

**Kingdom of Cambodia
Nation Religion King**

**Ministry of Agriculture, Forestry and Fisheries
Cambodia Agricultural Sector Diversification Project
IDA Credit No. 6366 KH**

TERMS OF REFERENCE (TOR)

**MARKETING AND MARKET PENETRATION CONSULTANT FOR IMPLEMENTATION OF
APPROVED DIVERSIFICATION AND BUSINESS PLANS OF AGRICULTURE COOPERATIVES
AND SMALL AND MEDIUM AGRIBUSINESSES SUPPORTED BY THE PROJECT**

Project	: Cambodia Agricultural Sector Diversification Project (CASDP)
Duty Station	: Ministry of Agriculture, Forestry and Fisheries, Department Planning and Statistics-DPS, Phnom Penh, Cambodia
Contract/Level	: National Individual Consultant (1 position)
Supervisor	: PCO, CASDP Project Director and Project Managers
Mode of Contract	: Lump Sum Contract (335 working days)
Contract Duration	: 24 months

I. BACKGROUND

1. Since 2013, Cambodia's agricultural value added has experienced very little growth, raising concerns about the sector's underlying strength and competitiveness and its ability to provide remunerative livelihoods going forward. The Cambodia's agriculture sector (including fisheries and forestry) contributed about a quarter to annual GDP and was the source of 36.4 percent (or 3.1 million jobs) of all jobs in 2016. External shocks, including a large drop in agricultural commodity prices that started in 2012 and extreme weather events in 2013 through 2015, played an important role in slowing progress in the sector. This has led to emerging questions about the underlying sustainability and quality of the earlier growth. Agriculture continues to depend heavily on natural resources and ecosystem services. The rapid agricultural growth, which was partly driven by the expansion of cultivated areas and practice of monoculture cropping at the early stage of agricultural development, had unfortunately also contributed to deforestation and soil degradation. Initial challenges facing the management of national resources have resulted in depletion of some important aquatic resources including overfishing.

2. Cambodian farmers still lack competitiveness in larger markets for agricultural products. The development of the rice sector has seen significant support from Royal Government of Cambodia (RGC) and donors, while other crops have also gained increased importance and potential, particularly for small and medium size farmers. A recent policy shift to include diversification as an objective for agriculture sector strategies addresses that. Many Cambodian producers, particularly small and medium size farmers, lack the knowledge and skills to successfully commercialize their agricultural output. They do not have access to the required technical assistance (extension services), financial services, and public infrastructure to participate in a demand-driven diversification. Support provided to the agricultural sector has not always been designed in a participative way, listening and responding to the needs of farmers and their buyers.

3. Cambodian SMEs, including many of those involved in agro-processing, also have limited knowledge about and access to modern inputs and equipment, and limited knowledge about and/or capacity to implement modern processing techniques, that would respond to increasing market and quality demands at home and abroad. SMEs and agro-processing firms face high costs of firm formalization, operation and financing. Access to finance for small and medium agro-processors and farmers remains constrained. Lending to agriculture by commercial banks accounted for only 11 percent (or US\$1.7 billion) of their total loan portfolio in 2017, while the construction sector, contributing only 12.4 percent of GDP received up to 26 percent (or US\$4.1 billion) of the total loan portfolio. The perceived riskiness of investment in the agriculture sector vis-a-vis that in the construction sector may be the main reason behind the low financing going to the sector. Micro-finance institutions (MFIs) have given more attention to the agriculture sector as they have provided 23.8 percent (or US\$1.16 billion) of their total loan portfolio to the sector.



4. **Infrastructure provision remains a challenge for sector development.** While road connectivity between Cambodia's main cities has considerably improved in the last decade, access to and from remote rural communities remains a challenge for their inhabitants. Farm to market roads ("agriculture roads") are in many places non-existent or in poor condition, not allowing access to production sites or making access and the transport often prohibitively expensive. This also constrains aggregation efforts by traders and middlemen, further aggravating the marketing problems for poor rural smallholders. The situation is compounded by the limited existence of well-organized rural and urban markets where products could be managed, graded and distinctively priced according to individual qualities. There remain large differences between low farm gate prices and retail prices of agricultural products, which is one of the important elements preventing local farmers from gaining more from their production.

