



TERMS OF REFERENCE FOR CONSULTANCY SERVICES
ON RURAL DEVELOPMENT PROJECT
**FDP PROJECT EXPANSION TO IMPROVE RICE PRODUCTION
OF LOW-INCOME HOUSEHOLDS INTO TUYEN QUANG PROVINCE**

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1. BACKGROUND

Foundation CODESPA (CODESPA) is a private Spanish NGO that has been supporting a project focused on several actions related with the development of local markets in low-income rural communities in the highlands of North Vietnam (Yen Bai, Than Hoa, Hoa Binh and Phu Tho Provinces) since 2005.

During these years CODESPA has worked with different partners under a market based approach to generate opportunities of quality living developing the actions described below:

- Market development for compressed fertilizer for rice cultivation.
- Market development for sanitation infrastructure and hygienic habits
- Bamboo local industry development by means of high value products processing
- Micro financing products development to reach financial rural communities needs.

These projects are funded mainly by the Spanish Agency for International Cooperation for Development (AECID) and other private donors.

Most of the projects are based in a sustainable and replicable model linking private and public sectors. Public sector leads the awareness role focused on improvement of the households' habits and small local private sector provides the required products and services. These products, like fertilizer pellets, latrines or bamboo cuttings have been analysed and adapted to purchasing power and needs of low-income households by local companies through a market and segmentation research as well as through the development of a low-cost products research.

The current year 2010 suppose the beginning of a new intervention, so Codespa would like to expand the efficient model of working developed along these years, replying some actions in new locations and to initiate actions in new sectors of development following the public-private alliance approach.

2. SCOPE OF WORK:

CODESPA (herein after, the Client) is willing to conduct a Technical Consultancy to implement the main activities related of the project plan "FDP project expansion to improve rice production of low-income households into Tuyen Quang province" .

Fertilizer Deep Placement (FDP) technology is a proven solution to low rice yield and ineffective fertilization. IDE has developed and disseminated this technology in other provinces in North and Central Vietnam for the last 10 years, with significant improvement for rice production for 60,000 households. The method was recognized by the Ministry of Agriculture and Rural Development in 2005 as innovative, and approved for dissemination. Especially in Yen Bai, the project, implemented since 2006, has made steady progress and has helped 40,000 households increase rice yield by 16%-30%, contributing to livelihood improvement.

FDP technology and project concept were already introduced to the provincial/district authorities and relevant agricultural agencies in Tuyen Quang as well as farmers participated in the FDP research in Chiem Hoa district last July-August 2010. All of them were very receptive of the technology and the project concept and have shown willingness to implement the project as it is seen as a solution to the real province/district problem.

Based on findings of the research and the in-depth knowledge/experience about FDP, the intervention has been re-designed to improve the rice production in Tuyen Quang province to be more suitable for the local context of the province.

Prior to program implementation, the project partnering consortium will be formulated to agree on the collaboration modalities. After that, detail implementation plan will be prepared with the participation of all project partners. Involvement of local partners in the planning and implementation processes is critical to the sustainability and success of the project. The consultant will carry out the majority of the project field activities described below in close collaboration with local partners to build their capacity for future replication and expansion of the intervention to other areas. As the market-based approach is the underlying basis for the proposed interventions, key project activities will be (i) Rural marketing for stimulating demands, (ii) Private sector capacity building and input supply chain development to meet the demands; (iii) quality control for FDP pellets; and (iv) Capacity building and project implementation transferring to the local partners. Below are the key activities to be implemented during the life of the project.

2.1 Rural Marketing

Rural marketing activities will introduce FDP and thereby stimulate farmers' demands for unsubsidized FDP pellets. Through rural marketing, rice farmers will be informed of benefits of FDP, methods of FDP application, and the availability of FDP pellets and purchase options. Rural marketing activities will target farmers with irrigated rice

production, with a focus on women who are the responsible actor for rice cultivation. The project will adapt its marketing and promotion strategy successfully applied in Yen Bai to the new circumstances of Tuyen Quang province.

As found from the FDP research conducted in Tuyen Quang during July-August 2010, in farming activities, especially in area of rice cultivation, farmers in Tuyen Quang listen a lot to the extension network at different levels. Therefore, marketing activities will be implemented through the network of extension workers at provincial, district, and commune levels. Also, experience from Yen Bai project and from other similar projects shows that on-farm demonstrations and hands-on experience are the best ways to promote FDP among remote farmers; therefore, demonstration sites with the poor and early-adopters will be set up. Other farmers in the village adopt new techniques once they see improvements in yields and incomes for their neighbours; therefore, mass marketing activities will be mostly implemented in this project.

