TERMS OF REFERENCE FOR CONSULTANT AGREEMENT

Value Chain and Market Assessment for Cassava, Arabica Coffee and Ginger in Huong Hoa district, Quang Tri province, Vietnam

I. GENERAL INTRODUCTION

1. World Vision: World Vision is a Christian relief and development organization working to create lasting change in the lives of children, families and communities living in poverty. World Vision serves all people regardless of religion, race, ethnicity or gender. As a child-focused organization, WV's work focuses on children, ensuring they are protected and their basic needs are met.

In agriculture and economic development, WVV prioritizes supports to poor households with children, creating practices in sustainable farming and protecting environment; creating habit in preparing production plan before starting. WVV pays due focus on enriching human capital and social capital for participating households and their communities.

2. EMEE Project: Ethnic minorities in Huong Hoa, Quang Tri province, Vietnam suffer from poverty and lack of economic opportunities due to limited crop diversification, poor market access, and low financial literacy. EMEE project aims to improve the economic well-being of 1,200 poor ethnic minority households over a five year period (6/2015-5/2020). Incomes will be increased through supporting 50 Producer Groups (PGs) in six communes in the north Huong Hoa district to implement Accumulating Savings and Credit Associations (ASCA), Local Value Chain Development (LVCD), and receive training on sustainable farming techniques. The Inclusive Business (IB) approach will strengthen private sector business relationships to create demand for market-matched local products.

II. OVERALL OBJECTIVE, EXPECTED DELIVERABLE, SPECIFIC OBJECTIVES & OUTCOME OF THIS CONSULTANCY

2.1 Overall objective

This service is to capture market and value chain opportunities and risks of the three (3) key products as follows:

- Cassava
- Arabica Coffee
- Ginger

This local value chain and market assessment in Huong Hoa district is to assess operations of actors in value chains, through which identify gaps that need improvement for enhancing economic value of the value chain, linking the products to market demand, increasing income

for participating households, especially households with children, and other actors in the value chains.

Expected Deliverable:

1. A value chain and market assessment report containing a detailed analysis for each of the 3 key products above, as follows:

- Potential market gaps in terms of demand and supply of each product.
- Capacity and trends of the market to absorb each product (in the district, province, national, and export if any) for next 5 years.
- Regulatory and policy framework affecting to the value chain for each product.
- Power and gender dynamics and the role of women and children in the value chain for each product.
- Constraints, barriers, bottlenecks, blockers and enablers along the value chain.

2. A Recommendation report for local authority, EMEE project and private sector containing a detailed strategy at least for 5 years of the following:

- Strategic supporting activities which will increase and/or add value to the key products.
- Strategic intervention which stimulate and catalyze the development of the key products to meet the demand of the market.
- Strategies that will strengthen the current policy and regulatory environment surrounding the value chain.

2.2 Specific objectives that the Consultant shall achieve

2.2.3. Assessed the current status of each links in the chain. In particulars:

(1) Maps of value chains established, identifying the flows of goods in every channel, identifying actors in every channel and their functions/influence, so as well-grounded recommendations for administering the value chains can be made.

(2) Economic analysis of every value chains, distribution of income amongst actors, so as well-grounded recommendation for enhancing income for participants, especially the poor, can be made.

(3) Analysis of environment (institutions and service providers) alongside the value chains so as well-grounded recommendation for improving the environment can be made.

(4) Analysis of competition for each product with suitable tools (SWOT, Michael Porter 5 forces, etc.) for well-grounded recommendations on the products (product upgrading, new market, etc.).

(5) Analysis of risks in every links in the value chains so as good recommendations can be made on risk mitigations.

2.2.4 Recommendations on suitable interventions for local authority, EMEE project, and

private sector to improve the value chains that the poor can participate and benefit from.

III. ASSUMPTIONS AND RISKS

3.1 Assumptions

Period from February and March the weather is quite cool with little rain so the travel is more convenient compared to the rainy season, the road condition is slippery.
The approach of "co-building" with local partners and communities help the communication process more effective.

3.2 Risks

Most of the households participating in this survey is the ethnic minority group of Van Kieu people and most of them speak Vietnamese language quite limitedly, especially women group. The education level, knowledge, experience of local residents about cultivation, animal raising is also quite limited. The access to market of local residents are quite difficult due to travelling condition and their awareness.

IV. SCOPE OF THE WORK

4.1 Geographical area

Local value chain and market assessment will be conducted in 6 target communes (Huong Tan, Huong Phung, Huong Son, Huong Linh, Huong Hiep and Huong Lap). In addition, some places outside Huong Hoa district, as per the channels operate, will be visited.

4.2 Target group

Suppliers of inputs, producers, collectors, processors, distributors, etc. in value chains.
Financial/credit institutions who provide credit to these actors.
Training institutions, technology transfer institutions, etc.
State management bodies who issue or implement policies, regulations, etc. that have influence on actors in the value chains.

4.3 Specific activities

There are two main activities that the Consultant shall implement: relevant document research, training and survey on local value chain, and report as well as recommendations for local authority, EMEE project and private sector.