5. **Farmers still lack access to on-demand irrigation and adequate water management, which is essential for successful crop diversification and competitiveness.** Though overall Cambodia can be classed as having abundant water resources, its availability is highly variable both temporally and spatially. Even during the wet season, there can be long dry spells and supplementary irrigation is required to avoid crop moisture deficits between rainfall events. Cambodia's agricultural sector, particularly rice production, is vulnerable to climate impacts with temperature increases, changing rainfall patterns and variability, salinity intrusion, and flooding; all threats to the sector's growth, stability, and sustainability. Most existing irrigation schemes have been developed for rice cultivation and would have to be adapted for diversified cropping with different irrigation methods to be introduced, with the specific method depending on the type of crop.

6. **Despite improvements in overall food security, malnutrition remains a persistent human development challenge in Cambodia, mainly due to affordability issues of nutrient rich diets.** The prevalence of undernourishment (per capita caloric insufficiency) declined from over 30 percent in 1992 to 16 percent in 2014 (FAO 2015). However, these improvements have been accompanied by only small improvements in food access (namely geographic and economic access to a diverse, nutrient rich diet). Severe food insecurity remains a challenge only in distinct subnational areas (largely poor and remote); rather the affordability of nutrient dense foods poses a common challenge. Only 21 percent of households can afford a nutritious diet¹ and poor agricultural households are the most food insecure. Most agricultural households can meet their staple food (rice) needs but rely on income and foraging to obtain nutrient-dense foods. Unsurprisingly, child stunting (low height-for-age and a physical manifestation of chronic undernutrition), continues to affect 1 in 3 (32 percent) children under age five in 2014. Stunting is caused most proximately by low nutrient intake and high burden of disease, and negatively affects children in achieving their physical, cognitive, and productive potential. Children in the bottom quintile are twice as likely to be stunted compared to children in the wealthiest quintile. A recent study found that economic losses due to child stunting amounted to US\$130 million per year.

7. **Gender gaps in access to opportunities prevail in the sector.** Women still do not reap their proportional share of benefits from services and technological advances. Extension services and the market for technological inputs do not provide targeted solutions for female farmers and their problems in production, crop and livestock choices. At the same time, there is an increase in mechanization within agriculture. This leads to an increasing demand for financing technological improvements also for women, who have even less access to formal financial markets than men. These changes to the rural life in Cambodia are creating an increased demand for services such as savings markets for remittances, childcare options and the development of a formal agri-business sector. The Cambodia Socio-Economic Survey (2014) identified a gender earnings gap of about 30 percent among those with low education. The data suggest that female-owned enterprises comprise more than half of the business establishments in Cambodia, but that these establishments are generally smaller, less profitable and less likely to be registered than those owned by males. There is a need to create targeted approaches to ensure men, women and female heads of households actively participate in local public decision making, for example, in relation to the identification of local infrastructure needs.

8. **The RGC together with the support from the World Bank, have designed the below-described project which strives to respond to the above-identified issues but providing a comprehensive set of public investments and services to encourage private investment in Cambodia's agri-food sector towards improved sector competitiveness.**



II. PROEJCT DESCRIPTION

9. **Project Development Objective (PDO) Statement.** The PDOs are to facilitate the development of diversified agriculture value chains in selected geographical areas in Cambodia, and to provide immediate and effective response in case of an eligible crisis or emergency.

10. **PDO-level indicators.** The achievement of the first part of the PDO will be measured through the following indicators: (a) increase in the volume and value of gross sales at benefitting farms (percentage); (b) increase in the value of gross sales of benefitting agribusinesses (percentage); and (c) share of non-rice production area of participating farmers (percentage).

11. **Project Components.** The Cambodia Agricultural Sector Diversification Project (CASDP) comprises the following five components: (a) Enabling Agriculture Diversification; (b) Supporting Public Infrastructure; (c) Improving Agriculture Information Systems and Quality Control Management; (d) Project Management, Coordination, and Monitoring and Evaluation; and (e) Contingent Emergency Response.

