   

Democratic Socialist Republic of Sri Lanka

**Ministry of Agriculture and Plantation Industries**

Agriculture Sector Modernization Project (ASMP)

**TERMS OF REFERENCE (TOR)**

**Hiring of a research company /a team of consultants to undertake a policy research on fruits, vegetables and other high value crop sectors to improve value chains of the potential crops for the export markets**

**Procurement No LK-MOA-PMU-397458-CS-CQS**

# Brief Description of the Project:

# The Agriculture Sector Modernization Project (ASMP) is implemented in Sri Lanka with the following Project Development Objectives:

* To support increasing agriculture productivity,
* Improving market access and
* Enhancing value addition of smallholder farmers and agribusinesses in the project areas.

The Project is comprised of three components.

The Component-1, Agriculture Value Chain Development, seeks to promote commercial and export-oriented agriculture.

The Component-2 aims at supporting smallholder farmers to produce competitive and marketable commodities, improve their ability to respond to market requirements and move towards increased commercialization.

The Component-3 focuses on human resource management, and capacity building, logistic requirements, monitoring and evaluation, communication and coordination of the overall Project.

Implementation of the component 2 undertaken by the Ministry of Agriculture, started in the year 2017 with the funding of WB, USD 64.23 mn to implement the project in 7 districts (Jaffna, Mullative, Anuradhapura, Polonnaruwa, Batticaloa, Monaragala and Matale) of five provinces namely Northern, North Central, Eastern, Uva and Central. In the year 2021, the component 2 further supported with co-financing from the European Union, USD 23.3 mn, to implement the same project concept in 5 additional districts (Kilinochchi, Vavuniya, Ampara, Badulla and Kandy) in the same provinces selected before.

Listed below are the sub-components of the Component-2 of the ASMP:

* 1. **Farmer Training and Capacity Building:** Under this Sub-component, institutional development and related capacity building activities are carried out in order to establish and empower Farmer Companies (FC) in each crop cluster established by the project.
  2. **Agriculture Technology Demonstration Parks (ATDPs):** This is the main sub-component of the Component-2 of ASMP. Selection of all crop clusters (minimum of 3 clusters per each district), design, establishment and continuity of crop clusters is ensured under this sub-component. Each individual member farmer of the crop clusters will be a member of the FC there, will receive a technology package as a grant under this Sub-component. In addition, farming related collective assets, certain technical exposure visits, technical training and awareness, specific technical consultancies will be delivered under this Sub-component.

* 1. **Production and Market Infrastructure:** Under this Sub-component, Cluster / ATDP specific market infrastructures such as cluster specific common Agro Processing /collection centers identified market access roads and Compost Making Units, required irrigation infrastructures, any other specific supportive infrastructures will be established.
  2. **Analytical and Policy Advisory Support:** Related policy studies as well as required analytical studies are to be carried out under this particular sub-component. In addition, conducting certain related assessments / evaluations, organizing of Techno Forums, Policy Forums, formulation Policy / Strategy briefs / guidelines will be carried out.

This particular consultancy assignment instigates under the sub-component (d) of the Component-2.

1. **Project Management:**

Ministry of Agriculture and Plantation Industries implement and manage the project[[1]](#footnote-1) activities through the Project Management Unit (PMU) of the ASMP in Colombo together with the Provincial Project Management Units (PPMUs) with the support and guidance of the Provincial Ministries of Agriculture and other relevant stakeholders.

The Project is technically steered, and monitored by the National Project Steering Committee headed by the Secretary to the Ministry of Agriculture and Plantation Industries. Respective Provincial Steering Committees are headed by the Chief Secretary of each Province.

1. **Background for the Assignment**

Agriculture is one of the major sectors that contributes for the GDP of Sri Lanka and the share has been recorded as 7.3% at current prices in the second quarter of year 2021.

Out of total merchandise exports of Sri Lanka, Fruits & Vegetable exports accounted for 0.36% in 2012 and it has increased up to 0.46% in 2022, with highest ever record of 0.64% in 2019. The fruit sector always takes relatively larger share (0.22%-0.26%) than the vegetable sector (0.14% - 0.2%) (EDB, 2022).

Sri Lanka’s fruits and vegetable exports limited for five to ten export destinations. In the year 2021, Maldives, UK and UAE are the top three vegetable export markets of Sri Lanka in terms of export share by value of USD 6.28 mn, 4.28 mn and 3.65 mn respectively. In the fresh fruit export UAE, Saudi Arabia and Maldives are top three export markets for Sri Lanka with a record of USD 9.4mn, 6.32 mn and 4.98 mn respectively.

