

PRF SHORT TERM CONSULTANT FOR NTFP VALUE CHAIN / MARKET STUDY

Terms of Reference

Project Name: The Poverty Reduction Fund
 Livelihood Opportunities and Nutrition Gains

Number of positions: 1

Position: **Consultant for Market Study**

Duty Station: Home-based, PRF national office in Vientiane and Target Provinces

Duration: 8 weeks, starting in March 4, 2013

I. Background

The Poverty Reduction Fund Project was legally established by Decree from the Prime Minister of Lao PDR (No. 073/PM) on 31 May 2002, initially supported by the World Bank in the form of a low-interest credit, repayable over a forty-year term. The consented credit amounts to approximately 19.5 million US\$. The Prime Ministerial Decree allows the PRF to also receive and use funds from other sources.

The objectives of the PRF Project are to support the Lao PDR Government in its efforts to reduce poverty through expanding community opportunities to identify local development needs and manage small scale development projects through financing sub-projects for the rehabilitation and reconstruction of social and economic infrastructure, and other socially productive activities, including creating income generating opportunities through training and other support. Key emphases of the PRF include participation of the communities, transparency and sustainability of the sub-project outputs.

Specifically the project objectives are to:

- (i) Assist villagers to develop community public infrastructure and gain improved access to services;
- (ii) Build capacity and empower villages in poor districts to manage their own public investment planning and subproject implementation in a decentralized and transparent manner; and
- (iii) Strengthen local institutions to support participatory decision-making and conflict resolution processes at the village, Kum Ban and district levels, involving a broad range of villagers, including women and the poor.

A network of volunteers (village and Kum ban representatives) was set up. Through their elected representatives, villagers decide on how resources are allocated, manage funds, and implement subprojects. Extensive facilitation and training is provided to ensure that poor villagers, including women and people from smaller ethnic groups, participate in the decision-making

process and benefit from Program inputs. The Program builds community capacity by providing technical support for villagers.

The Program aims to create stronger links between the local government and the aspirations of villagers with Program staff at district, province and national level coordinating and building linkages. A forum was created at district level where villagers and district authorities meet regularly to discuss each other priorities and plans and reach a compromise that will satisfy each party.

During the first 5-year phase of the project (cycles I to V), with a loan from the World Bank, PRF supported more than 2,000 subprojects in 21 districts located in 5 provinces (Luang Namtha, Huaphanh, Xieng Khouang, Champasak, Savannakhet and Saravane) representing 161 Kum Ban, more than 1,900 villages and a total population of 744,140 persons. The total budget for the first phase reached more than US\$ 20,000,000. A budget of US\$ 16,616,000 was directly invested in more than 2,000 subprojects at village level.

The Lao government and PRF donors decided to extend PRF project with a 3-year additional phase which started in October 2008 with grants from the World Bank (US\$ 15 million) and from the Swiss Agency for Development and Cooperation (US\$ 5 million). During the current cycle (Cycle VI), PRF is working in 19 first priority districts located in 6 provinces and is currently supporting 355 subprojects corresponding to a total direct investment of US\$ 4.4 million.

In July 2009, during the 13th PRF National Administrative Board meeting chaired by Lao PDR Deputy Prime Minister, which took place in July 2009, the board members agreed to upgrade PRF into a National Program after completion of the project additional phase in 2011. Building on its past achievements, the next phase of the PRF (2011-2016) will continue to contribute to the Government's poverty reduction agenda. Specifically, the PRF II will fill a gap by financing investments in small public infrastructure that facilitate poor communities' access to basic services and markets in relatively remote and inaccessible areas.

In its 2nd phase, the Poverty Reduction Fund aims to strengthen its pro-active outreach to program stakeholders with information on what PRF is, what it does, how it works, and how one can benefit from it. Focus will be on informing and educating targeted Kum ban and villages. The main objectives of this revised IEC M&S are:

- Inform local communities in the targeted Kum bans how the PRF II funded projects will support them and introduce the process of community participation.
- Provide communities with the means to provide feed-back and access project and operational information.
- Ensure that stakeholders get relevant information about the PRF II – status, projects, results etc.
- Ensure visibility of PRF vis a vis the Government of Lao and the international donor community.