12. The project is designed to enhance market opportunities through an inclusive beneficiary-led and market driven approach leading to enhanced competitiveness and increased capacity to manage climate risks. With an overall investment requirement of US\$101.67 million, including a US\$91.67 million IDA credit. The first two components are closely linked and represent the largest part of the investments and will be modular and scalable and adaptable to geographical areas and commodity/value chains. The third component focuses on institutional strengthening and seeks to enhance the impact of the investments made under the first two components in the medium and long term, ensuring sustainability and possible expansion of benefits across the country.

13. The compilation of value chain support, including technical assistance (TA), productive infrastructure, and financial support services under Component 1, emphasizes the proposed project's close ties between direct support to farmers, producer organizations (POs), and small and medium agribusinesses (SMAs) and the public investments in roads and irrigation infrastructure under Component 2. All public infrastructure investments of Component 2 will be prioritized and implemented as described in selected diversification plans (DPIs) prepared under Component 1, applying new civil works codes that reduce vulnerability to climate risks.

14. **Component 1: Enabling Agriculture Diversification.** Component 1 will use a holistic value chain approach that is market and demand driven to build diversified competitive value chains, in which POs and their members can access rewarding domestic and international markets, and SMAs (such as aggregators, processors, input suppliers, distributors, wholesalers) can have access to better quality raw material on a consistent basis, while increasing their absorptive capacity and achieving the quality standards that the markets require. This component is competitive and mostly private sector driven, with the Government having mainly a facilitating role, while providing certain market-linked agricultural extension services (in which it has a comparative advantage) leading to the adoption of new technologies to increase productivity and to enhance resilience to climate risks. The farmers' POs and SMAs will be in a position to determine the type of services and infrastructure and the delivery mechanisms that responds to their needs.

15. **Subcomponent 1.1: Supporting the Preparation and Implementation of Diversified Agricultural Value Chains.** The subcomponent finances (a) awareness raising campaigns, (b) support for teaming up of stakeholders, (c) support for the preparation and evaluation of Diversification Proposals (DPr), (d) support for the preparation and evaluation of full-fledged DPI for selected DPr; (e) implementation support, and (f) technical support.


(a) **Awareness raising campaigns.** The project finances the implementation of an awareness raising strategy to promote an understanding of the project's scope and objectives through outreach to potential stakeholders and beneficiaries. Awareness raising and dissemination activities will be supported by nongovernmental organizations (NGOs) or firms to ensure that potential beneficiaries have all information and knowledge about project processes and eligibilities.

(b) **Support for teaming up of stakeholders.** The project will finance the organization of business networking events, including business roundtables forums and local workshops, for supporting the

formation of strategic partnerships among key stakeholders along priority selected value chain, leading to teams that want to conduct business together (such as the POs, SMAs, larger agribusinesses and buyers, financial lenders). Dedicated awareness raising material and events will be used to ensure access, including for women, to all information needed to encourage stakeholders' active participation in the project.

- (c) **Support for the preparation and evaluation of DPI.** Following the awareness raising and information dissemination campaigns in the project provinces, there is an ongoing general Call for Proposals, and interested POs and SMAs can submit jointly developed Plans, following a standard format. The DPI consists of one or several business plans (BPI), one for each PO and SMA, describing the intended private investments and the required public infrastructure investment support (financed under Component 2) needed to support the implementation of the BPI. The BPI will state the business objective and include all involved stakeholders, including the financial lender (ideally participating in the credit line described in Subcomponent 1.2). It will also include an assessment of the knowledge and investment gap and broadly include the investments and TA that would be needed at farm, PO, and SMA level, including their cost and a simple financial analysis. Please see additional requirements for DPIs in the paragraph below. The POs and SMAs will receive support from a TSP and/or the International Consultants, employed by the project. The DPI and associated BPIs will be evaluated by an evaluation committee (EC) led by the Ministry of Economy and Finance (MEF) and including the MAFF, following clear evaluation criteria and judging technical feasibility and contribution to improving nutrition, financial viability, and social and environmental sustainability, as well as to enhance climate resilience. The detailed criteria are elaborated in the Project Operations Manual (POM) and include scored marks for explicit incorporation of GAP/GAHP/GMP, job creation, inclusion of women and youth, and nutrition sensitivity of the proposals. DPI approved by the EC will be endorsed by an Advisory and Endorsement Committee (AEC) for further elaboration, with support from the TSP, into a fully-fledged DPI.