As per the assessment of the Export Development Board of Sri Lanka, processed food and the fruits & vegetables sectors have been identified as the sectors with high potential in the world due to the increasing demand from the end consumers. Sri Lanka exports both fresh and processed fruit and vegetables and 65% of the fresh products are targeted to the Middle East and the Maldivian market. Almost 100% of the processed products are exported to the European markets.

Sri Lanka is losing markets owing to the unavailability of adequate and regular supply due to quality constraints, poor technology, high seasonality, inadequate skills of farmer’s, price fluctuations, inconsistency of exporters, and lack of proper linkages among stakeholders. Therefore, off-season cultivation, technology dissemination by establishing small farmer clusters and encouraging the young generation at commercial level fruits and vegetable farming are timely (HARTI, 2015).

With this background, it is important to enhance the production of fresh & value-added forms of fruits & vegetables for the export market. In order to achieve this target, it is necessary to analyses the existing policies and improvements required in policy environment that support production enhancement, product diversification and market diversification to capture the underutilized export potential of the Fruit & Vegetable crop sectors.

1. **Objectives of the Assignment**

Objective of this assignment is to carry out an in-depth policy research in the area of fruits, vegetable and other high value crop exports, in order to identify knowledge gaps, policy, and regulatory inconsistencies that affect quantity and quality of export these crops from Sri Lanka, in fresh and value-added forms. The assignment aims at policy adjustments, reforms or new policies needed to support F&V and other high value crops; production, development of value chains target for export markets and thereby making agriculture sector more productive, competitive, responsive to the export markets, enable the country to capture underutilized export potential in this sector.

1. **Scope of the consultancy**

This consultancy assignment is to focus on fruits, vegetable and other high value crop sectors to improve the volume of production of fresh and value added products for export markets;

* To identify existing global export markets for tropical fruits & vegetables and other high value crops (volume and value) for major export products (fresh & value-added products) and present market share occupied by Sri Lanka.
* To analyze specific requirements of the existing and potential export markets in terms of crop products (specifications) and quality standards (Certifications, MRL etc.).
* To review quality standards and regulations in force in Sri Lanka to match with the prevailing global standards such as Global GAP, HACCP etc. and any limitations.
* To review institutional support available in SL for agricultural exports especially for fruits and vegetables (fresh & value-added products) and other high value crops with especial reference to crops promoted by the ASMP and identify any gaps in institutional support (for certification, analytical services etc..).
* To review trade facilitation mechanism in order to support Sri Lankan exporters and finally the farmers to get the benefit of the international market demand including information flow between farmers to exporters and vis- a - vis, with special attention to e-platforms and digital payment mechanisms in operation.
* To identify policy and regulatory gaps in order to develop comprehensive and effective policy framework to support expansion of exports of fruits and vegetables and other high value crops through refining of value chains by improving production and processing technology, quality standards, trade facilitation and the flow of information.

1. **Tasks of the Assignment**

* A detail analysis of existing local and export markets for Sri Lankan fruits, vegetables and other high value crops (both fresh & value-added products) in terms of production share, market share and export prices received for respective value chains of major products.
* Detail analysis of specific requirements of existing and potential export markets (quality standards and product specifications etc.), availability of support (Institutional, policy & regulatory) and limitations in Sri Lanka to meet those requirements.
* Critically review, awareness among local value chain actors (exporters’, processors, collectors/sellers, and farmers/producers) on specific requirements of export markets including quality standards and export protocols for different products (fresh & value added) in potential markets with special reference to the crops promoted by the project.
* Review existing trade facilitation mechanisms in sea freight (transportation protocol) and air freight in order to support Sri Lankan farmers / exporters to get the benefit of the market demand.
* A detail assessment of the prevailing information flow and the communication methods along value chain actors especially with farmers, collectors, processors and exporters.
* Identify the degree of using e-business platforms and the facilitation required for improvements.
* Review local and international experience of farming as groups or farmer organizations and measures to empower them to enhance export market share / direct export.
* Review the evolution of technological improvement, transportation facilities, trading facilities, effective flow of information and other institutional support for export of fruits, vegetables and other high value crops prevail in neighboring countries (India, Pakistan, Bangladesh, Thailand and Malaysia) with a focus on policies, regulations and institutions in support of these success stories.
* Identify policy and regulatory changes or gaps need to be fulfilled, through which market share of Sri Lankan F & V products and other high value products in the global market can be expanded by enhancing the product diversification (product range) and market diversification (enter into new markets).
* Recommend appropriate policy instruments that the Government could be used to implement proposed policy changes to improve competitiveness and sustainability of fruit & vegetable exports in fresh and value-added forms and to capture unutilized export potential in the sector.

1. **Total due payment for the assignment:**

The total value of the proposed consultancy assignment is Rs.2.5 million (Rupees two and a half million).

