

## **TERMS OF REFERENCE**

### **Individual Contractor**

#### **1. Assignment Information**

<b>Assignment Title:</b>	National Consultant to Support the Identification of Viable Contract Farming Model
<b>Cluster/Project:</b>	Poverty Reduction/ Cambodia Export Diversification and Expansion Programme II (CEDEP II) – Cassava Component
<b>Post Level:</b>	Specialist
<b>Contract Type:</b>	Individual Contractor (IC)
<b>Duty Station:</b>	Home/Phnom Penh
<b>Expected Place of Travel:</b>	Two provinces of Cambodia
<b>Contract Duration:</b>	40 days, 5 days in the provinces

#### **2. Project Description**

Poverty reduction and growth are the highest priorities of the Government. The Rectangular Strategy Phase III reaffirms government's commitment to prioritize policies and investment in support of agriculture; infrastructure; private sector development and employment; and human resources development. The global economic crisis and the rise in food and fuel prices have led the RGC to adopt a dual approach. This aims to increase national competitiveness and diversify the economy; and to expand the social protection and safety nets<sup>1</sup>

The government has identified agriculture as the top priority for Cambodia's socio-economic development, focusing on increasing productivity and diversifying within this sector. This is clearly reflected in the Rectangular Strategy III and the NSDP IV both covering the period 2014-2018. Similarly, the Cambodia Trade Integration Strategy 2014-2018 (CTIS 2014-2018) stresses the need for Cambodia to strengthen and accelerate the diversification of its export base above and beyond its original, two core export sectors – garments and tourism. To support this, major strategic orientation, CTIS identifies: (1) 10 product and service export potentials for export development focus (including cassava) (2) "cross-cutting" reforms and institutional developments required to unleash growth in those potential exports; and, (3) capacity developments in areas of trade policy and Aid for Trade management. The strategy was endorsed by the Sub-Steering Committee on Trade and Trade-Related Investment in December 2013 (the Committee serves as National Steering Committee for all Aid for Trade in Cambodia) and launched officially by H.E. Prime Minister Hun Sen in February 2014

This is also in line with the results of the country's Trade Policy Review undertaken in 2011 in partnership with the World Trade Organization (WTO) that calls for Cambodia to move away from its dependency on garment and rice and urges to diversify and expand the country's export basis.

Cassava is the second largest agricultural crop in Cambodia and growing rapidly. Statistics from the Ministry of Agriculture, Forestry and Fisheries (MAFF) indicates production of nearly 4.250 million MT in 2010, up from 3.5 million MT in 2009. MAFF sources estimate that 2013 production reached almost 8 million MT. The fast-growing importance of the sector for export diversification and export revenues cannot be underestimated. Additionally, the sector might have been generating anywhere between \$300 to \$400 million worth of "informal" export revenues in 2013. Even though Cassava has become the second largest agricultural crop in term of income, employment, hectares cultivated, and exports (more on this in the next section), there is very little technical assistance support provided to the sector.

---

<sup>1</sup> Cambodia CPAP 2011-2015, chapter 2.18

This lack of technical support is potentially serious considering cassava cultivation could have ecological consequences. Research has shown that continuous cassava cultivation on small plots could contribute to serious nutrient depletion and deterioration of chemical and physical conditions of the soil. When grown on even gentle slopes, continuous cassava cultivation could even contribute to soil erosion. But it need not be the case: cassava cultivation can be made sustainable using proper methodologies or when part of a sustainable integrated system.

The Ministry of Commerce and UNDP Cambodia have partnered since 2008 to tackle the above challenges and provide know-how and best practices to Cambodia's cassava sector. One key instrument developed under this cooperation was a Value Chain Analysis of the cassava sector carried out in 2009. Five year later, increased investment in the sector coupled with interests from new buyers (from China) for raw and processed cassava products meant that Cambodia's cassava value chain is changing deeply. Thus, UNDP wishes to update the existing Value Chain study as a tool to assess where support provided through the CEDEP II project could be best used.

