

STA Terms of Reference

Job title: Inclusive Value Chain Analysis and Market Assessment (Consultant Team)

Dates & duration: May - July 2022

Location(s): Dili (with some remote/home-based work) and potential for municipal travel

Reports to: TOMAK Interim Team Leader

TOMAK Contract Representative: Tammy Theikdi, TOMAK Program Manager

Background

The *To'os Ba Moris Di'ak* Program (TOMAK) is a 5-10 year agricultural livelihoods program implemented in Timor-Leste with funding from the Australian Department of Foreign Affairs and Trade (DFAT). Its goal is to ensure rural households live more prosperous and sustainable lives. Since 2016, TOMAK has worked with key partners (including the Government of Timor-Leste (GoTL)) to implement a range of interventions which aimed to:

- Establish a foundation of food security, healthy diets and optimal nutrition for targeted rural communities;
- Build capacity so these communities can confidently and ably engage in profitable agricultural markets.

Throughout Phase 1 of TOMAK (2016-2021) TOMAK implemented two component streams of activities, with gender and social inclusion embedded in the planning, implementation and monitoring of activities across the program.

Component 1 (Food Security and Nutrition) promoted nutrition-sensitive agriculture (NSA) approaches to improve the availability and utilisation of nutritious food. Component 2 (Market System Development) promoted the development of commercial agriculture following a market systems development (MSD) approach, focussing on selected higher-potential value chains.

The primary target area for Phase 1 covered inland mid-altitude suku (villages) with reasonable agricultural potential, located in Baucau, Bobonaro and Viqueque municipalities. Program management and technical leadership is provided from a central office in Dili (located within the Ministry of Agriculture and Fisheries (MAF)), with three regional offices currently operating in Baucau, Bobonaro and Viqueque.

Phase 1 of TOMAK concluded in May 2021, with the program entering a period of transition ahead of the design of TOMAK Phase 2.

The Assignment

In Phase 1, under Component 2, TOMAK supported production of four higher potential value chains (VCs) using a market systems development approach. VC selection was based on an initial value chain analysis, which followed a 3-step approach. Step 1 involved a broad market scan to assess overall market potential for a long list of VCs, which produced a shortlist of 10 potential VCs. Step 2 involved an evaluation of those VCs to explore opportunities to improve on-farm productivity and assess financial viability, which narrowed the list to five potential VCs. Step 3 involved a detailed assessment of five selected market systems which resulted in the final selection of four VCs (peanut, mung bean, red rice and shallot/onions).

Selection was primarily focused on less risky and (on average) lower return value chains with potential to extract additional value from well-established activities (e.g. peanut, mung bean). Shallot/onions

represented a higher investment, higher return VC with greater growth potential through import substitution. Other criteria considered included: Scale (i.e. potential for large numbers of households to benefit), growth potential, feasibility to influence the market system, GoTL national and sub-national priorities, willingness of the private sector to be involved, overall size of the VC, potential for nutritional benefits, potential for women's economic empowerment, and environmental impacts.

Throughout Phase 1, TOMAK worked in collaboration with the MAF extension service to implement a demplot and expansion farmer program which aimed to establish production nodes of the four VCs. Farmers were provided with agribusiness training, linked with collectors and buyers at national and sub-national level, and encouraged to sell collectively to reach larger markets. TOMAK collected production and sales data for the target VCs, and conducted a midline evaluation of its Component 2 intervention at the end of 2020.

With the design of TOMAK Phase 2 currently underway, the program has an opportunity to reassess the market potential of a wide range of value chains ahead of Phase 2 inception. It is expected that TOMAK Phase 2 will involve the integration of food security, nutrition and MSD activities and will incorporate natural resource management practices that enhance resilience and sustainability. Rural households produce a variety of farm products, many of which are nutritious and marketable. The program will increase its flexibility to support improved production of a wider variety of crops and small livestock. The intention is to help agricultural extension workers provide more comprehensive advice to farmers on a greater range of nutritious, profitable, and sustainable farm products as part of an integrated farming system. TOMAK Phase 2 is also expected to maintain its focus on gender equality, disability and social inclusion (GEDSI) throughout its activities.

The Phase 2 Inclusive VC Analysis will combine Steps 1 and 3 of the original assessment process: a broad market scan of VCs based on current farming systems, market realities, and opportunities plus additional analysis of a shorter list of potential VCs based on key criteria outlined below. To conduct this assessment, TOMAK seeks a highly experienced consultant team to develop and carry out an inclusive, nutrition-sensitive VC analysis in the proposed geographical target areas for Phase 2 (as well as Dili). It is expected that the consultants will conduct a literature review including a range of secondary data prior to developing a methodology and conducting any necessary field work to assess VCs according to the criteria set forth in the draft program design. The methodology and resulting analysis should be both gender-sensitive and disability-inclusive and will undergo a rigorous assessment of resilience and sustainability, in light of climate variability and change and the need to halt and reverse land degradation. The results from this work will be used to identify a list of products and VCs with high nutritional value and/or reasonable market potential for promotion in Phase 2. These VCs could be further assessed depending on the Phase 2 design (noting that some previous assessments of the potential to improve on-farm productivity carried out in Phase 1 are likely to remain valid – but may need to be revised within the nutrition-sensitive value chain framework). The assessment should also include the four VCs targeted in Phase 1 to assess ongoing market opportunities and potential for future growth.

