



## **TERMS OF REFERENCE (TORs)**

### **FOR**

## **AGRICULTURAL COMMODITY QUANTIFICATION AND ANALYSIS**

**Application Deadline:** 16<sup>th</sup> December 2019  
**Category:** Professional Services  
**Type of Contract:** Local Company  
**Languages Required:** English  
**Starting Date:** Immediately  
**Expected Duration of Assignment:** Maximum of 4 months

### **I. INTRODUCTION AND BACKGROUND**

- I.1 Public procurement is one of the fundamental mechanisms applied by the states globally to strengthen small and medium enterprises (SME). Part of what is procured by the state is food. Food and Agriculture Organisation (FAO) has developed policy guideline on public food procurement. The guidelines emphasized that public food procurement can be an instrument to foster agricultural development by directing government or state food demand to domestic suppliers, particularly smallholder farmers. By expanding smallholder market access, through public food procurement can assist in poverty alleviation and food security as agriculture still represents the most important source of income.
- I.2 In South Africa, facilitating and structuring access to state food procurement opportunities is an area that has not been fully assessed and prepared for. The focus has predominantly been on export markets with insufficient attention to the institutionalized food procurement by the state. The value of state food procurement is estimated in billions per annum in certain departments (e.g. Basic Education, Social Development) and hundreds of millions in others (e.g. South African Defense Force). Thus, opportunities for equity and access to state procurement needs to be urgently and thoroughly explored.
- I.3 Preparation and innovative models for delivery, looking at a sample of state departments, especially at provincial or regional level equipment, shared services, facilities, bulk /cooperative buying practice, aspirations and opportunities need be explored. In addition, a sample or at least one of food processing corporate companies which have an interest in and preference of domestic supply than imports may need to be studied and make

recommendations of methods to be employed or learn from. One of the variables to be explored in analysis is socially acceptable net income in relation to competition and household or enterprise income.

## **2. PURPOSE**

- 2.1 The purpose of this assignment is to provide technical support in institutional markets analysis (commodity types, quantities, location and opportunities for access) in relation to key state departments that procure food and corporate company(ies) in food processing.
- 2.2 The aim assess opportunities for access to these markets by small /land reform producers and build sustained micro and small agro-based enterprises and provide the basis for training, improved incomes and jobs.

## **3. PROJECT DURATION**

This assignment is expected to be completed within four months, ending in April 2020.

## **4. PROJECT SCOPE**

- 4.1 The scope will include desk top preparatory research targeting secondary information on procurement budgets and related information from key food procuring departments for food relief (e.g. Basic Education and Social Development) and food provisioning (e.g. Higher Education, Correctional Services and Health).
- 4.2 Parallel work will also be undertaken to assess a major food processing companying that has expressed an interest to import replacement.
- 4.3 Support engagements with the Department of Trade and Industry and Economic Development and Small Business Development and their relevant public entities and/or state-owned enterprises to explore potential for the establishment of processing industries to replace imports.
- 4.4 Prepare for and engage procurement offices (likely to be provincial / district or large hospitals and prisons); this will be on what they procure; who supplies them; the status of suppliers; duration of contractual obligations; quality consideration for the supply; regional delivery/collection points and gaps in product as well as the basic conditions for accessing these markets. These will be quantified, analyzed in terms of types and quantity estimates per delivery locations and procurement rules and procedures that apply.
- 4.5 Engage with land reform projects (GPS: location maps), collate data on type of commodities produced, quality and potential and provide recommendations.

- 4.6 There will be workshop/s with key informants as well as representatives of producers which will be facilitated in each province or cluster of areas to address how to plan and widely share the uptake, based on “a socially acceptable/ targeted net incomes” and by whom and estimated dates to start the uptake of offers. And planning for the uptake and provision of basic support to producers.
- 4.7 Given the above requirements, some level of modeling and projecting will be required to determine the minimum level of enterprises to carry the commitment; their proximity to a collection point. It is important to estimate the number that can be sustained by servicing these off-takes in terms of the levels of the agreed socially acceptable net incomes and what social and economic impact is likely to result from such preferential procurement and social solidarity arrangements.
- 4.8 Develop an operations strategy and framework, including the support interventions required to prepare the identified producers.
- 4.9 The anticipated end- product out of this assignment will be data reports; an analytical report; an operations framework and an advisory on key uptake tasks to be managed towards the phased uptakes

## **5. TASK OBJECTIVES**

- 5.1 The market analysis study is aimed to understand the size of the potential of institutional food markets of the state and that's of food processor to support for rural agro and related enterprises and land reform beneficiaries;
- 5.2 Realise market access as an important factor that determines the success of agriculture enterprises. These are both agro and direct support enterprises at the district level;
- 5.3 A detailed analysis of the market should be done to understand:
- the demand at a commodity level from the public sector and example from the private sector;
  - The types of produce/commodities procured routinely
  - The qualities overall; and
  - Their estimates by Region / collection points.
- 5.4 An engagement plan should also be designed

## **6. KEY DELIVERABLES**

### **6.1. Detailed market analysis report**

- Government departments demand: analysis of agricultural produce demand including interviews to determine commodities they procure, a locational and regulatory review to understand how rural enterprises can participate.
- Private company demand: analyse the target big company market for agricultural produce that rural enterprises can access.

