



Terms of Reference

Consultancy Assignment - Living Income Reference Price Procedures & Toolkit

OVERVIEW

Fairtrade International unites the producer-, market- and business-facing activities within the Fairtrade Labelling system. FI develops the Fairtrade Standards; promotes the empowerment of Fairtrade-certified producers by supporting them in gaining and maintaining Fairtrade Certification and capitalizing on market opportunities; and facilitates global Fairtrade markets, to optimize benefits for producers.

Fairtrade International is committed to support smallholder farmers achieving sustainable livelihoods and earn a Living Income. Fairtrade's strategy to improve farmers' incomes towards living incomes includes a critical sustainable pricing component, based on the establishment of Living Income Reference Prices (LIRP) which allow average smallholder farmer households to earn a decent standard of living when certain baseline conditions for productivity and farm size are met.

Commercial partners in the global North show an increasing interest in establishing Living Income Reference Prices for their supply chains or sourcing origins, to quantify the price gap to enable living incomes alongside other interventions, in most cases with the intention to adjust their procurement practices. Through voluntary price commitments, farmer organizations are incentivized to support their members in achieving productivity and quality targets and empowered to negotiate adequate prices to sustain their business throughout market fluctuations.

To respond to this growing demand for LIRPs for specific supply chains in an agile manner, FI has developed a fast-track approach to establish a LIRP as an offer to business. The methodology and tools for collecting and analyzing data are currently being tested on a number of projects, but further streamlining of the processes will be needed.

Fairtrade International is therefore looking to define standardized procedures and improve its tools to be self-explanatory and comprehensive for implementing the Living Income Reference Price fast-track approach consistently. This will enable FI to train additional staff or external consultants and scale up the offer of LIRP calculations to interested partners.

OBJECTIVE/PURPOSE:

The project assignment includes the review of the methodology and projects where this has been implemented, in order to improve the existing tools and procedures and develop a training manual that allows Fairtrade International to expand its implementation capacity of LIRP fast-track approaches in a consistent and managed way.



CORE TASKS:

In close coordination with the Senior Advisor Sustainable Livelihoods and the Programme Coordinator Living Incomes and Living Wages,

- Make a comprehensive inventory of all existing LIRP fast-track approach documents and analyse the case studies in which the approach has been applied so far.
- Develop, based on these, Standard Operating Procedures for a consistent implementation of the fast-track approach.
- Review existing tools on their applicability across commodities and in varying contexts, and identify gaps for a streamlined implementation of the standardized procedures.
- Improve existing and develop missing tools that are clear, efficient and intuitive in a way these can be used by third parties in a consistent manner in line with the standard operating procedures.
- Conduct consultation to validate developed documents in a workshop with Fairtrade International and selected stakeholders.
Develop a training manual, including FAQ, for members of Fairtrade and other units in Fairtrade International or external consultants on establishing LIRPs per a fast-track approach.
- Develop presentation material and train the trainer guide helping to introduce the training manual to the target audiences.

KEY DELIVERABLES:

The consultant is expected to deliver the following final products:

- An interim report based on sighting of the documents and analysis of the existing tools, including identified gaps and recommended improvements to be developed, as well as an approach for the development of the Standard Operating Procedures and training manual.
- A complete toolkit, including standard operating procedures, for a fast-track method to establish LIRPs as an offer to business.
- A training manual for using the toolkit and SOP.
- Final executive report with recommendations for rolling out the SOP.

QUALIFICATIONS AND REQUIREMENTS:

We are looking for a process-oriented professional with strong analytical and project management skills and extensive experience in coordinating research projects. The consultant for this assignment should have the following expertise:

- Proven experience in rural economic project management involving smallholder farmers in the global South;
- Track record in streamlining research processes, combining analytical capacity with pragmatic hands-on experience;



- Competent extensionist and developer of standardized operating procedures and tools for implementation;
- Good understanding of what it takes to scale up implementation of processes;
- Familiarity with the living income concept, rural household economics and farm management;
- Excellent communication and presentation skills;
- Excellent command of English

TERMS & CONDITIONS:

Within Fairtrade International the consultant has a primary working relationship with the Programme Coordinator Living Incomes and Living Wages and the Senior Advisor Sustainable Livelihoods. The consultant will also work in close collaboration with the Pricing Unit at Fairtrade International and – to a lesser extent – with relevant staff throughout the Fairtrade network.

- It is expected to spend approximately 4 working days per month at the Fairtrade International office in Bonn, Germany.
- Consultancy fees: 50.000 EURO, to be paid in three instalments: 25% at the start of the project; 35% after delivering mid-term progress report and 40% upon acceptance of the final deliverables.
- The working language is English.

Timelines:

- Start date: November 1st 2022
- Deadline for submission of final deliverables: March 31st 2023

How to apply:

Interested parties can present their proposals by sending an e-mail to Carla Veldhuyzen (c.veldhuyzen@fairtrade.net) and Aaron Petri (a.petri@fairtrade.net) indicating “Consultancy assignment – Living Income Reference Price Procedures & Toolkit” in the subject line. The proposal should include the following information:

- Professional expertise: A brief description of the project team and the relevant expertise of the team members, focussing on the requirements presented in this document
- Project plan: A description of the development approach and timelines proposed for this project
- Reference Standard Operating Procedures: Please present a reference sample of how you have previously streamlined a process.
- Budget breakdown: consultancy fees and any other additional costs

Interviews are scheduled to take place in the week of October 24th - 28th.

Questions:

Interested parties can send their questions regarding this assignment to Aaron Petri (a.petri@fairtrade.net). The deadline for application is 14th October 2022.