The project will ensure provision of TA to teams for the preparation of detailed DPI. Each DPI will have a detailed public infrastructure plan and include one or several detailed business plans (BPI), one for each PO and SMA. Each selected BPI should be technically feasible, financially viable, economically profitable, socially responsible, and environmentally sustainable, and should, when implemented, contribute to a consistent and timely supply of sufficient quantities of quality produce to buyers while providing a reliable income to farmers. Proposed production and processing systems will be designed with the purpose of strengthening resilience and introducing climate smart techniques. TA and infrastructure provision will support adaptation of respective practices. Priority will be given to BPIs that: (i) can contribute to closing key nutrient gaps in the domestic food system (nutrition-sensitive value chains will be defined as those that can contribute to reducing undernutrition in the Cambodian population); and (ii) are export oriented (export-oriented value chains will be defined as those that can contribute to promoting Cambodia's exports of agricultural products. Additionally, criteria prioritize also resilience and climate responsiveness of proposed production and processing systems through a scoring system. Detailed selection criteria are outlined in the Project Operations Manual (POM).

- (d) **Implementation support.** The project provides "post-creation" support to the value chain participants (POs and SMAs), to ensure that the financed value chain functions well and to make sure that all the investments and TA are implemented as planned and to the highest standards possible. The objective is to strengthen the implementation readiness at the farmer, PO, and SMA level. This support includes financial literacy to increase the procurement and financial management (FM) capacity of the POs and SMAs.
- (e) **Technical support.** The BPI beneficiaries will also receive core technical services: (i) training in areas such as agricultural cooperatives (ACs) and contract farming; (ii) TA in areas such as postharvest management, organic farming, climate smart agriculture practices, agricultural machinery, and food safety; (iii) the participation in workshops, fairs, and exchange visits; and (iv) training in environmental and social safeguards.
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16. **Subcomponent 1.2: Financing Agriculture Diversification.** To facilitate the financing of the productive investments and TA identified in the approved DPI and associated BPI, the project will set up a credit line, complemented by a matching grant facility predominantly intended for POs, aiming to link to value chains. The financial instruments will finance a broad range of investments at the farm/PO/SMA level as identified in the DPI and BPI, related to agriculture diversification, including processing equipment, on-farm irrigation equipment (drip, microjet, sprinkler, on-farm water storage, and so on), agricultural machinery, (cold) storage, vehicles, packaging and trading equipment, information and communication technology (ICT) solutions, agricultural inputs, and other eligible investments. Development for diversified, irrigated farming will focus on one or more blocks in the existing irrigation schemes where on-farm irrigation equipment will be installed. Diversified agriculture will for most sub-projects require pumped on-farm irrigation rather than gravity rice irrigation. The project will provide technical advice to beneficiaries to ensure that water and energy efficient technologies will be applied, in particular solar power. Some of the POs may develop small irrigation schemes outside existing irrigation schemes. These schemes will typically be around 20 ha and will use groundwater or surface water from small streams. The credit line and matching grant facility will be available to finance viable schemes.

17. **Credit Line for Agribusiness and Value Chain Development.** The US\$30 million, which will be managed by a Treasury Bank (the Agriculture and Rural Development Bank; ARDB), will have two windows, one supporting a broad-based development of the sector while a second one will support value chain development by financing BPI of POs and SMAs from the selected DPI of Subcomponent 1.1. The general credit line window will cater to a broad range of potential borrowers borrowing through the participating financial institutions (PFIs) and will be open to the POs and SMAs and other actors supporting a diversified and competitive agriculture sector. Funding will be available for viable business plans, accepted by PFIs. This Window will provide investments and limited working capital loans for diversified agribusiness development. The second – Diversification Proposal Window (approximately US\$10 million) will be earmarked for the value chains supported/established under Subcomponent 1.1, and will, therefore, aim to finance entire value chains, from producers to the market. Under this window, the value chain participants (including SMAs, POs or others) will borrow for investment in production facilities and assets, for contract farming arrangements, and other suitable value chain financing arrangements. Overall, it is expected that the maximum loan size/exposure to a value chain will reach up to US\$1 million in cases of financing entire value chains or agribusiness investments (where a precondition will be linking farmers to markets). The credit line would be channeled through selected qualified banks, financial institutions and deposit-taking MFIs (PFIs), selected through a due diligence process using criteria agreed under the project, at the outset of the project.

