



Call for Tender

Consultancy assignment – Cocoa Farmer Living Income Baseline Study

OVERVIEW:

Fairtrade's strategic vision emphasizes the need to address living incomes for smallholder farmers and to integrate the concept of living income in its pricing strategies. In 2017, Fairtrade's Living Income Strategy was developed, laying out a holistic roadmap for improving farmers' incomes, comprising three key components: i) sustainable pricing & market development, ii) sustainable yields & cost efficiency and iii) advocacy for an enabling environment.

Based on the Living Income Strategy, we are developing a Living Income pilot projects with targeted cocoa supply chains sourcing from West Africa. The pilot projects aim to test the holistic roadmap and monitor the impact of different approaches for the pathways detailed within the strategic framework. This will allow project partners to identify the most effective ways (and combination thereof) to make progress towards living incomes and also consider how these approaches can be implemented at scale.

The household income study forms an essential part of the monitoring and evaluation function around the pilot projects, which will serve as a baseline for measuring the impact of the pilot projects on farmers' incomes, enabling us to continuously improve Fairtrade's Living Income Strategy and the embedded Living Income Reference Price concept (the price a farmer should receive for his or her produce to be able to earn a living income from farm revenues, when key baseline parameters are met).

Based on a set of indicators, questionnaire and methodology developed by Fairtrade in previous studies, the consultant is asked to develop refine the questionnaire and methodology, propose a sampling method, collect the data in the field, validate and analyse the data and report on the baseline findings. The data analysis should provide insights into the current household incomes, composition of income sources, farm expenditures, productivity and labour occupation, amongst others.

Annex 1 provides a preliminary overview of the topics and indicators to be captured through this study.

OBJECTIVE/PURPOSE:

This assignment involves the establishment of a baseline of farmer household incomes as a point of departure in a longitudinal impact assessment of Fairtrade's living income pilot projects. The study should cover a representative sample of producer households in the targeted cooperatives and provide insights into the indicators listed in the annex. The study forms a basis for monitoring progress towards living incomes, enabling continuous improvement of the living income roadmap.

TASKS/DELIVERABLES:

The scope of the baseline study covers four Fairtrade cocoa cooperatives – two in Ghana and two in Cote d'Ivoire – which have been selected for the living income pilot projects. We envisage a sample size of approximately 10% of the membership of each participating cooperative.

Overall tasks:

- Review the draft model, list of indicators and questionnaire and finalise questionnaire to be used in the field study;
- Propose adequate sampling method per Fairtrade's requirements;
- Carry out data collection in the field;
- Validate and analyse the data as per specific objectives described;
- Provide descriptive statistics about the household incomes, production systems, household labour employment, demographics and other key indicators.

Key deliverables:

Specifically, the baseline study should provide:

- Well documented statistics of the actual cocoa farm economics of the target group, considering the net income from cocoa as well as other components of the household incomes;
- Insights into the factors and drivers that influence household incomes;
- Gap analysis between the findings of the baseline study and the parameters set out by Fairtrade. e.g. actual farmers' incomes versus living incomes, average farm size versus full-employment farm size, current cocoa yields and level of diversification versus target yields and target production of food crops, actual household labour employed in farm work as compared to the total household labour availability, etc.;
- Narrative report, detailing the methodology used, data analysis and results; including a description of the theoretical farm economic model used for the baseline study and recommendations for future monitoring and evaluation purposes;
- Raw data and graphs and tables summarizing the calculations as well as a description of the variables analysed.

Timelines:

The consultancy contract is scheduled to start as soon as possible and the project should be finished before January 31st, 2020.

REQUIREMENTS:

The consultant / consultancy company for this assignment should have the following expertise:

- Proven experience with agricultural research and rural household surveys, particularly related to household income measurement;
- Good knowledge of cocoa production in West Africa (preferably in Cote d'Ivoire and/or Ghana) and ability to assess good agricultural practices and calculate cost of production;
- Affinity with the context and challenges of sustainable development in the cocoa sector;
- Experienced in interrelating with rural households on a basis of confidence and trust;
- Excellent data analysis skills;
- Understanding of the concept of living income;
- Fluency in English and French.

TERMS AND CONDITIONS:

How to apply:

Interested parties can present their proposals by sending an e-mail to Carla Veldhuyzen (c.veldhuyzen@fairtrade.net) and/or Yun-Chu Chiu (y.chiu@fairtrade.net) indicating "Consultancy assignment – Cocoa Farmer Living Income Baseline Study" in the subject line. The proposal should include the following information:

- Professional expertise: A brief description of the research team and the relevant expertise of the team members, focussing on the requirements presented in this document
- Project plan: A description of the methodological approach proposed for this project, specifying number of days spent in the field and timelines
- Budget breakdown: consultancy fees and all additional costs

Deadline to submit application: 27th October 2019.

Interviews are scheduled to take place in w/c November 4th.

Budget indication:

The total budget for this project is maximum €50,000. Please note that all costs invoiced must be below this amount, including a mandatory 19% VAT payable in Germany (as this is where Fairtrade is headquartered). This implies that that the amount chargeable before VAT is ~€40,000.

Criteria for evaluation:

The proposals will be evaluated according to the following criteria:

- Relevant professional expertise of the research team
- Quality of the proposed methodology for data collection and analysis
- Familiarity with the subject matter and region;
- Requested budget for consultancy fees and other costs
- Proposed timelines for the project.

Questions:

Interested parties can send their questions regarding this assignment to Yun-Chu Chiu (y.chiu@fairtrade.net). The deadline for presenting questions is 21st October 2019.

ANNEX – Preliminary variables for the baseline study

The list below presents an overview of the general variables to be considered in this study. The final list will be agreed between the consultant and Fairtrade, prior to starting the fieldwork.

Household:

- Detail of household composition
- Detail of family labour involved in farm work (preferably differentiated by crop)
- Detail of land ownership situation and labour/income distribution in sharecropping and farm caretaking settings

Farm production:

- Total land size and cocoa area
- Productivity of cocoa
- Age and density of trees and level of rehabilitation
- Level of crop diversification, including intercropping
- Detail of hired labour employed
- GAP training received
- Level of GAP adoption

Income:

- Net farm income and distribution of income sources
- Estimated value of food produced for domestic consumption
- Detail of farm revenues and expenditures for growing cocoa and other crops
- Additional off-farm income estimate