1. **Duration of the assignment:**

The total duration of the assignment is 3 months commencing from the date of signing the contract.

1. **Qualification & Experience of the Consultants:**

The team of consultants should consist of appropriate combination of consultants essentially with an Agriculture Economist/Development Economist/ Policy Analyst together with an Agriculture Business Management Expert/ Agriculture Value Chain Expert / Agriculture Marketing Management expert.

Table-(1): Expected qualifications and experience of Consultants

|  |  |
| --- | --- |
| **Area of qualification / experience** | **Expected level of qualification / experience** |
| 1. **Agriculture Economist or Development Economist or Policy Analyst** | |
| **Education:** | |
| Degree | BSc. Agriculture or BA. Specialized in Agriculture Economics |
| Postgraduate qualification. | PhD or Master’s Degree qualification in Agriculture Economics Specialized in Policy Analysis or any other related field |
| Other Qualifications | Any Professional Qualifications, Training received in Value Chain Development, Quality Management, International Trade or any other related fields |
| **Working experience:** | |
| Agriculture Economics / Policy Analysis / Agribusiness Management / Agriculture Development related working experience. | At least 10 years of post-qualifying experience related to the areas mentioned here, as a Consultant, a Researcher or Manager of a research team, a university academic with research experience. |
| Specific Research Experience | Minimum of 5 research projects / similar assignments undertaken over the last 5 years |
| Working experience in a research team | She / He needs to have provable experience as a team player in a research team or managing a team of researchers. |
| **2. Agriculture Business Management Expert/ Agriculture Value Chain Expert / Agriculture Marketing Expert.** | |
| **Education:** |
| Degree | BSc. Agriculture or BA. Specialized in Agriculture Economics or any other related field |
| Postgraduate qualification. | PhD or Master Degree qualification in Agric. Business Management / Agriculture Value Chain Development/ Agricultural Marketing or any other related field. |
| Other Qualifications | Any Professional Qualifications, Training received in Value Chain Development, Quality Management, International Trade or any other related fields |
| **Working experience:** |
| Agribusiness Management / Agriculture Value Chain Analysis /Agriculture Marketing/International Trade or related field | At least 10 years of post-qualifying experience related to the areas mentioned here, as Consultant, Researcher or Manager of a research team, a university academic with research experience. |
| Specific Research Experience | Minimum of 5 research projects / similar assignments undertaken over the last 5 years |
| Working experience in a research team | She / He needs to have provable experience as a team player in a research team or managing a team of researchers. |

Including any other relevant consultants in the research team will be positively considered

in the evaluation of the research team.

1. **Working involvement & payment:**

This is a performance-based assignments. Payment will be based on the submission of the deliverables as given in the Table 2

Key deliverables, the respective deadlines and the payment schedule related to these three (3) months assignment are included in the Table- (2) below:

Table-(2): Expected deliverables, deadlines, and payment schedule.

|  |  |  |
| --- | --- | --- |
| **Deliverable (Result)** | **Deadline** | **Payment schedule** |
| 1. Inception Report - A presentation has to be made with the details of the work plan and the methodology of the study. | Within 10 working days after signing the contract Agreement. | 20% of the contract value will be paid after submitting the Deliverable 1. |
| 1. Progress report with a presentation | End of the 1 st month after signing the contract Agreement. | 25% of the contract value will be paid after submitting the Deliverable 2. |
| 1. Submit the Draft final report & presentation. | End of the 2nd month after signing the contract Agreement. | 20% of the contract value will be paid after submitting the Deliverable 3. |
| 1. Final Report (03 Copies) with a presentation, Research Article (s) and a Policy Note for submission to MOA/National Policies. 2. Soft copies of data collected, data analysis undertaken and final results of the analysis. 3. Soft/hard copies of the key literature reviewed for the study. | End of the 3rd month after signing the contract Agreement. | 35% of the contract value will be paid after submitting the Deliverables 4, 5 & 6 |

1. **Expected contribution from ASMP:**

ASMP will provide technical feedback and directions on time.

1. **Method of selection:**

Procurement method of **Selection of Consultant’s Qualification** (**CQS**) is applied for choosing the qualified Consultants.

1. **Review Committee:**

The key deliverables especially the Inception Report, Progress Reports and the Final Report will be reviewed by Review Committee appointed by the MOA.

1. **Contract Management:**

The Contract Management will be done by the Policy Specialist of Project Management Unit (PMU) of ASMP with the guidance and supervision of the Project Director, ASMP.

1. Since October 2023, the project is implement and managed by the Ministry of Agriculture and Plantation Industries. [↑](#footnote-ref-1)