18. **Matching grant facility.** The matching grant facility will provide matching grants to the POs (and their members) involved in selected DPIs supported by the project, to facilitate their links with diversified and competitive value chains led by SMAs or larger agribusinesses and buyers (such as aggregators, agribusinesses, processors, distributors, wholesalers, retailers, and exporters), creating links back to the POs and providing their access to markets. The matching grants will finance up to 40 percent of the portion of the BPI related to the activities of the POs or up to US\$400,000, whichever is lower. Only investments and TA will be eligible for the matching grant co-financing. The remaining 60 percent would be financed either by the beneficiary savings/equity or borrowing from the project's credit line of the DPRs window.

19. **Component 1 Implementation Arrangements.** The Ministry of Agriculture, Forestry and Fisheries (MAFF) is responsible for the implementation of Sub-component 1.1, as well as for the implementation of the Matching Grant Program. The Ministry of Economy and Finance, through the ARDB, is responsible for the implementation of the credit line. An international consulting company with relevant expertise in value chain development (hired under these TOR) will lead the support to the value chain development and support the preparation of BPr and BPI, as well as ensure linkages with the other two components of the project. This work will be done in collaboration with local technical service providers (TSP) hired under separate TORs.

20. **Component 2: Supporting Public Infrastructure.** The component will support government/public actors providing demand-driven, improved infrastructure, such as rural roads and higher-order irrigation infrastructure, for which private sector services are generally not available or accessible. These include off-farm irrigation infrastructure and rural market access roads, identified by the stakeholders in the approved DPIs under Component 1, to improve the PO's ability to diversify crop production through improved and on-demand water availability and transport produce to the markets in an efficient manner that speeds up delivery and minimizes



losses. The component will also finance consulting services for design and construction supervision. Removing bottlenecks for productive investments and the provision of public infrastructure is also part of the proposed project's efforts to facilitate MFD intervention by private sector stakeholders.

21. **Subcomponent 2.1: Supporting Irrigated Agriculture.** Many of the POs are expected to develop diversified agriculture in existing irrigation schemes. Led by the MoWRAM, the project will finance selective rehabilitation or upgrading of irrigation water conveyance and distribution systems identified in the DPI prepared under Subcomponent 1.1. The project will not invest in large-scale irrigation infrastructure, and investment support will be provided only in combination and coordination with other value chain diversification measures. Thus, investments under the project will be limited to selective canal lining, construction of control structures, installation of new gates, and so on to ensure that the water can reach the irrigation blocks of the POs practice diversified agriculture on a demand rather than supply-driven basis. It will also include the TA and training to water user communities and municipalities to strengthen their capacity to operate and maintain the financed irrigation infrastructure, and financing consulting services, as needed to design and supervise the infrastructure investments. Finally, the project will support the MoWRAM and MAFF with the introduction of modern technologies, such as remote sensing and drones, to improve irrigation water management and its monitoring.

22. **Subcomponent 2.2: Supporting Agriculture Roads.** Led by the Ministry of Rural Development (MRD), the project will support the enhancement of connectivity through improving farm-to-market roads (rural roads) identified in the DPI prepared under Subcomponent 1.1. Based on the needs described in the DPI, the existing rural roads will be improved, either paved or unpaved, to increase the impact on productivity and market access of investments delivered as part of Subcomponent 1.2 and contribute to the overall competitiveness of the agriculture sector. The engineering road design will follow adequate civil works codes taking into account the need to ensure resilience of the infrastructure to climate change and extreme weather events. Improved traffic flows on rehabilitated/upgraded roads will decrease GHG emissions per unit transported.