UNDP, in its CPAP, has vowed to support the above goals of economic diversification and poverty reduction and the human capital development and competitiveness issues. Similarly, at the request of the Government, UNDP has decided to re-engage deeply in the trade sector, trade being an engine for economic growth, through the creation of a dedicated project within UNDP

The Cassava component will contribute directly to:

- UNDAF outcome on "promotion of equitable, green, diversified economic growth"
- CPAP Outcome #1 on Poverty Reduction: strengthening national and sub-national capacities to develop a more diversified, sustainable and equitable economy.
- CPAP Output #1.1: supporting human capital development and institutional capacity for selected sectors of importance for the diversification of the economy
- CPAP Outcome #2: enabling national and local authorities, communities and the private sector to sustainably manage eco-system goods and services and respond to climate change

The Cambodian Cassava sector still focuses much on planting and export of fresh roots and dry chips. Such production and trading system hinders the sector not to create more values and distribute much back to its chains. Especially, when the price drop during the last two years, the system could not respond well to maintain the sector since it depends on neighboring countries to export dry chips to a single market. China's corn reservation policy and its stock release, has affected cassava price in the region and make most farmers in Cambodia and the region lose some portion of their profits.

Amidst of this circumstance, there is an opportunity for the project to implement its new approaches addressing the facing situation while strengthening the cassava value chains. Rather than focusing much on dry chips, the project should support the export of high quality, possibly organic, cassava starch to markets.

As part of its objective to support the cassava sector, the CEDEP-II project aims at reinforcing the value chain integration through the development and implementation of a practical and scalable cassava contract-farming model.

Contract farming clearly offers numerous opportunities for small-scale farmers to share benefit from the whole cassava value chain. Farmers can get access to a reliable market, provides guaranteed and fixed pricing

structures, and most importantly provides access to credit, inputs and production services (seed, fertilizer, training, extension). On a wider note, it can stimulate technology and skill transfer, and can support farmers in meeting required sanitary and phytosanitary standards. The opportunities for firms are also clear and convincing. Contract farming can provide increased reliability of supply quantity and quality, and off-loads production risk onto farmer's associations.

As there is no standard model of contract farming, the approach would be to leverage on existing practices and experiences in Cambodia to support both parties (producer and buyer) to negotiate and tailor a model that suits them best. There have been a few emblematic cases, quite successful, of contract farming partnerships between companies involved in the processing and trading of agricultural products and farmers. Formal contracts have been experienced in the rice sector with quite successful cases (for instance in contracts established by AMRU Rice and Golden Rice companies with Farmer Organizations).

### **3. Scope of Work**

The assignment aims to develop an applicable contract farming model for farmers and starch processors to work together to ensure availability of cassava roots in compliance with quality specification for starch processors during off-season, under the scope of intervention of the CEDEP II-Cassava Component project. The linkage through contract farming expects to leverage impacts from export of cassava based products (starch) to markets and more values should be created and shared back to all players within value chains, especially to smallholder farmers.

Under this assignment, the consultant will work under the supervision of the Consultant to Support Cassava Policy Formulation and Access to Markets, in providing technical support related to the identification of the viable contract farming model in the context of Cambodia cassava sector, specifically under the scope of the CEDEP II-Cassava Component project.

Specifically, the consultant will be responsible to deliver the following outputs:

- All planned stakeholder consultations on contract farming are implemented successfully;
- Technical input provided to the Consultant Supporting Cassava Policy Formulation and Access to Markets in supporting to the identification of the viable contract farming modality under the project scope;
- Comment from stakeholders during the stakeholder consultations workshop under the contract farming documented and feed in the work related to documenting the knowledge and lesson learnt on contract farming;
- Technical input on contract farming provided to the Consultant Supporting Cassava Policy Formulation and Access to Markets for the relevant section(s) on contract farming.



To deliver the above-mentioned outputs, the consultation will perform the following tasks:

#### Overall:

- Develop the overall work plan to deliver the assignment;
- Conduct desk review to take stock of the existing effort/initiative related to contract farming, and its current dynamic;
- Conduct relevant stakeholder meetings as deemed required to collect the necessary input information which will shape the idea of the viable concrete support under the scope of the project;
- Work in close collaboration with Consultation to Support Cassava Policy Formulation and Access to Markets to deliver the above mentioned expected outputs;
- Work closely with the assigned project focal person and provide progress update on delivering the expected outputs as required.

