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Term of Reference

**BASELINES STUDY FOR THE PROJECT OF 'DEVELOPING HIGH
QUALITY TEA VALUE CHAINS FOR POVERTY REDUCTION FOR
ETHNIC MINORITIES IN NORTHERN VIETNAM, LAOS, AND
MYANMAR**

Backgrounds

Market Access for the Rural Poor (MARP) 2013-2016 is a program funded and managed by **Swiss Agency for Development and Cooperation (SDC)**. Launched in the mid-2013, the MARP is a pioneer program of its type operating in Vietnam, Laos and Myanmar, supporting NGOs to implement wider-scale interventions to improve poor people's participation in and returns from - agriculture value chains, and create platforms and opportunities to exchange knowledge and experiences among stakeholders working in making market work better for the poor.

MARP awarded grants to encourage interventions at different points along agricultural value chains that eventually help the poor, especially ethnic minority people and women, in poverty reduction. The grants are performance based, being disbursed against the achievement of contractually agreed "milestones".

Five projects, out of 39 concept notes interested in grant consideration, successfully made it through for approval on grant funding. The project of **Helvetas Swiss Intercooperation**, known as 'Developing high quality tea value chains for poverty reduction for ethnic minorities in northern Vietnam, Laos, and Myanmar' or hereafter called simply as 'Tea Project', is on the list of those received the funding.

The Tea project is the subject of this baseline study.

The project in Vietnam

The implementation agency: Helvetas Swiss Intercooperation, and SNV as a key partner.

The target sector: the tea project of Helvetas targets a sub-sector of tea being a major crop extensively grown by ethnic minorities in Northern Vietnam, Laos and Myanmar. As a local special varieties, and characterized by living condition of high altitude, these tea can be potentially processed into higher value products, including Pu'er tea and orthodox black tea. However, a series of interlinked constraints in the value chains within the three countries has been translated into relatively small returns to smallholders doing the tea production, and hence locking a huge potential of poverty reduction for these ethnic minority smallholders.

The project's particular objectives: delivering sustainable livelihood improvements to at least 3100 tea producing smallholders, who are predominately women from ethnic minority groups. In economic term, an average beneficiary household is expected to realize an annual increase in the income of USD100.

Geographical coverage: Ha Giang - Quang Binh and Hoang Su Phi district, Lao Cai - Bac Ha and Bao Thang district and Lai Chau – Tam Duong district .

The interventions are divided into three key groups: (1) Developing beneficial/sustainable linkage between (a) smallholder farmer groups and processors, and (b) processors and higher value domestic, regional and international markets; (2) Improving production quality at both farmers and processors level; (3) Strengthening enabling environment for tea value chains through support for (a) development of an appropriate policy and regulatory environment, and (b) business development services related to the tea sector.

In Vietnam, the key entry points are five selected medium scale tea processors, which are directly linked to about 3500 smallholder ethnic minority farmers for supply of tea leaf.

Qualitative and quantitative covered by the baselines

The baseline focuses are divided into two major groups: (a) those that are particularly linked to the Tea Project activities, and (b) those that are to serve for the overall management of the Market

Access for Rural Poor (MARP) program, which cover five selected project including the Helvetas' Tea project.

Baseline focuses particularly linked to the Tea Project

No.	EXPECTED RESULTS	INDICATORS	Baseline Focuses
IMPROVED UPSTREAM LINKAGE BETWEEN FARMERS & LOCAL PROCESSORS			
	Capacities of smallholder farmer groups for group management and coordination increased	Farmers are trained and joined groups	Capacity of farmers in group management & coordination Current inputs/ investment, knowledge of technical production of tea, yield, and all other tea production-related issues
	Groups deliver tea leaves as per agreement / contract to processors with strong collaboration between both parties.	Farmers established long term supply contracts with local processors	Contractual relationship between farmers, as individuals/ groups, and local processors
	Smallholder farmers increase their economic benefits	Farmers' income is increased	Farmers' incomes
IMPROVED UPSTREAM LINKAGE BETWEEN LOCAL PROCESSORS & MARKETS			
	Tea processors have increased understanding and knowledge of market requirements	Key processors trained on market requirements & establish clear understandings of the market demand	Understanding of processors as market requirements
	Number of commercial parties interested in broad leaf tea from Laos, Vietnam is increased	New buyers interested in buying tea products from target processors	Customers portfolio (e.g diversity, volume, sustainability)
	The number of trade contacts that lead to new contracts is increased	New contracts are made	
IMPROVED QUALITY IN TEA PRODUCTION & PROCESSING			
	Capacity of farmers on high quality production/ processing is increased	Farmers are trained and applying knowledge of high quality production Tea leaf supplied by farmers group is according to companies' standards	Current production & processing practices, and resulting quality Company's requirements of input tea leaf quality Gaps between what is