On the other hand, some limited number of targeted marketing activities, such as sales promotion and promotion meetings for poor rice growers will be carried out as well to encourage the poor – the more risk aversion group – to switch to FDP.

In this regards, the following key activities will be implemented:

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- *Consumer understanding research.* The purpose of the consumer understanding research is to collect insights regarding perception, motivational factors, and local beliefs.
 - *Marketing campaign.* Design appropriate marketing campaign taking into consideration of demographic and psychographic characteristics, existing cultivation practices, input usage patterns, ethnicity and ability to pay. The project will develop materials.
 - *Promotion of FDP through mass marketing activities.* Information on FDP will be disseminated widely through mass media, distribution of promotional materials such as leaflets, and through and other means of information using the extension network at district, commune and hamlet levels. Especially, in order for farmers to have an in-depth information/instruction about FDP, 'open' informative sessions with unlimited participants will be organized, targeting as many attendants as they come. The promotion activities will talk about the benefits of FDP, application, and availability.
 - *Promotion of FDP through demonstrations and targeted marketing activities for the poor.* The project will work with the poor and early adopters in project areas to establish on-farm demonstration sites with FDP application and comparative plots with conventional fertilization. It is expected that other farmers in the village will adopt FDP once they see improvements in rice crops from their neighbors. Leveraging market development through early adopters, especially the poor farmers among the pool of potential customers has proved to be an effective way to disseminate a new market initiative.

Other key activities targeting the poor rice growers will be conducted: **promotion meetings** on FDP technology and field visits to demonstration sites organized for

poor, female rice growers in project areas to raise awareness and encourage poor farmers to switch to FDP. Besides, facilitation activities to link poor farmers to financing services (credit from formal/informal institutions and/or value chain finance) will also be conducted to help poor farmers access to FDP.

2.2 Private sector capacity building and input supply chain development

The commercial supply of FDP pellets will be set up from crop 1 of the project to avoid the direct involvement of the project in the production and distribution of FDP pellets. The Consultant will facilitate the establishment of an input supply chain network for the production and distribution of FDP pellets to farmers, including the FDP briquetting machine (that produces FDP pellets) manufacturers, pellet producers, and pellet retailers. The focus of Year 1 will be on the recruitment of service providers into the supply chain network and creating linkages between service providers and farmers/customers. This activity will include:

- *Identification of existing enterprises* that are already in fertilizer/rice-related business. The project will approach these enterprises with a business plan and encourage participation into the supply chain by inviting them to participate in the promotional activities and field visits to Yen Bai province to learn about FDP technology and see the potential of the business.
- *Capacity building for input supply chain.* When the enterprises join the network, the project provides them with technical training machine production, FDP production, and pellet pricing. As capital investment for an FDP machine is needed for pellet producers, financial assistance will be provided as necessary in the form of interest-free or low-interest-rate loans in kind (FDP briquetting machine) as investment capital to start up the business. Refinement of service provider network and training on business/marketing will not be provided before Year 2.
- *Facilitating market linkages for providers.* The project will provide assistance for the enterprises to loan providers and input suppliers as well as rice farmers.

2.3 Capacity building and project implementation transferring to local partners

The main local implementing partner will be Tuyen Quang Agriculture Extension Center - AEC. AEC designated staff will be involved in all the project activities so that they could learn by doing and through interacting with The Consultant staff at work. In addition, they will be trained by The Consultant staff to carry out most field activities directly with farmers, such as marketing meetings and promotion material distribution, as well as working with the supply chain of FDP pellets, utilizing their existing network. They will also be trained to collect monitoring data and report. In the long run, many of the project field activities would be integrated in the local extension mandated work without the need of intensive external support. It is expected that dissemination activities would also be extended to other project areas in Tuyen Quang province through other programmes of AEC.

2.4 Monitoring and Evaluation (M&E)

M&E activities for this project will consist of the following:

- Data collection (technical data on rice growth performance and statistical harvesting; collected by local partners throughout crop cycle),
- Monthly focus groups with demonstration farmers to solicit feedback, make necessary adjustments, and inform and promotion strategy,

- Periodic meetings with the local partners for planning, reporting and updating about project progress,
- Participatory evaluation meetings that gather demonstration / trial farmers, other farmers in the community, and district officials to evaluate the farmers' acceptance of FDP and to solicit feedback to improve services,
- Annual workshop with The Consultant, extension workers, farmers and the input supply chain network to evaluate results,
- Monthly reports by local partners.

