



TERMS OF REFERENCE

For

THE APPOINTMENT OF ECONOMISTS TO ASSESS THE MODEL OF COMMODITY BASED ASSOCIATIONS AND INSTITUTIONS, THEIR SUPPORT PROGRAMME TOWARDS SMALL AGRICULTURAL PRODUCERS AND THE SOCIO-ECONOMIC IMPACT OF THEIR PROGRAMMES TO SMALL PRODUCERS AND BENEFICIARIES AT HOUSEHOLD LEVEL.

Application Deadline: 20th September 2019

Category: Professional Services

Type of Contract: Company

Languages Required: English

Starting Date: Immediately

Expected Duration of Assignment: 4 months

1. PROJECT BACKGROUND

- 1.1 Agriculture is an important employer in the rural areas of South Africa, especially of low-skilled and semi-skilled workers. Supporting the growth of the sector is a focus of national policy, including the New Development Plan (NDP) and the National Growth Path (NGP), and agriculture remains the key to promoting rural development, food security and combatting rural poverty alleviation.
- 1.2 Improved productivity of smallholder agriculture will enable higher value and superior quality of agricultural output, and improved competitiveness. More competitive smallholder farms are more likely to create and sustain employment and reduces levels of rural poverty. Therefore, there is a growing urgency to provide support to smallholder agriculture, as a mechanism of promoting sustainable employment in the sector.
- 1.3 Unfortunately, the South African agricultural economy has limiting room for emerging and subsistence farmers. There is lack of sufficient support system to support subsistence farmers causing such farmers to be unable to take advantage of the various opportunities that the South African Agricultural Economy presents. South African Agricultural Economy grew rapidly under the apartheid government owing to strong state subsidies and support programmes aimed at supporting commercial farmers. Similar support programmes and state subsidies are still prevalent in developed and have been central in encouraging the agricultural economy of the United States of America and Europe. Similar support systems were never extended to small and emerging black farmers in South Africa, which led to the structure of the South Africa Agriculture as we know it today, dominated by big capital intensive commercial with no

substantial impact on job creation

- 1.4 Many emerging and subsistence farmers from poor rural areas find it difficult to participate in commercial markets because of a range of constraints. Attempts by farmers to market their commodity are mostly affected by poor infrastructure, inadequate property rights, lack of credit access, absence of technology needed to increase productivity of emerging and subsistence
- 1.5 The sustainability of emerging and subsistence farmers cannot be achieved without appropriate farmer support services. The provision of support services remains one of the major important interventions in the agricultural sector for rural development, food security, poverty alleviation and income generation of emerging farmers. With adequate access to farmer support services, subsistence and emerging agriculture can contribute to an increased agricultural growth, rural development and have a positive impact on the farm income.
- 1.6 It is in this light that in August 2018 the State President, Cyril Ramaphosa established an Inter-Ministerial Committee (IMC) on Land Reform chaired by the Deputy President. The IMC was amongst others to oversee the implementation of cabinet decisions on Land Reform and anti-poor interventions and champion leadership on land reform at national government level. It was also to follow through with the recommendations of the Joint Committee on Constitutional Review that were adopted by the National Assembly which suggest the amendment of Section 25 of the Constitution so as to address the historic wrongs caused by the arbitrary dispossession of land and ensure equitable access to land in order to empower the majority of South Africans to be active participants in land ownership, food security and employment creation
- 1.7 Research from a range of sources including the World Bank, the United Nations Food and Agriculture Organization, OECD, civil society organizations, and academic institutions show that strengthening land and property rights goes hand in hand with the realization of development objectives related to poverty alleviation, food security, environmental sustainability and advancing women's empowerment worldwide.
- 1.8 Therefore, there is urgency to assess the models of commodity-based associations and institutions and their support programme towards small agricultural producers and also to determine the socio-economic impact of their programmes on small producers, and beneficiaries at household level. This work is critical as the success of the Sustainable Development Goals (SDGs) will depend on country-programme that leaves no one behind. Therefore, supporting emerging and subsistence farmers is critical to ensure that 'no one is left behind'.
- 1.9 The United Nations Development Programme (UNDP) in supporting the DALRRD in its mission to achieve NDP and SDG Goals would like to solicit expertise of a suitably qualified organizations to undertake policy research to assess the support programme provided by commodity association and institutions towards subsistence and emerging farmers.