23. **Component 3: Improving Agriculture Information Systems and Quality Control Management.** The objective of Component 3 is to strengthen foundational knowledge, data analysis capacities, and regulatory delivery systems within the public sector and their implementation and enforcement. These will contribute to broad and transparent knowledge and improved decision making of public sector and private actors, with impacts reaching beyond the supported farmers, POs and SMAs. Agriculture information and quality management systems will benefit direct stakeholders as well as farmers, POs, and SMAs that operate in areas not included in the project communes and provinces. The component will also fund analytical and policy advisory work to guide government investments in support of agriculture sector development.

24. **Subcomponent 3.1: Agriculture Information Systems.** The Sub-component will finance investments in the further development and improved use of soil/agroecological maps, agricultural early warning systems, food production and agricultural statistics/census data (agricultural market intelligence and marketing information systems), and potentially others. New technologies in ICT will be promoted to ensure broadest dissemination and best use of available data and information for public and private sector stakeholders' planning and decisions regarding production, processing, and marketing of agriculture products, and services and support will be given for market intelligence to identify medium-and long-term opportunities for suitable products. Funding will be provided for targeted information provision through new and appropriate technologies to reach the participating women farmers with limited access to written material. Information dissemination will include nutrition-related messages and materials relevant to strengthen the nutrition outcomes of the project.

25. **Subcomponent 3.2: Quality Control Management.** Investments to strengthen the effectiveness of plant protection and phytosanitary, animal health, and food safety surveillance, reporting, and inspectorate systems and systems to enforce agricultural input regulations will be supported. This will include support for the development of certification, licensing and other quality control and management services, development and application of regulations on GAPs and organic products, good animal husbandry practices (GAHPs), use of geographic indicators, and so on.

26. Responding to an identified constraint to the development of quality products, the project will provide TA to strengthen the use and promotion of good varieties and quality seed and propagated materials. The project will actively search for an interested PO and/or SMA to establish seed multiplication groups and building their

capacity to select good varieties and quality seeds. Technical and material assistance to such alliances/cooperation would follow the approach and conditions as described in Component 1.

27. **Geographical targeting.** The project operates in 12 provinces, plus in Phnom Penh. The provinces have been chosen for their suitable agroecological conditions for high-value products, with Phnom Penh as the location of many potentially participating SMAs. The provinces include: Battambang, Mondulhiri, Stung Treng, Ratanakiri, Preah Vihear, Kampong Cham, Tbong Khmum, Kratie, Siem Reap, Kandal, Kampong Speu, Kampong Chhnang.

III. ACTIVITIES COMPLETED PRIOR TO THE START OF THE ASSIGNMENT

28. Two national Technical Service Providers (TSPs) have been hired under separate TORs (attached as Annex 1) and have started working in the field with potential Agriculture Cooperatives (ACs) and Producer Organizations (POs). The main objective of the TSP is to assist MAFF in the preparation and implementation of diversified agriculture value chains. This includes: i) supporting organization of business roundtables and workshops to facilitate the team building of key stakeholders such as POs, SMAs, larger agribusinesses and buyers and financial institutions; ii) provision of trainings and technical assistance to interested ACs and POs to transform business ideas into viable DPRs and to prepare detailed DPLs as well as related BPLs; and iii); conducting trainings and provision of necessary implementation supports to the ACs, POs, and SMAs to increase their capacity to improve production and quality of their chosen value chains.

29. As of end May 2022, 63 DPRs were prepared and submitted to the project's Evaluation Committee (EC) for consideration. Of these, 51 DPRs were evaluated by the EC, 43 of which were considered technically compliant for consideration to the DPL stage, and 82 were dropped. A total of 25 DPLs were submitted for evaluation, of which 21 DPLs (27 BPLs) endorsed by the AEC, while further preparation of the remaining 18 DPLs is still underway.

30. The first matching grant agreement (MGA) was signed between the MAFF and the "Steung Trang Senchey" AC on April 6, 2022 to support funding for the AC's DPL for the expansion of honey production. It is expected that five more ACs will be signing Matching Grant agreements during Q3 of 2022 and start implementation thereafter.

