



**ASEAN-AUSTRALIA DEVELOPMENT COOPERATION PROGRAM (AADCP)
PHASE II**

**TERMS OF REFERENCE
FOR**

***Assessment of smallholder farmers' productivity and access to markets in
Cambodia, Lao PDR, Myanmar, and Viet Nam***

The ASEAN Secretariat and the Australian Government, through AADCP II, invite applications from consultants for the above-referenced project.

I. Background

The Initiative for ASEAN Integration (IAI) provides a policy framework to support the participation of ASEAN's newer member states (Cambodia, Lao PDR, Myanmar and Viet Nam or CLMV) in the ASEAN integration process. The IAI Work Plan III (2016-2020) as the guiding document for this initiative is in its last year of implementation. ASEAN has developed the successor IAI Work Plan IV (2021-2025), following series of consultations at the regional and national level. Development of the IAI Work Plan IV was led by the IAI Task Force, comprising of the ten Permanent Representatives to ASEAN. The IAI Task Force provides policy guidance and directions in the development and implementation of the IAI Work Plan.

During the consultation process, the ASEAN Member States recognised the continuing relevance of the five *Strategic Areas* of the existing IAI Work Plan (food and agriculture; trade facilitation; micro, small and medium enterprises (MSMEs); education; and health and well-being) and agreed to have them carried forward to the next five years. Within each Strategic Area are *Actions*, which are aligned with the commitments in the related ASEAN sectoral work plans. The IAI Work Plan IV also takes into consideration emerging trends, global and regional developments including the COVID-19 pandemic. The final draft of the IAI Work Plan IV was approved by the IAI Task Force on 31 August 2020. This will be submitted to the ASEAN Coordinating Council for endorsement and subsequently to the ASEAN Leaders in November 2020 for adoption.

AADCP II is supporting the development of the IAI Work Plan IV, as part of the "Work Planning Assistance for the Initiative for ASEAN Integration (IAI) 2021-2025" project. Following the completion of the new Work Plan, the project will support preparation of an IAI Implementation Plan to map out IAI Work Plan IV projects against ASEAN's and donors/ Partners' interests. Recognising CLMV countries' need for support in project development, it will also support drafting of up to ten project proposals addressing Actions under the strategic areas.

To provide a deeper understanding of context and challenges, assessments will be undertaken for up to five prioritised Actions, in parallel with the development of the IAI Implementation Plan and the drafting of project proposals. These assessments are to help ensure that project proposals under those five prioritised Actions are backed with evidence, up-to-date information on context, and a detailed understanding of the common issue(s)/problem(s) across CLMV countries (or minimum two countries). The assessments will inform the development of relevant project proposals.

This Terms of Reference (TOR) focuses on the conduct of an in-depth context assessment and problem analysis on **smallholder farmers' productivity and market access** related to Actions 1 and 2 under the food and agriculture Strategic Area of the IAI Work Plan IV. The objectives of these Actions are to: (i) increase the adoption of sustainable agricultural practices; (ii) increase agricultural productivity; (iii) increase trade in agricultural products; (iv) reduce rural poverty; and (v) increase income of smallholder farmers.

These Actions support smallholder farmers to raise their output through the application of more productive techniques, and to access new markets, potentially raising their income. A study by the Asian Development Bank (ADB) found that the slow pace of agricultural reforms and increasingly constrained nature of key production inputs such as land and water have contributed to declining productivity.¹ This is demonstrated by the declining growth rate of cereal yields in the CLMV countries from three percent annually between 2001 and 2006, to just one percent annually between 2012 and 2017.

The majority of farmers in CLMV countries are smallholders that practice subsistence farming with little or no additional income to invest in agricultural inputs. Greater participation of these smallholder farmers in production chains through training and market awareness courses could provide them with a more stable and reliable source of income, lifting them out of poverty. There is also an opportunity to support women's participation in higher-valued parts of the agriculture value chain (e.g. distribution and processing) to increase their income.