2. PROJECT RELEVANCE AND NATIONAL POLICY GUIDANCE

- 2.1. There are a range of recurring policy pronouncements for social and economic inclusion. The 2012 National Development Plan (NDP) seeks to "Eliminate poverty and reduce inequality by 2030" which is in line with the Sustainable Development Goals: Goal 1 on ending poverty in all its forms everywhere and Goal 2 on ending hunger, achieve food security and improved nutrition and promote sustainable agriculture

- 2.2. The NDP asserts that agriculture has the potential to create nearly 1 million jobs by 2030, including 124 500 in the subsistence sector (producers with less than 0.5 hectares (ha) of land) and 360 000 jobs in small-scale agriculture.
- 2.3. It further asserts that various models of land acquisition and redistribution should be considered to resolve the slow pace of land reform. With this in mind, the NDP contends that land reform should be based on the following principles’
- 2.3.1 Enable a more rapid transfer of agricultural land to black beneficiaries without distorting land markets or business confidence in the agri-business sector;*
- 2.3.2. Ensure sustainable production on transferred land by making sure that human capabilities precede land transfer;*
- 2.3.3. Establish monitoring institutions to protect land markets from opportunism, corruption and speculation;*
- 2.3.4. That land sizes of 0.5 to 5 hectares have greater prospects for job creation compared to thresholds of land sizes that are small than or larger than such thresholds, and
- 2.3.5. Offer white commercial farmers and organised industry bodies the opportunity to significantly contribute to the success of black farmers*
- 2.4. In terms of dismantling apartheid spatial fragmentation, the NDP advances a common vision of spatial transformation for both urban and rural areas achieved through spatial development as “shaped by the long-term public interest”. This emphasises the need for a “land reform programme that is spatially targeted in areas that are most viable in terms of agricultural land and access to markets.”
- 2.5. In terms of the operation strategy, the Overview of the NDP amongst others states as follows: “We must “.....attack the blight of poverty and exclusion and nurture economic growth *at the same time*, creating a virtuous cycle of expanding opportunities, building capabilities and reducing poverty, involving communities in their own development, all leading to rising living standards ...”;
- 2.6. The NDP furthermore guides us follows “A developmental state needs to be capable, but a capable state does not materialize by decree, nor can it be legislated or waved into existence by declarations. It has to be built, brick by brick, institution by institution, and sustained and rejuvenated over time. It requires leadership, sound policies, skilled managers and workers, clear lines of accountability, appropriate systems, and consistent and fair application of rules”;

Therefore, job creating opportunities from the urban/peri-urban and hinterland link as well as urban agriculture for perishables like horticulture could be the focus.

3. PROJECT PURPOSE

- 3.1 To undertake research and initial assessments of practices and collect evidence of commodity-based organizations and institutions’ s support approaches to small and micro agriculture producers and their ultimate socio-economic impact on household income and livelihoods.
- 3.2 Assess the establishment and history of commodity-based producers’ institutions and organizations and producer categories.
- 3.3 Their structure of operations and support focus areas (operations model);

- 3.4 Research on the operations costs and savings and investments strategy of these support organizations to small producers in the area and what are the income streams and extents of income made by employees and particularly producers serviced by these support organization's;
- 3.5 Determine the funding model of these organizations and identify their income streams and subsequent benefits to their members particularly small producers and their beneficiaries;
Identify different social, technical and other support to model/s used to provide support to small and micro producers;
- 3.6 Advise and recommended improvements on their operational structure and support approaches and interventions;
- 3.7 Assess and analyze history of and constraints to access of the full suite of state support, over and above the DALRRD (R&D; Market Access, Credit, Extension Services etc),
- 3.8 Identify the associated implications of macro-economic and development finance policy to such constraints;
- 3.9 Consider the scalability of the effective model of support and approximate their likely impact;
- 3.10 Develop a research plan for household level research engagements to ascertain the actual social and economic impact of such approaches and models have created, and
- 3.11 Compile a closeout report including an advisory on the approach to be taken, moving forward.