31. Success of the whole project as defined in the Project Development Objectives hinge on the ability of supported ACs/POs and SMAs to sell their products profitably in the markets (be they domestic and/or international ones). As such, they need implementation supports in value chain development, financial management, and marketing to achieve the objectives set forth in their respective DPL. The purpose of this assignment (implemented concurrently with two other separate but related TORs) is to ensure that there are readily markets for agriculture products produced by supported ACs/POs and SMAs and that they have the necessary skills, tools, and insights to make the sales.

IV. ASSIGNMENT OBJECTIVES

32. **Objective of the Assignment/Duties.** The principal objectives of this assignment are to: (i) support the preparation of quality new DPLs and associated BPLs with strong emphasis on ensuring that projections on sales be it domestic and/or international markets are realistic; (ii) facilitate sustained commercial relationships between ACs/POs, SMAs and buyers/lead firms; and (iii) implementation support of the endorsed (by the Advisory and Endorsement Committee) DPLs/BPLs focusing on marketing and market penetration (including overcoming market access barriers). To achieve these objectives, it is imperative that the consultant work in close collaborations with the Technical Service Providers (TSPs) as well as the Financial Management Consultants to be retained separately by the project to support ACs/POs and SMAs in the project's coverage areas.



² 3 DPR scored poorly against the evaluation criteria; 5 DPR withdrew their proposals because their requested financial contribution was not met).

33. **Specific Tasks and Scope of Work.** It is expected that a total of around 75 diversification plans would be developed under these TORs. Please note that a Diversification Plan is encouraged to cover more than one business plan, to explore opportunities for aggregation. The assignment is expected to support development of up to 10 value chains having either local or international marketing objectives. Similarly, one value chain can cover more than one business plan. Supporting aggregation of agricultural products is an important aspect of this assignment.

34. The following key activities are expected to be performed by the consultant:

(a) ***Support the Preparation by ACs/POs/SMAs of new DPLs/BPLs covering their BPLs marketing components and overall improvements in quality of evaluated DPLs/BPLs***

- Collaborate closely with the TSPs as well as the Financial Management consultants to understand the business of each of the ACs/POs/SMAs whose DPL/BPL is being prepared or improved.
- Identify domestic and export markets for the high value crops produced by ACs/POs;
- Help ACs/POs and the TSPs to make realistic projection of sales over the years based on a systematic inquiry into the market to prepare realistic and sound DPLs/BPLs

(b) ***Implementation support***

- Assess an existing e-market platform and relevant stakeholders supported by the Project under Component 1 (producer groups, processors, exporters) to prepare marketing strategy to promote agricultural product domestic and international market.
- Facilitate sustained commercial relationships between ACs/POs, SMAs and buyers/lead firms for both domestic and international markets.
- Of all the value chains supported by the project, identify the ones with the most likely prospects of competing in international markets, and coordinate with line General Directorates/Departments and line ministries to identify non-tariff measures (NTMs) including SPS, food safety, standards, specifications, etc., that those crops need to meet to be able to enter the international markets.
- Coordinate with line General Directorates/Departments and line ministries to advise SMAs and ACs on specific actions to be taken to overcome those NTM challenges;
- Work closely with the TSPs to support ACs and SMAs take specific actions to overcome those challenges (including addressing SPS and food safety concerns as well as getting necessary certifications thereafter).
- Identify and advise on marketing actions to be taken by ACs/POs and SMAs or a coalition of ACs and SMAs for specific value chains regarding packaging, branding, and market positioning (i.e. trade fairs) etc. to ensure sales of their products.

35. **Duration of the assignment.** The contract duration is 335 working days over 24 months. MAFF will evaluate the performance of Individual Consultant on an annual basis. If consultant 's performance is poor, the Employer will give the consultant one month notice to remedy failure in performance. Failure to remedy performance may result in termination of the contract.

36. **Working Arrangement, Deliverables and Reporting Requirements:**

(a) ***Working arrangements.*** The Consultant will work closely with, as well as report to, the MAFF. The consultants are also expected to work collaboratively with the TSPs and the Financial Management consultants.

(b) ***Deliverables.*** The Consultant will be responsible for supporting completion of the following main deliverables:

- Prepare marketing strategy to promote agricultural product domestic and international markets for the supported ACs.
- A total of 75 DPLs prepared for evaluations and endorsement by the EC and AEC respectively.