The COVID-19 pandemic has potentially reduced agricultural productivity. Border closures, trade restrictions and confinement measures brought about by the pandemic have disrupted supply chain, and limited farmers' access to markets, including for buying inputs (e.g. fertilisers) and selling their produce, as well as agriculture workers. The latter is especially detrimental for smallholders because they tend to rely on manual labour, instead of technology to carry out daily farming activities.

During the national consultations conducted with CLMV in May 2020, feedback from CLMV countries on specific needs and gaps are as follows:

- **Cambodia** - In 2019, Cambodia had around 1,190 agricultural cooperatives, 11 agricultural cooperative unions, and 1 agricultural cooperative alliance that have differing capacity to support collective bargaining on behalf of smallholders. Enhancing collaboration between the government and farmer groups (including cooperatives) could enhance the participation of smallholders in production chains as well as delivering training on topics including contract farming, negotiations, and accessing finance.
- **Lao PDR** - There are over 4,000 farming groups, which refer to the grouping of smallholder households that might share resources. A large majority of them are not productive and/or do not meet production quality standards to become cooperatives. A farming cooperative law that would create legally binding procedures to support farmers' rights and improve their market access is expected to be completed in 2022.

- **Myanmar** - The majority of producers in Myanmar are smallholder farmers who lack access to funding and production inputs including fertiliser and agrochemicals which could increase productivity. Enhancing collaboration with cooperatives could be an approach to enhance the participation of smallholders in production chains. However, current cooperation between the government and cooperatives is limited due to problems in the past.
- **Viet Nam** - Cooperatives and enterprises provide market access support for smallholders in the country and were highlighted by participants as integral to the success of this action in Viet Nam. Assistance is needed to bolster the capacities of these cooperatives to provide extensive services and leveraging digital technologies to increase their reach to farmers, particularly those in rural areas.

The assessment will further investigate these issues, identify common gaps and problems, and generate recommendations for addressing them within the related action of the IAI Work Plan IV.

II. Needs and Objectives

The objective for this assignment is to provide IAI Task Force, especially CLMV representatives, with better understanding of the current status and factors affecting farmers' productivity and access to market. The assessment will help CLMV prepared well-defined, evidence-backed project proposals, in line with the objectives of the relevant IAI Work Plan Action.

III. Outputs

The expected output is an **Assessment on smallholder farmers' productivity and access to markets in CLMV** with focus on three main areas: (i) detailed landscape of smallholder farmers in CLMV countries; (ii) productivity and market access challenges faced by smallholder farmers; and (iii) existing assistance to support smallholder farmers. The assessment should consider emerging issues (such as the COVID-19 pandemic) and answer at least the following questions for each CLMV country:

I. Detailed landscape of smallholder farmers in CLMV countries

- What percentage of the agriculture sector consists of smallholder farmers? How do they differ by regions/provinces?
- What is the breakdown by gender and age?
- What are the typical crop types cultivated by smallholder farmers? What are the key determinants of crop types and do they change over the year?
- How do smallholder farmers currently access end-consumers? (e.g. contract farming, roadside stalls, etc.) What share of smallholder farmers gets access to overseas markets and how?

II. Productivity and market access challenges faced by smallholder farmers

- How does the productivity and access to market of smallholder farmers differ from larger players? How does it differ from male and female smallholders? Provide a review across the full agriculture value chain, i.e. from sourcing of inputs to retail distribution. If there are significant differences, what are the drivers of these differences? Summarise existing studies exploring this topic.

¹ *Enhancing Agricultural Productivity of CLMV Countries: Challenge and Agenda for Reforms*, ADB Institute, 2015.

- What are the challenges faced by smallholder farmers in terms of raising productivity and deepening market access?
- How do these challenges differ by segments within smallholder farmers (e.g. women, provinces, distribution channels, etc.).

III. Existing assistance to support smallholder farmers

- What are the current channels of assistance available to smallholder farmers (to raise productivity and increase access to markets)? Which are the most successful non-profit philanthropies/entities working in this space, and what are their key programmes and impact? Do male and female farmers have similar access to assistance; do they bring similar benefits and yield similar impact among male and female farmers?
- What are opportunities and challenges faced by farmers during the COVID-19 pandemic? Do male and female farmers face similar opportunities and challenges? Have there been any new policies introduced by government to assist smallholder farmers sustain through the COVID-19 pandemic? What are new innovation and technologies adopted by farmers to mitigate the impact of COVID-19 pandemic?
- Where are the policy gaps which policymakers can address (e.g. gender and minority groups) to strengthen support to smallholder farmers?