4.3.1 Main contents of the training:

The main content of training will include, but may not be limited to, the following:

1. Concept and principle of value chain and market assessment.
2. Techniques for stakeholder analysis in value chain and market assessment.
3. Techniques for information collection and analysis.

4. Questionnaires and tools design
5. Preparing plan for conducting the value chain and market assessment after training.

4.3.2 Main contents of assessment

The following information shall be collected and analyzed for every products selected:

4.3.2.1 Current status of market demand for the selected product:

1. Market segments of the product, geographical location of the main market, collectors, processors, distributors.
2. Market demands on the product (quantity, quality, class, package, price, etc.); which products are the best sellers in market.
3. How quality of products is established or impacted by actors in every links in the chain (farmers, collectors, processor, traders, distributors, end users)?

4.3.2.2 Current status of the production-harvest-processing-etc.

4. Inputs to the production/processing stage.
5. Production process: location, techniques/technology/machines, warehouse, main product, by product, etc.
6. Harvest, sorting, packaging, etc.
7. Transportation.
8. Scope of investment of households in the production stage (labor, capital, knowledge, skills, etc.). Strengths and weaknesses?
9. Risks occur in all stages and risk mitigations.

4.3.2.3 Current status of interaction amongst actors in the value chain.

10. Horizontal cooperation and/or competition amongst farmer producers, collectors, processors, etc.
11. Vertical cooperation and/or competition between farmer producers-collectors-processors, etc.

4.3.2.4 Current status of distribution channels of product, volume of product in each links in the value chain.

12. Production of farmer producers/collectors/processor/etc.

4.3.2.5 Current status of the value addition in every links in the value chain

13. Economic analysis, including intermediary costs, additional costs, income, value added, net value added of every actors and of the whole value chain, as per distribution channels. In which:

    Value added = (Quantity of good sold x Price of goods sold) – intermediary costs

    Net value added = Value added – additional cost.

14. Analysis of financial ratio: Analysis of profit/cost to know how many VND is created by 1 VND of cost.
15. Distribution of value added, net value added of actors in the value chain.

4.3.2.6 Current status of business environment and service provision

16. Infrastructure conditions (electricity, road, telecommunication, etc.) necessary for production-harvest-storage-processing-transportation-etc.
17. Provision of inputs, technical services, training, technology transfer, market linkage, etc. of actors in the value chain.
18. Provision of credit to actors in the value chain.
19. State management of related bodies, at district and commune level, in issuing and/or implementing policies, regulations, etc. related to the value chain being assessed.

4.3.2.7 Other analyses:

For each product selected for assessment, description from input=>production => output/storage => sale is needed to enable other analyses, such as SWOT analysis, risk analysis, 5P or 7P, 5 forces of Michael Porter, Ansoff matrix, Boston Consulting Group-BCG-matrix, etc.).

With input, the Consultant shall analyze access to credit (from Bank for Agriculture and Rural Development, Bank for Social Policies, other MFIs, relatives, credit of input suppliers, saving and credit of WVV, etc.) of WVV targeted households. From this analysis, recommendations for enhancing access to credit of the targeted households can be made.

For every product selected for assessment, risk analysis is a must, to capture internal and external risks (production risks, market risks, financial risks, environmental risks, social risks, health risks, etc.) over all links in the chain (from input – process-output-sales). From risks analysis, the Consultant shall suggest solutions to prevent and/or mitigate risks, raising awareness about risks, helping the target groups, especially the poor, to reduce cost and increase their income.

SWOT analysis (strengths, weaknesses, opportunities and threats) of every actors in the value chain, serves as basis for working out recommendations on developing and/or upgrading the value chain.

For every products being assessed, the Consultant should examine 7Ps, from (1) Product, to (2) Sales person, (3) Place of sales, (4) Promotion (communication, introduction of product, etc.), (5) Price, (6) Production/processing process (especially responsible production for safety and hygiene of food), and (7) Physical evidence (of the product, of the facilities used in the production process). From the 5P or 7P analysis, the Consultant shall bring out recommendations for marketing, marketing mix, etc.

The Consultant shall develop a problem tree, identifying focus problems, from which an objective tree can be made, serving as basis for the construction of a logframe and interventions of the EMEE project.

In the report, the Consultant will also report on lessons learnt from the assessment so as WVV can learn and better conduct other value chain assessments in the future.

4.3.2.8 Suggested recommendations

Recommendations brought out by the Consultant are bases for EMEE project, and its partners such as local authority and private sectors to establish action plans for their interventions in at least for 5 years.

Recommendations should be specific to each product, following all links in the chain (from input-process-harvest-storage/processing-transportation-sales-etc.).

Recommendations should be specific and practical, with participation and benefit of the poor Van Kieu households, and relevant to EMEE project resources (time, expertise, skills, and budget).

V. CONTRACT MANAGEMENT

5.1 Contract management structure within WVV

EMEE project manager will be the one who develops and recommends the service contract with the consultant to People & Culture Department.

Director of People & Culture Department or Operations Director will sign the service contract with the Consultant, based on prior recommendation of EMEE project manager who is also consulted in technical support from Economic Development National Coordinator of World Vision Vietnam and management support from Central and Central Highland Zonal Manager.