4. REQUIRED

- 4.1 A team involving three (3) economists with expertise on macro-, micro- and development economics, who have experience on matters related to South Africa's economic and fiscal policy as well as its development objectives and their performance, particularly in rural and peri-urban spaces as well as lower level agro-based producers and enterprises.

5. DURATION

- 5.1 This initial phase of the project will be over 4 months (from September to December/January 2019/2020).
- 5.2 Should resources for the household level socio-economic impact assessment become available, the next phase of the assessment would be from December/January to March 2019/2020.

6. SCOPE OF WORK

- 6.1 The project will be over 4 months from September to December / January 2019/2020. It will involve introductions to relevant Branches and the commodity-based support formations. Amongst these are horticulture, grains, goat, sheep and sugar. The team will target three commodity areas each (a total of 9 including sugar and horticulture). They will advice on two commodity formation or additional opportunities.

These will involve:

- 6.5.1. Assess documents from the DALRRD that relate to such producer association and support organization's it worked with over some 3 – 5 years;
- 6.5.2. Secure access to such associations/organizations that support small producers in various commodities and administer telephonic surveys and send/administer questionnaire to extract key information;
- 6.5.3. Organize focus group discussions with beneficiaries to understand their experience with regard to support services provided not limited to finance, technical support and market access

- 6.5.4. Initial engagement on their experience with access to finance as founders or role players over time and additional areas of constraint and how best could policy have or should improve their circumstance and appointments.
- 6.5.5. Analyze operations and organization trends amongst these and the meso level issues to the approach and model of all.
- 6.5.6. Preparation for and undertake further engagements with field managers of these select commodity producer support organization's and where possible include actual producers that are benefitting in order to deepen the understanding of the model and their practical application: – focused group discussions in the various regions;
- 6.5.7. Further engagements on experience on (past and presents) with access to support from various support institutions including Development Finance institutions and what challenges faced by small and micro producers or cooperative on the field.
- 6.5.8. Frame a value for money assessment for the DALRRD from this approach compared to others;
- 6.6. An analysis of the issues arising from these various research areas/streams and draw out the trends in operations and why it is cost effective and having impact;
- 6.7. Planning of a field research and working framework to undertake fieldwork in phase two and model the suitability as well as its future social and economic impact; and
- 6.8. Development of a project completion report including a motivation for the approach and/or certain recommendations.

7. EXPECTED OUTPUTS AND PAYMENT SCHEDULES

The expected outputs from the Team will be the following:

1. A project plan and Inception report;
2. Documents assessment and analysis report;
3. A report on consultation at the organizational level;
4. A report at the focused group level with field operators and beneficiary representatives;
5. A macro-economic and fiscal policy assessment and advisory;
6. An initial detailed asset on potential social and economic impact on potential;
7. A research and modelling for impact assessment of project scaling;

Payment Schedule

Deliverable	Payment	Timeframe
1. Project Implementation Plan (PIP) and Inception Report	15%	Within two (2) weeks of contract signing.
2. Draft Reports as per the outlined outputs above.	45%	Approximately 3 months after submitting the (PIP) and Inception Report.
3. Final Reports	40%	Within 4 months, upon approval of all the required reports.

8. EXPERTISE AND COMPETENCIES REQUIRED

The team must fulfil the following selection criteria:

1. **Education:** All team members must have Post Graduate Degree in Development Economics, Economics, Agricultural Economics, or any other equivalent post graduate degree.

2. **Knowledge and Skills:** Development Finance, Development and Agricultural Economics, Report Writing, Policy Analysis and Socio-economic impact assessment. Strong research background on issues of land policy.
3. **Experience:** Team leader must have more than 7 years of consulting experience on the topic of land reform and rural development or agriculture, development and economic transformation. Other team members may have a minimum of 3 years of experience in the same fields.
4. **Working knowledge** of South African government, especially on the issue of agriculture, rural development and land reform programmes.

