the development of pro-poor value chains;
- Experience in conducting surveys and interviews with stakeholders in remote areas, including ethnic minority groups – for the development of value chains linking local communitites with markets;
- Excellent verbal and written communication skills in Vietnamese and proved verbal and written competence in English;
- Full computer literacy.

Interested candidates should send the following documents electronically:

- Curriculum Vitae;
- Two samples of research reports that he/she has conducted.

to the following person: Ms Nguyen Tu Anh at nguyen.tuanh@helvetas.org before 15th October 2012.