Assignment responsibilities:

As far as possible, the analysis should utilise the most recent and reliable secondary data available, while also referring to and building upon relevant technical reports and analyses produced by TOMAK in Phase 1, its predecessor Seeds of Life, and the many other projects and programs focusing on agricultural improvement, nutrition-sensitive agriculture and rural development in Timor-Leste. Where required to verify secondary or missing data, primary data may be collected through interviews and discussions with key informants including buyers, traders, exporters, importers, relevant government institutions, and various development programs/agencies. Key tasks involved in the assignment include:

- a. Finalise the long-list of agricultural products to be assessed - together with TOMAK technical personnel;

- b. Using relevant secondary data, conduct an inclusive, nutrition-sensitive analysis of each of the selected VCs against the criteria below. Where secondary data is unavailable, missing or out of date, develop a plan and carry out primary data collection. Final analysis should include:
- An estimate of total production (area, yield/ha, and numbers of farmers) in Timor-Leste, by product and municipality, noting trends over the past 10 years;
 - Estimates for the proportion of this production which is marketed;
 - Key constraints and development opportunities for the selected VCs, including agronomic suitability for particular livelihood zones, climate resilience and any natural resource management implications;
 - Seasonal supply profiles, with corresponding price trends;
 - Assessment of national markets and market demand over the past five to ten years, along with likely future trends in demand;
 - Identify constraints and opportunities across the VC where nutrition value of the end product can be enhanced (i.e. specific improved post-harvest and/or processing techniques, cold storage, value-add).
 - Analysis of import statistics and identification of import substitution opportunities;
 - For products which are already exported or which have export potential (likely to be few), assessment of current market demand and likely future trend/s in export demand;
 - Calculation of import/export parity prices;
 - Benchmarking for each commodity against competitors;
 - Assessment of the extent of active private sector involvement in selected value chains (including input supply), and at what level of the value chain;
 - Assessment of sources of finance/credit for producers and other VC actors;
 - Broad assessment of MAF's capacity (through the extension service) to provide technical support to VC production, with reference to TOMAK's audit of relevant GAP and CSA materials;
 - Assessment of financial returns available to producers (per ha and per labour day);
 - A comparative analysis as to which of the short-listed value chains have significant potential to support rural women's income diversification and economic empowerment. The analysis would be expected to cover: analysis of women's roles in each of the selected value chains; the priorities, needs, constraints and strategic interests of women along selected value chains with specific focus on access and control over resources, skills development, and access to markets and market information; an analysis of the constraints/challenges faced by women in addition to opportunities and strategic entry points within each value chain; and finally recommendations to ensure greater representation and participation of rural women along selected value chains.
 - Through interviews with disability organisations, consideration of if/how people with disabilities could (and/or already do) participate in the value chain.
- c. Identify opportunities for additional, more in-depth value chain analysis if required/feasible.
- d. Deliver a presentation of the findings to TOMAK technical personnel and other relevant stakeholders including DFAT.
- e. Deliver the final inclusive VC analysis report.

Timeline: To be carried out between May– July 2022. Applicants should submit a proposed timeline, for discussion and agreement with TOMAK.

Skills and experience required (within a team of 2 or more consultants):

- a. At least 7 years or more experience in value chain and market systems analysis, with an emphasis on agricultural value chains in the Asia Pacific;
- b. Strong technical experience in agronomy, including understanding of agricultural production, food systems, land management, resilience and sustainability.
- c. Strong technical experience in conducting research and assessments as part of development programs (including literature review, methodology development, and data collection);
- d. Demonstrated understanding of issues of gender equality and social inclusion, and how these impact and (are impacted by) market systems;
- e. Sound understanding of nutrition-sensitive value chain frameworks;
- f. Strong interpersonal skills including the ability to conduct interviews, facilitate discussions and presentations, and engage technical staff around research findings;
- g. Exceptional writing skills (in English) – ability to synthesise data and findings in clear, concise narrative;
- h. Understanding of the economic and development context of Timor-Leste an advantage.

How to apply

Interested candidates (consultants or consultant team) should submit an application which includes:

- A cover letter/expression of interest noting relevant experience and ability to carry out the assignment responsibilities;
- CVs of relevant personnel; and
- A technical proposal and budget, including a timeline and outlining any assumptions.

Applications should be sent to Tammy.Theikdi@adamsmithinternational.com by **2 May 2022**.

This consultancy is available to both national and international applicants, based locally or outside of Timor-Leste (should be willing to travel to Timor-Leste). Adam Smith International is an equal opportunity employer and applications from a diverse range of candidates including from women and people with disabilities are strongly encouraged.