9. PROJECT IMPLEMENTATION REPORTING

- The Team Leader shall submit draft and final reports which clearly present work undertaken outlining activities and outputs thereof. Any proposed deviations from the original project implementation plan shall be explained to the UNDP in writing and be approved by the UNDP Senior Management.
- The project report (s) must be submitted in electronic formats. All such materials shall become the property of the UNDP and its development partner and no document may be reproduced, copied or distributed without prior written consent from UNDP.

10. INSTITUTIONAL ARRANGEMENTS

The Team will be:

- working with a team of other experts who are also working in interlinked activities.
- briefed by the Chief Director Policy Research & Legislation Development-DALRRD and UNDP Project Manager at the beginning of the assignment and will henceforth report regularly to CD PR&LD-DALRRD and UNDP Project Manager throughout the assignment.
- Supervised by the Chief Director PR&D- DALRRD.
- Will report progress to the Chief Director PR&LD (DRDLR) and the UNDP.
- The Team will be expected to observe the highest professional and ethical standards throughout project implementation.
- Project monitoring, control and evaluation will be jointly done by UNDP and the DALRRD.
- UNDP Project Manager will administer the progress, contractual obligations of the project and do quality assurance.

11. RELEVANT INFORMATION/DOCUMENTATION

- Information and related documents will be available on request from Chief Directorate: PR&LD in the DALRRD and all relevant role players.
- The UNDP Senior Management will be available for consultation regarding related issues, progress briefings and any other matters related to smooth execution of the project and success thereof.

12. CONFIDENTIALITY

All information, discussions, documents and reports that arise from this assignment must be regarded as confidential. Only UNDP, or its development partner, shall have the right to make public the findings of this project.

13. APPLICATION REQUIREMENTS

The qualifying team is invited to submit a proposal to provide the above-mentioned services. The proposal should focus on addressing the team's ability to provide the services outlined in the Scope of Work and Expected Outputs. Please include the following:

- Cover letter stating the ability of the team to undertake this assignment
- Detailed CV(s) indicating qualifications and relevant experience of all team members
- A proposal indicating a description of the proposed approach to the scope of work, preliminary work plan with timelines, deliverables and detailed budget.
- Company documents, including profile.

14. CRITERIA FOR SELECTION

Selection criteria will be based on functionality, knowledge and experience. Technical proposal will be weighted at a maximum 100 points with 70% pass rate. The selection of the successful team of experts will be aimed at maximising the overall qualities in required areas of competence. This will be broken down in the following manner:

Criteria for Selection		Points Allocated
(As per RFQ or RFP)		Per Criteria
1	Technical Proposal	50
	a. Expertise of Company submitting Proposal demonstrating relevance of: <ul style="list-style-type: none"> - Specialized Knowledge - Experience on Similar Programme / Projects - Experience on related Projects in the Country/Region 	20
	b. Proposed Work Plan and Approach: <ul style="list-style-type: none"> - Is the scope of task well defined and does it respond to the TORs? - Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation to the project? 	30
	Knowledge and Experience	50
2	a. Education: Post Graduate Degree in Development Economics, Economics, Agricultural Economics, or any other equivalent post graduate degree. - All Team Members.	15
	b. Knowledge and Skills: Development Finance, Development and Agricultural Economics, Report Writing, Policy Analysis and Socio-economic impact assessment. Strong research background on issues of agriculture, land policy and development. <i>Working knowledge</i> of South African	15

		government, especially on the issue of rural development and land reform programmes.	
	c.	Experience: <u>Team leader</u> must have more than 7 years of consulting experience on the topic of land reform and rural development and economic transformation.	10
	d.	Experience: Other team members may have a minimum of 3 years of experience in the same field.	10
TOTAL TECHNICAL SCORE (Passing Rate = 70%)			100 pts

15. TERMS AND CONDITIONS

- Awarding of the contract will be subject to the company's acceptance of UNDP Terms and Conditions.
- UNDP reserves the right to terminate the contract in the event that there is clear evidence of non-performance, by the technical experts/consultant.
- The information contained in these TORs has been prepared to guide interested parties in making their own evaluation and does not purport to contain all the information that a consultant may require. A consultant must make every effort to adequately responds to the terms.

16. CONTACT PERSON AND DETAILS

For any queries regarding the contents of these TORs and all other inquiries, please send them to procurement e-mail provided.