#### Support the facilitation and identification of the viable contract farming modality

- Based on the concept note provided by the Consultant Supporting Cassava Policy Formulation and

- Access to Markets, developed detail work plan for stakeholder consultations (expected to have 2 provincial stakeholder consultations on contract farming);
- Support to facilitate the dialogue during relevant stakeholder meetings;
  - Identify relevant stakeholders interested in entering contract farming model;
  - Conduct eligibility assessment of the potential interested parties, i.e. legal capacity of Agricultural Cooperatives to enter contract;
  - Define the third parties who should involve to facilitate and ensure integrity and fairness of the contract farming
  - Under the supervisor of the Consultant Supporting Cassava Policy Formulation and Access to Markets, provide preliminary technical input on the possible contract farming model based on dialogue with farmers and processors, available support of stakeholders, and enabling environment. It should include terms and conditions, legality, formula of price calculation or reference, production specification, conflict resolution, contract format etc.
  - Perform other relevant tasks under the scope of this assignment.
-  Support the documentation of the lesson learnt, knowledge generated on contract farming
- Documented feedback/comment generated during stakeholder consultation;
  - Based on the knowledge generated during the process of identifying the violate contract farming modality, provide technical input to feed in the documentation of the knowledge on the support to show case of the contract farming engagement.
-  Support to the development of the contract farming section in preparation for the cassava policy
- Under the supervisor of Consultant Supporting Cassava Policy Formulation and Access to Markets, finalize the outline of the relevant section on contract farming;
  - Provide the initial draft on the section that she/he will work on;
  - Following stakeholder consultations, support Consultant Supporting Cassava Policy Formulation and Access to Markets to incorporate the comment in the relevant sections related to contract farming.

#### 4. **Expected Outputs and Deliverables**

N	Deliverables/Outputs	Estimated Duration to Complete	Target Due Dates	Review and Approvals Required
1	<b>Deliverable 1:</b> Overall work plan to deliver the assignment	1 days	Mid Jul 2017	Reviewed by Programme management specialist/Programme analyst/approved by ACD/Team leader
2	<b>Deliverable 2:</b> Provincial workshops are successfully organized, with all stakeholder comments documented	8 days	By end of August 2017	
3	<b>Deliverable 3:</b> 1 <sup>st</sup> draft of technical input provided to feed in the documentation of the contract farming engagement	9 days	By end of August 2017	
4	<b>Deliverable 4:</b> 1 <sup>st</sup> draft of technical input provided to feed in the relevant section on contract farming to prepare for overall cassava policy development	10 days	By end of September	
5	<b>Deliverable 5:</b> Final draft of technical input provided to feed in the documentation of the contract farming engagement	5 days	By end October 2017	
6	<b>Deliverable 6:</b> Final draft of technical input	7 days	By end of	

	provided to feed in the relevant section on contract farming to prepare for overall cassava policy development		November 2017	
Total # of Days:		<b>40 days</b>		

## **5. Institutional Arrangement**

Under overall direct supervision of the ACD/Poverty Team Leader, oversight of Programme analyst and direct guidance from national management specialist, the consultant will be responsible for delivering all outputs as above.

### **Roles of the consultant**

- ñ The consultant is responsible to provide his/her technical expertise to produce the expected outputs;
- ñ The consultant shall work under an assigned focal person from UNDP, National Management Specialist;
- ñ The consultant needs to maintain daily communication with UNDP's focal person and seek advice when emerging problems during the consultancy period could affect the scope of work and outputs.

### **Roles of UNDP's focal person/team**

- ñ The UNDP programme unit will provide overall quality assurance of this consultancy;
- ñ The UNDP project will arrange and cover mission's costs and travel arrangements outside of Phnom Penh;
- ñ The UNDP programme unit will review deliverables for payment release;
- ñ UNDP's focal person, National Management Specialist, will act as a focal person to interact with the consultant to facilitate the assignment, to review/assess outputs and ensure the timely generation of the comment from stakeholders.
- ñ UNDP's focal person, will review and approve concept note/activities which the consultant need to be taken

## **6. Duration of the Work**

The consultant will work for 40 working days. He/she is expected to be on board in the 3<sup>rd</sup> week of July 2017 and complete the assignment no later than December 2017.