In addition, in response to the Government's request that the PRF also address livelihood challenges, the PRF II would support livelihoods activities on a parallel financing track through a grant (US\$2.6 million) financed by the Japan Social Development Fund (JSDF). The livelihood pilot would be implemented during three years in five districts in Houaphan and Savannakhet provinces, where PRF has a strong presence, and be closely aligned with the PRF's planning cycle. It would have a strong gender and ethnic group focus and seek to test models for effective and sustainable rural livelihood improvements for poor communities. Depending on the success of the pilot, options for scale-up and replication would be developed accordingly.

The beneficiaries of the PRF LONG Pilot Project are rural families whose livelihood depends of agriculture and to some extent on home-use and marketing of harvested NTFPs (Non-Timber Forest Products) from the surrounding natural forest areas. The type of NTFP and quantity differs according to location availability and market opportunities.

As the objective of the PRF LONG is to improve the beneficiaries' livelihood, NTFPs can provide an important contribution for improvements. To utilize and optimize the potential it is important to understand the existing situation, opportunities, limitations and risks in the five designated project Districts.

II. Main objectives of the study

The objectives of the Market Study are as followed:

1. Describe the existing situation related to NTFPs, agriculture products and non-Agriculture products of selected villages and districts including market linkages and value-chain;
2. Provide insights and analyses of strengths, opportunities, limitations and risks;
3. Provide prioritised products list and recommendations for commercial and implementable products
4. Provide recommendations on sustainable market and market linkage of the prioritized products.

III. Tentative Schedule

The Market Study shall be carried out over a period of 8 weeks, starting March 4, 2013.

Table 1: Indicative Schedule (to be adapted by the applicants and finalized with PRF management team during the first days of the consultancy).

Outputs/Deliverables	Duration	Time Frame (2013)	Location/Action
<p>1. Current situation</p> <ul style="list-style-type: none"> • Summary of the desk review on the current government policies in relation to the NTFP, agro-business and SME promotion. • Develop final work plan for assessment • Survey methodology: Sampling, Criteria, questionnaires development, etc. 	2 week	Mar 4-15	Vientiane /Field
<p>2. Data collection & Analysis</p> <ul style="list-style-type: none"> • Database on data entry • Results of data analysis 	2.5 weeks	Mar 18-Apr 5	five Districts: Huaphanh (Viengthong, Xiengkhor, Xamtay),

			Savannakhet (Sepon and Nong)
3. Reports: <ul style="list-style-type: none"> • Present a brief outcomes of field work and assessment findings to PRF-LONG team • Provide SWOT on the current and potential products • Submit first draft of report 	1.5 week	April 8-12	Vientiane
4. Final Reports <ul style="list-style-type: none"> - Submit the final report, executive summary of report in English and Lao. - Submit the datasets collected during the study to PRF LONG 	1 Week	End of April	Vientiane

IV. Scope of the work

The scope of work which required the consultant to carry out are as below:

- (i) Describe the existing situation related to NTFPs, agriculture products and non-Agricultural products of selected villages and districts including market linkages and value-chain. The desk review on government policies in relation to NTFP, Agro-business, and SME promotion at national, provincial and district levels needed to be studied in order to provide a summary of the government direction, framework and promotion.
- (ii) Prepare the work plan and survey methodology including sampling, criteria, and questionnaires.
- (iii) Data collection will be in five target districts. Huaphanh (Viengthong, Xiengkhor, and Xamtay districts), Savannakhet (Sepon and Nong districts).
- (iv) Provide list of current and potential buyers, traders, price per unit of the current commercial products.
- (v) Market Linkage and value-chain analysis for the key products identified during the study.
- (vi) Data analysis on the collected data includes SWOT.
- (vii) Prepare draft and final reports of the key findings.
- (viii) Provide recommendations on prioritized products which are realistic to the villagers to implement sustainably.

The consultant will report to the Head of LONG Program and the Executive Director of the PRF. Key coordination person will be Dr. Khonethip.

V. Qualifications

- Professional background in social economic, trade and related sector such as plant production, forestry and market/value-chain analyses;
- Experience with rural development projects, NTFP management, marketing and participatory approaches and research;
- At least 10 years experience in market study or market research in rural areas;
- Ability to grasp ideas quickly, thinks creatively, take initiative and be innovative
- Knowledge of development issues and understanding of rural Lao cultures is an asset
- Fluent in English;
- Lao speaking ability will be an advantage;
- Women are encouraged to apply.