### **6.2. Market Engagement Plan**

- Prioritization and matching opportunities to land reform and producers location;
- A proposed Implementation Plan;
- A Market engagement plan to facilitate and enable rural enterprises market access; and
- A support plan to the selected and positioned producers.

### **6.3. An Operational Strategy**

- Framework
- A roll-out Plan
- Proposed areas of basic support to producers

### **6.4. A Proposed Set of Tasks going forward.**

- A recommended capacity development approach
- A schedule of key delivery tasks (costed)

## **7. METHOD OF PAYMENT**

7.1. Payment will be made in Rands only.

7.2. Every invoice payment will be made within 30 days on receipt of the invoice and supporting deliverables.

**Payment Schedule** *(subject to adjustment after PIP finalisation):*

<b>Deliverable</b>	<b>Payment</b>	<b>Timeframe</b>
1. Project Implementation Plan (PIP) Finalisation	40%	Within one (1) week of contract signing.
2. 1 <sup>st</sup> Draft Reports	30%	Within 1½ month after signing of contract.
3. Final Reports	30%	Within 3½ months and upon approval by the Senior Management

## 8. EXPERTISE AND COMPETENCIES REQUIRED

This assignment requires local experienced Agricultural Economist who has experience with institutional and other agricultural commodity markets and knowledge in market access facilitation support.

The team must fulfil the following selection criteria:

**8.1 Education:** Team Leader must have Post Graduate Degree (Masters or PHD) in Agriculture, Agricultural and/or Development Economics. **Team members** must have a minimum of 3- or 4-year university qualification on the above-mentioned academic disciplines.

**8.2 Knowledge and Skills:** Project team to be utilized in the execution of the project must individually have a minimum of 5 years' traceable experience in the following specialized areas: qualitative and quantitative research methods; working with data, Geographic Information Systems and the facilitation of agreements;

**8.3 Experience:** Team leader must have a minimum of 5 years of consulting experience on the topic of project management and large procurement project planning;

**8.4 Working knowledge** of South African government, especially on the issue of agriculture, public procurement, enterprise development and land reform programmes will be an added advantage.

## 9. PROJECT IMPLEMENTATION REPORTING

9.1 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.

- 9.2 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 and DRDLR.

## **10. INSTITUTIONAL ARRANGEMENTS**

- 10.1 The Team will be:
- i. briefed by Chief Director Policy Research & Legislation Development-DALRRD and UNDP Project Manager at the start of the assignment and will henceforth report regularly to CD PR&LD-DALRRD and UNDP Project Manager throughout the assignment.
  - ii. Supervised by the Chief Director PR&D- DALRRD.
- 10.2 Will report progress to the Chief Director PR&LD (DRDLR) and the UNDP.
- 10.3 The Team will be expected to observe the highest professional and ethical standards throughout project implementation.
- 10.4 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**

- 11.1 Information and related documents will be available on request from Chief Directorate: PR&LD in the DALRRD and all relevant role players.
- 11.2 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 company 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 Project Scope and Expected Deliverables. 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 each team member.
- A proposal (technical & financial) 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 and track record.

### 14. CRITERIA FOR SELECTION

Selection criteria will be based on functionality, knowledge and experience. Proposal will be weighted at a maximum of 100 points with 70% pass rate. The selection of the successful company with required 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		<b>Technical Proposal</b>	<b>50</b>
	a	Expertise and reputation of institution/Company submitting Proposal demonstrating relevance of: <ul style="list-style-type: none"><li>- Specialized Knowledge</li><li>- Experience on Similar Programme / Projects</li><li>- Experience on related Projects in the Country</li></ul>	25
	b	Proposed Work Plan and Approach: <ul style="list-style-type: none"><li>- Is the scope of task well defined and does it respond to the TORs?</li><li>- Is the presentation clear and is the sequence of activities and the planning logical, realistic and promise efficient implementation of the project?</li></ul>	25
2		<b>Knowledge and Experience</b>	<b>50</b>

a.	<b>Team Leader</b> must have Post Graduate Degree in Agriculture, Agricultural and/or Development Economics.	15
b.	<b>Team members</b> must have a minimum of 3- or 4- year university qualification on the above-mentioned academic disciplines.	10
e.	Team leader must have a minimum of 5 years of consulting experience on the topic of project management and large procurement project planning.	15
f.	<b>Working knowledge</b> (collective) of South African government, especially on the issue of agriculture, public procurement, enterprise development and land reform programmes	10
<b>TOTAL TECHNICAL SCORE (Passing Rate = 70%)</b>		<b>100 s</b>

## 15. TERMS AND CONDITIONS

15.1 Awarding of the contract will be subject to the company's acceptance of UNDP Terms and Conditions.

15.2 UNDP reserves the right to terminate the contract in the event that there is clear evidence of non-performance, by the service provider.

15.3 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.

15.4 No material or information derived from the provision of the services under the contract may be used for any other purpose except for those of UNDP, except where duly authorised to do so in writing by the UNDP.

15.5 Copyright in respect of all documents and data prepared or developed for the purpose of the project by the service provider shall be vested in the UNDP and its partner.

## 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.