## **7. Duty Station**

The consultant will be homebased or anywhere at his/her own convenience. The consultant should arrange transportation for his or her own use during data collection and meeting with stakeholders, and others in Phnom Penh. The project will arrange a car for travel to provinces.

The consultant will spend some time at fields to deliver the outputs. He/she should work closely with local stakeholders to support and organize dialogue between farmers and processors, facilitate contract negotiation and signing, as well as to support the implementation of contract farming action plan.

Below is the expected mission schedule in the provinces (name of the provinces will be further defined):

- 1st mission: in July, to have the stakeholder consultation on contract farming. The expected duration is 2 working days;

- 2nd mission: in quarter 4, to have another stakeholder consultation. The expected duration is 3 working days.

Selected individual contract(s) who is expected to travel to the provinces to undertake the assignment in the country (Cambodia) is required to undertake the Basic Security in the Field (BSIF) training (<https://dss.un.org/dssweb/WelcometoUNDSS/tabid/105/Default.aspx?returnurl=%2fdssweb%2f>) prior to travelling. CD ROMs must be made available for use in environments where access to technology poses a challenge. i

## 8. **Budgeting and Payment Milestones**

The consultant will be paid on a lump sum basis under the following installments.

<b>N</b>	<b>Outputs/Deliveries</b>	<b>Payment Schedule</b>	<b>Payment Amount</b>
1	Upon satisfactory completion and submission of the Deliverable 1	3 <sup>rd</sup> week of Jul 2017	15%
2	Upon satisfactory completion and submission of the Deliverable 2	End of August 2017	15%
3	Upon satisfactory completion and submission of the Deliverable 3	End of August 2017	20%
4	Upon satisfactory completion and submission of the Deliverable 4	End of September 2017	20%
5	Upon satisfactory completion and submission of the Deliverable 5	End of October 2017	20%
6	Upon satisfactory completion and submission of the Deliverable 6	End of November 2017	10%

## 9. **Minimum Qualifications of the Individual Contractor**

<b>Education:</b>	<ul style="list-style-type: none"> <li>▪ At least Master Degree in Agriculture, Development Studies, Rural Development and related disciplines</li> </ul>
<b>Experience:</b>	<ul style="list-style-type: none"> <li>▪ 5 years of working experience on agriculture, experience on cassava is a strong asset</li> <li>▪ Experience in supporting value chain integration and upgrading of Cambodia agro commodity product</li> <li>▪ Proven experience in facilitating stakeholder consultation, and with focus on contract farming</li> <li>▪ Record of one or more assignments before as main consultant to study and develop contract farming models</li> <li>▪ Working experience with international agencies and programs, preferably with UN agencies, and with national stakeholders</li> </ul>

	including government agencies, academic intuitions, civil society.
<b>Other Competency</b>	<ul style="list-style-type: none"> <li>▪ Time management (in managing deliverables)</li> <li>▪ Team management</li> <li>▪ Professionalism, courtesy, patience</li> <li>▪ Outstanding inter-cultural communication, networking and coordination skills.</li> </ul>
<b>Language Requirement:</b>	▪ Excellent written and oral English and Khmer

**10. Criteria for Evaluation of Level of Technical Compliance of Individual Contractor**

<b>Technical Evaluation Criteria</b>	<b>Obtainable Score</b>
5 years of working experience on agriculture, experience on cassava is a strong asset	30
Experience in supporting value chain integration and upgrading of Cambodia agro commodity product	15
Proven experience in facilitating stakeholder consultation, and with focus on contract farming	25
Record of one or more assignments before as main consultant to study and develop contract farming models	20
Working experience with international agencies and programs, preferably with UN agencies, and with national stakeholders including government agencies, academic intuitions, civil society	10
<b>Total Obtainable Score:</b>	<b>100</b>