5.2 Facilities to be provided by WVV

National Office in Ha Noi: The National Coordinator in Economic Development will provide technical supports to EMEE project during the preparation and implementation of this value chain and market assessment, reviewing report submitted by the Consultant for meeting objectives as set in the TOR with high quality.

EMEE project: is the party to support the Consultant in implementing activities in the TOR, especially logistics, including establishment of a list of participants in training, field survey in consultation with the Consultant, arranging logistics for the participants and the Consultant (accommodation, means of transport, liaison, etc.).

Provide information related to EMEE project that related to the activities, especially agriculture and economic development.

Provide administrative and financial forms for payment of consulting fee and incidental expenditures (meals, accommodations, transport) of the Consultant.

V. LOGISTICS AND TIME

Commencement date and duration

The provisional date for commencing preparations of the Consultant will be one week before the field work.
The provisional date for commencing field work is March 7th, 2016.

No	Main contents	Day
1	Preparing training document and a set of tools for information collection	5 days
2	Training on local value change and market analysis, tools for local value chain and market analysis	3 days
3	Survey in 6 target communes and others outside	6 days
4	Summarize collected data and share it briefly with relevant partners	1 days
5	Summarize, analyze data, document and write report	10 days
	Sum	**25 days**

VI. REQUIREMENTS TO THE CONSULTANT

6.1 Requirements on qualification and skills

Qualification:
Graduate university in disciplines related to agriculture, agro-economics, business administration, development management, or the like. Having knowledge about economic development will be an advantage.

Work experience:
Having at least 5 years' experience in research/survey/assessment of market, small and medium sized enterprise development in the rural areas.
Having rich knowledge about agriculture produces and market development for agriculture produces.

Professional experience (related to the consultancy):
Having experience in research/survey/assessment of value chain, and market assessment in

agriculture, including pro-poor value chain. Having such experience as team leader will be an advantage.
Having experience working with government bodies.
Having experience working with businesses, services providers (techniques and credit in rural areas, to farmers).
Having leadership skills and facilitation skills for mobilizing and/or facilitating participation of community and related parties during the assessment.
Having good professional expertise in household survey, assessment and report writing.

Commitment to exclusivity and availability:
The Consultant shall commit to exclusivity and availability to implement activities in the TOR.

6.2 Facilities to be provided by the Consultant
The Consultant is supposed to have a laptop, communication devices, and other audio-visual devices for the consultancy.

6.3 Incidental expenditures
WVV will pay costs related to public transport and accommodations for the Consultant necessary for implementing activities in the TOR in Huong Hoa district, as per current policies of WVV, and these costs will not be included in the consulting fee.

WVV shall not pay meals for the Consultant as these costs are considered personal (WVV does not apply its per diem in this case).

VII. REPORT

7.1 Report requirement
Within 3 weeks from the date of ending field work, the Consultant will complete consultancy draft report and send the draft report to EMEE project manager, together with documents, data, information, media, etc. collected during the assessment; with a copy of report to the National Coordinator for Economic Development.
Within 1 working week from the date of receiving the draft report, EMEE project manager and the National Coordinator for Economic Development will have feedbacks on the draft report to the Consultant.
Within 1 working week from the date of receiving feedbacks from the EMEE project manager and National Coordinator for Economic Development, the Consultant will finalize the report and send the final report to EMEE project manager and the National Coordinator for Economic Development.
The report will be in Vietnamese language. EMEE project will get it translated into English later.

7.2 Approval of report

EMEE project manager will be the one who approves the report and will inform the Consultant for proceeding with the payment of consulting fee and/or incidental expenditures.

VIII. MONITORING AND EVALUATION

8.1 Reporting requirements

The Consultant shall prepare and send plans, training materials, etc. as follows:
In the preparatory stage, before going to the field: detailed work plan for tasks to implement activities, including training materials, questionnaires and other tools for collecting information, logistics plan (travel and accommodation) sent to EMEE project manager and National Coordinator for Economic Development.
In the field work stage: informing/consulting EMEE project manager of progress being made and other matters.
In the report writing stage: draft report and final report submitted to EMEE project manager and National Coordinator for Economic Development, on a timely basis, at high quality.

8.2 Other special requirements

The Consultant shall comply with core values of WVV, laws of Vietnam, customs and traditions of the local people.
All information, documents, media, etc. gained from the consultancy must be handed over to EMEE project manager and shall use information for the purpose of this consultancy only. When in need of using information for other purpose, shall obtain written approval of EMEE project manager.
The assessment will be conducted by the Consultant and ADP manager/staff/partners at district/commune/village level, as a team, in which the Consultant shall play the role of team leader, thus responsible for the whole value chain and market assessment, in terms of contents and methods.
The assessment will mainly use participatory methods, for active participation of team members and respondents, thus PLAs (Participatory Learning and Action approach), focus group discussion, user-friendly forms, etc. are encouraged to be developed and used by the Consultant.

Agreement by:

World Vision Vietnam	**Consultant**
_____	_____
Than Thi Ha	

Operations Director

Date: _____

Date:_____

_____

Hoang Duc Quyen

EMEE project manager

Date: _____