The report will be submitted in two stages:

1. Draft assessment report containing four country-level assessments for each CLMV country (each maximum 30 pages in length, not including annexes) and initial multi-country (regional) analysis. Annexes should at least include records of national consultations, regional workshop, and stakeholders' forum held during the formulation of the IAI Work Plan IV (2021-2025) as well as further consultations with CLMV countries.
2. Final assessment report consolidating the country level assessments, specifically summarizing regional commonalities (or between at least 2 countries) and providing general multi-country recommendations that can be transformed into IAI project proposals or used to refine existing project proposals. The final assessment report should be approximately 20 pages in length, not including annexes.

Submission of these deliverables is based on the target completion dates specified in the project work plan.

IV. Tasks/Activities

The following activities will need to be undertaken to achieve the outputs presented above. The bidder should provide details on its approach to each activity in its bid and is free to recommend additional activities.

	Deliverable	Activity	Person working days	Completion Date	Person(s) responsible
1	Project inception report	Conceptualisation of approach, detailed framework, and preparation of project work plan.	3 working days	One week after signing of the Special Services Agreement (SSA)	Consultant IAI & NDG Division
		Preparation of project inception report.			
		Finalisation and submission of project inception report.			
<i>Approval of project inception report by the ASEAN Secretariat (2 weeks)</i>					
2	Draft assessment report	Data collection, which may include desk review, survey/ questionnaire, focus group discussion, interviews, etc.	45 working days	Week 6	Consultant
		Preparation and submission of initial draft assessment report.	5 working days	Week 7	Consultant
		Feedback on draft assessment report from CLMV countries, relevant division(s) of the ASEAN Secretariat and/or consultants of sectoral work plans/strategies under development.	-	Week 9	IAI&NDG Division and CLMV countries
<i>Approval of draft assessment report by the ASEAN Secretariat (3 weeks)</i>					
3	Final assessment report	Finalised assessment incorporating feedback from CLMV countries, sector experts, and the ASEAN Secretariat. The draft should be in the agreed format and contain the complete sections i.e. full draft.	5 working days	Week 10	Consultant
		<i>Approval of final assessment report by the ASEAN Secretariat (3 weeks)</i>			

	Output	Activity	Person working days	Completion Date	Person(s) responsible
4	Project Completion Report	Preparation and finalisation of project completion report.	2 working days	Week 13	Consultant
<i>Approval of Project Completion Report by the ASEAN Secretariat (2 weeks)</i>					

V. Reporting

In addition to the project output described in Section III, the Consultant will be expected to submit an Inception Report and a Project Completion Report, according to the timeline set out in Section IV. These reports will be submitted based on AADCP II Guidelines for Contractors in draft format to the ASEAN Secretariat, IAI & NDG Division (with a copy to AADCP II) and, following the ASEAN Secretariat approval, in final form. All outputs and reports must be written in a way that is suitable for publication, although the decision on publication lies with the ASEAN.

The contractor will also provide regular (weekly, bi-monthly or as agreed with the ASEAN Secretariat) summation of activities undertaken and issues that have arisen. These will be submitted to IAI & NDG Division and AADCP II via email.

Financial reports will be submitted at invoicing in line with a payment schedule to be specified in the Special Services Agreement (SSA).

VI. Project Management

The project will be funded by the ASEAN-Australia Development Cooperation Program II and managed by the IAI & NDG Division of the ASEAN Secretariat. The consultant should be responsible for organising and conducting the scheduled activities in collaboration with the host countries and the ASEAN Secretariat.

The Program Planning and Monitoring Support Unit (PPMSU) of AADCP II will provide technical support to IAI&NDG Division for the implementation of this project, as required.