No.	EXPECTED RESULTS	INDICATORS	Baseline Focuses
			needed & the reality
	Processing quality of tea at processors is consistently improved in sustainability and quality	Companies increase sales value due to improved quality and sustainable tea processing	Current sales in terms of product quality/volume and sustainability
	Application of 'green technology' at processors is assessed. Advices for investment in green technology is provided for the processors	Reports of green technology application and opportunities for potential investment Companies plan and invest in green technologies	Technologies on application and associated issues. Constraints for planning & investing in new techs
	Public Private Dialogues		
	Relationship between private sector and local government is increased, facilitating the sector development	Companies have participated in public dialogues Achieved mutual learning and experience sharing between private sector and local government Policy measures supportive for the sector development is introduced by the local government	Relationship between private players & local governments (supports, understandings), related issues (Focusing on issues impeding the sector development)
	Support services are improved	Needs for support services are identified Potential service providers are trained Value actors are satisfied with support services	Status of development services (Focusing on how this affect the sector)

Table 1 Baseline Focuses

Baseline focuses required by MARP

In addition to the above, the study is required to address some other key questions that will serve for overall management of the MARP program. These are:

- i. **Who are the participants of the Tea Project?** This attempts to understand what resources and capital (in terms of financial, social and human capital) that the participants have. This will be important to know as, if the project is successful, this will provide an understanding of what level of poor can benefit from the project intervention;
- ii. **What agricultural (service or other) activities are the Tea Project participants, and those in the surrounding areas, engaged in?** This will again provide a more nuanced idea of the types of agricultural farming systems / combinations of agricultural products that can combine with the project interventions to develop positive developmental impacts, should the project be successful;

- iii. **Are the agricultural products that the Tea Project participants grow for their own-consumption or trade?** Ideally in very poor areas trade of agricultural products is low with farmers focusing primarily on household food self-sufficiency. Moving away from own consumption to trade increases the monetization of the rural area and the potential for greater multiplier effects from the project interventions;
- iv. **Have the project participants ever produced tea that is the key target of this project? If yes, then what labour input is required and what is the gender and ethnic composition?** These set of questions ultimately test the effectiveness of the project intervention in terms of raising the incomes of the poor and the impact on their main resource endowment, that of labour.

Baseline Sampling

Target population: consists of 5 local tea processors and associated farmer beneficiaries as shown in the Table 2 below

No.	PROCESSORS	LOCATION	ASSOCIATED FARMERS
1	Tam Duong Tea Limited	Tam Duong District, Lai Chau Province	1,100
2	Phong Hai Tea Company	Bao Thang District, Lao Cai Province	1,100
3	Bac Ha Development and Investment Ltd	Bac Ha District, Lao Cai Province	600
4	Quang Binh Tea Development Ltd	Tien Nguyen Commune, Quang Binh District, Ha Giang Province	500
5	Fin Ho Cooperative	Thong Nguyen Commune, Hoang Su Phi District, Ha Giang Province	200
	Total		3,500

Table 2 Details of processors and number of farmers in linkage

Sampling is suggested to be simple random approach in which a list of all households is randomly drawn from the list of individuals in a relevant commune or district. The random sampling is to ensure for that all households are equal chance to be selected out of the entire population.

Other sampling techniques may be applied if justifications are sufficiently provided while other considerations into cost and time are satisfied.

Sampling size:

Three options of sample sizes are suggested as hereafter

	Universe of project beneficiaries	Total sample size +/- 5 point confidence interval	Total sample size +/- 8 point confidence interval	Total sample size +/- 10 point confidence interval
Sample size	3,500 HHs	346 HHs	144 HHs	94 HHs
SURVEY ACCURACY		HIGH	LOW	MINIMUM

Table 3 Options of sampling sizes

Notes: HHs – Households.

All sample sizes calculated apply a confidence level of 95%.

The particular size to be carried out depends on the cost as well as other implementation factors in reality. Final decision on the sample size will be decided in conferring between the Consultant(s) and Helvetas' Project Team.

Baseline Scope

The baseline survey will be comprised of a desk review survey and field visits

- Conduct a desk review including an analysis of documents, papers, and reports that have been produced in relation to the project's thematic areas. The project documents and some other relevant reports will be provided by Helvetas and SNV;
- Develop comprehensive tools for collection of data which are basically the baseline focuses pointed out in the Table 1. The tools may be focus group discussion, questionnaires, or key informant interviews;
- Conduct field visits and interviews with selected farmers/ local processors and other players of tea value chain (if needed);
- Data analysis and drafting baseline report for comments by involved parties
- Finalize the Baseline Report.

Deliverables

- Final baseline report in English following a structure that is agreed upfront between the Consultant(s) and the Project Manager;
- Draft report is expected in Vietnamese to facilitate review by Vietnamese local partners;
- Raw and final data set as well as final report will be the property of Helvetas and cannot be used by the Consultant(s) beyond the consultancy.

Time frame

The draft report is to be submitted by 7th Sep 2013, and final report is to be submitted by 1st Oct 2013.

Expression of interest

Individual Consultant(s) or Consultancy Team who are interested in this baseline study are invited to submit a proposal and writing sample by email to: cuong.vien@helvetas.org by 8st Aug 2013.

The proposal should not exceed **4 pages** and include the followings:

- Your understandings of our objectives, study methodology and tools, and report structure;
- Proposed schedule for activities and required assistance/ resources by the project;
- Proposed budget for the study.

In addition to the proposal, sample of previous works, completed by the applicants and ideally similar to this study, should be included as an attachment to the email.