3. SELECTION CRITERIA

The proposals received will be qualified by members from Codespa Staff in Hanoi, Madrid and the Spanish Agency for International Cooperation for Development. In order to ensure an objective and impartial process, 5 criteria will be valued (0-10):

1. Experience & Appropriateness
 - Previous experience in "Value Chain Development" Projects, including a table with specific background, reached results and methodological basis.
 - In those projects, were the objectives and results adequate for the given context? Did the projects answer to real problems/needs?
 - Did the projects target the right people? Are the expected beneficiaries the social groups with lowest capacity of development? And are women included in the target group? What about ethnic minorities and social excluded individuals?
2. Feasibility and Logistics
 - Planned resources (human and financial) and estimated expenses are adequate for the implementation of the project.
 - The Consultant has logistic facilities to develop the Project according to the plan?
3. Impact and Efficiency
 - How the implementation of the project will contribute to the achievement of the general objective.
 - The methodology proposed by Consultant guarantees the results without exclusion of vulnerable groups?
 - Monitoring system: The assessment shall propose the way to collect the data complementing within the information system designed and used by Codespa in Yen Bai previously.
4. Sustainability, Environment and Gender
 - Does the Consultant proposal respect the beneficiaries' socio-cultural factors?
 - Will the local partners and beneficiaries have enough capacity to keep working once the Consultant support is finished?
 - Does the Consultant have any experience managing environmental impact?
 - Attending the impacts from project development, does the proposal include any chance of reduce these impacts?
 - Does the Consultant have any experience in Gender Mainstreaming? Is the proposal attending to male and female with equality and focus on specific gender needs?
5. Coordination:
 - Mechanism proposed to define Codespa/local partners/government/ roles in the project cycle.

- Experience in coordination with other organisations working in the area/context (not overlapping).

4. TIMEFRAME & CONDITIONS

The candidates should be registered in Vietnam as Consultancy Company Services, Local or International NGO; also, individuals could present a proposal in case they fulfil the requirements established in this ToR.

A team of experts on project-development and market based programs is required, attaching the proposed staff well-detailed (qualification, position, role in project, experience, geographic scope of influence). This team should include Program Manager and staff with permanent presence on the field.

The contract and the assignment is scheduled for the period 20th October 2010 – 31st December 2011, intending to extend the contract until the end of December 2013, attending to the results and fulfilling of contractual requirements..

The price of the assessment can't exceed the amount of 32.000,00 € (Thirty Two Thousand Euro) for the period between 20th October 2010 and 31st December 2011.

The Client will provide all the knowledge and documentation related to project and will advice the Consultant whenever it is required.

5. HOW TO APPLY

- Proposal should be submitted by 17:00 (Vietnam time) on Friday 15th, October 2010.
- Proposal has to be submitted in English or Spanish.
- Proposal has to include:
 - E-mail addressed to
 - Codespa: vietnam@codespa.org including:
 - The consulting assignment (quoting the title from the heading of the relevant TOR) and a summary of the candidate's qualifications and experience as set out in the appropriate TOR. (This summary should not be longer than 2 pages of 12 point text on an A4 sheet.)
 - A proposed fee rate per day per consultant. (This is for fees only as other costs, such as travel, are budgeted separately).
 - Availability to undertake the assignment at the indicative time shown on the TOR.
 - Attachments to the e-mail required are:
 - Updated CVs, highlighting relevant qualifications and experience.
 - Summary (no more than 5 pages) explaining the general approach and methodology that the consultant suggests would be appropriate from their understanding of the TOR.
 - Description of the proposed tools (materials, contents, questionnaires, database, reports, etc.) and its methodology (focus groups, demonstrative plots, interviews, participatory rapid appraisal, etc.).
 - Guidelines for focus group discussion.
 - Detailed budget including all the expenses (consultant fees, travels, allowances, taxes, etc)
- Contract should be signed on 20th October 2010.
- For further information contact Mr. Ricardo Fernández on the e-mail vietnam@codespa.org or Trinh Thu Huong on the e-mail huong@codespa.org.