VII. Scope of Services

The consultancy will be undertaken over a **continuous effective period of fifteen (15) calendar weeks** with approximately **sixty (60) person days** of professional services. Work will commence immediately after contract signing.

VIII. Qualifications

In its proposal, the bidder should demonstrate:

- A minimum of 8-years work experience (for individual consultant, or the team leader of an entity/consortium) of conducting applied research activities, particularly within the context of designing development project or intervention;
- In-depth knowledge of policy and institutional issues related to the agricultural sector; specifically agri-business value chains, management of smallholder farmers enterprises and private sector actors; and local, national, and regional markets and food systems in CLMV;
- Experience in facilitating engagements with government, private sector, academe, and wider civil society;
- Experience in preparing analytical reports of the same scale and nature;
- Understanding of gender and social inclusion dimensions in agri-food policies and supply chain networks;
- Having existing local networks or industry connections in relevant sectors in CLMV countries is beneficial including familiarity with public-private partnerships for green supply chain

networks;

- Having local offices/associates in CLMV countries will be an advantage; and
- Experience working with the ASEAN Secretariat and AADCP II on projects with similar scope and characteristics will be considered added value.

IX. Bidding

Interested consulting firms are invited to submit a proposal in response to these Terms of Reference. This proposal should be in two parts: **Technical** and **Financial components**.

The Technical component should present the following information:

- A brief discussion indicating the bidder's understanding of the needs of the project;
- A brief analysis of key issues;
- A methodological discussion of how the bidder proposes to address those needs including assessment of key issues, analytical strategies that will underlie the project, specific techniques to be utilised including sampling techniques, and practical discussion of possible limitations in carrying out the project;
- A detailed work plan that specifies activities to be undertaken, expected outputs and deliverables, resources to be utilised and timing;
- Staffing and management plan;
- A discussion on how measures to ensure the future sustainability of the outcomes of the project will be addressed;
- CVs of all proposed experts;
- Brief discussion of firm's past experience in undertaking similar work and brief summaries of all projects undertaken.

The Financial component should specify:

- 1) Professional fees of expert(s);
- 2) Management and/or operational fees (if any), which include all costs incurred by the person/entity/company for internal coordination, communication, travels and any other associated project management cost;
- 3) Applicable taxes such as VAT, GST, PPN. See Section IX point 3 for an additional note on tax liability.

Activity costs for experts and participants such as reimbursable expenses for airfare, other travel costs and daily subsistence allowance for workshops, meetings, and all other agreed activities do not need to be included in the Financial Component. These items will be discussed with the preferred contractor during the finalisation of the scope of services. Costs will be based on prevailing ASEAN Secretariat rates.

X. Submission of Application

Applicants should send their application with a cover letter, materials specified in Section IX above and other supporting documents with "**Assessment of smallholder farmers' productivity and access to markets in Cambodia, Lao PDR, Myanmar, and Viet Nam**" as the subject via email to tender@aadcp2.org, no later than **30 November 2020 at 05:00pm Jakarta time**.

For Frequently Asked Questions (FAQ), please visit <http://aadcp2.org/questions-and-clarifications-assessments-in-support-of-iai-work-plan-iv-project-proposals/>

Any queries on the TOR should be sent to contact@aadcp2.org with the subject line:” **Query Assessment of smallholder farmers’ productivity and access to markets in Cambodia, Lao PDR, Myanmar, and Viet Nam.**

XI. Additional Notes on Terms and Conditions of the Project

1. Any future studies/reports/analysis in any form of intellectual property rights (including but not limited to patents, copyright and any related rights) submitted by the Contractor to ASEAN arising out of or in connection to the services performed by the Consultant to ASEAN shall belong to the ASEAN Secretariat under the name of **ASEAN** only;
2. Successful bidder shall agree to be bound and sign the Special Services Agreement (SSA) with all requirements under the terms and conditions provided therein, including but not limited to the AADCP II Guidelines for the Contractors attached to the SSA.
3. As an intergovernmental organisation, ASEAN shall not be responsible for any tax(es), levy, tax claim or any tax liability which may be imposed by any law in relation to any amount payable by the ASEAN Secretariat.