- A report on the value chains (local market analysis) with the most likely prospects of competing in international markets produced and shared with CASDP project team and relevant ACs and SMAs. In this work, the Consultant will coordinate with SNEC who plan to undertake a study to identify policy measures to stabilize food price inflation and food security, and to promote commodities with enhanced development potentials. The SNEC study will identify demands for specific food commodities in specific export markets, and the regulatory and food safety measures that Cambodian agriculture products have to overcome
 - At least 3 workshops held with CASDP project team and relevant ACs and SMAs non-tariff measures (NTMs) including SPS, food safety, specifications, etc., that those commodities must meet to be able to enter the international markets and mitigation measures to overcome them and include one consultation workshop on Marketing Strategy of Agriculture for the supported ACs. All logistic arrangements and costs related to the workshop will be responsible by the Project PCO.
 - The Consultant will provide technical support to all ACs undergoing BPI implementation so that the marketing component of the BPI is successfully implemented. Marketing materials (packaging, brandings, website and social media presence, etc.) were developed for ACs and SMAs.
 - At least 2 matchmaking meetings, workshops, and/or trade fairs held to facilitate and sustain commercial relationships between ACs/SMAs and potential buyers (both domestic and international ones). This work should be organized in collaboration with the Cambodia Chamber of Commerce, with relevant costs related to the organizations of these events will be responsible by the project's PCO.
 - The Consultant is expected to dedicate significant resources (with reimbursable expenses to covered by the project's PCO) to fieldwork in supporting all ACs who implement BPIs in order to successfully implement the marketing component of their BPIs.
- (c) **Reporting requirements.** Most of reports are expected to be written in English and Khmer; exceptions may be agreed. This applies to the updated reports/plans specified below as well as studies, reports, briefers, technical guides or any other document for public distribution (on a case-by-case basis). All reports and plans are subject to written final approval and acceptance by MAFF.
- (d) The consultant will prepare work plan and budget under this assignment for each following fiscal year, entailing the activity plan including the training budget and applicable fee to be incorporated in the projects' AWPB. The cost of training will be covered by MAFF.

37. **The Consultant will produce for following deliverables:**

No	Deliverables	Timetable	Payment Schedule %
1	Submission of Inception Report	3 rd week after a contract signed	10
2	Prepare marketing strategy to promote agricultural product domestic and international market <ul style="list-style-type: none"> - Assess an existing e-market platform and relevant stakeholders (producer groups, processors, exporters) - Consultation Workshop 	Q4/2023	16
3.	<ul style="list-style-type: none"> • Submission of a report on the value chains with the most likely prospect of competing in international markets produced. • At least 2 Workshops organized on non-tariff measures (NTMs) and requirements in order to comply with the international market requirements 	Q1/2024	6

	and mitigation measures needed to overcome them.		
4.	<ul style="list-style-type: none"> • 1 matchmaking meeting, workshop, and/or trade fair held to facilitate and sustain commercial relationships between ACs/SMAs and potential buyers (both domestic and international ones) in coordination with Cambodia Chamber of Commerce. • Marketing materials (packaging, brandings, website and social media presence, etc.) developed for ACs and SMAs • 15 ACs involved in BPI implementation receive technical support from the Consultant to implement the marketing component of their BPIs. 	Q1/2024	12
5	<p>1 matchmaking meeting, workshop, and/or trade fair held to facilitate and sustain commercial relationships between ACs/SMAs and potential buyers (both domestic and international ones) in coordination with Cambodia Chamber of Commerce.</p> <ul style="list-style-type: none"> • 15 ACs involved in BPI implementation receive technical support from the Consultant to implementing the marketing component of their BPIs. 	Q2/2024	10
6	<ul style="list-style-type: none"> • 15 ACs involved in BPI implementation receive technical support from the Consultant to implement the marketing component of their BPIs. 	Q3/2024	8
	<ul style="list-style-type: none"> • 15 ACs involved in BPI implementation receive technical support from the Consultant to implement the marketing component of their BPIs. 	Q4/2024	8
	<ul style="list-style-type: none"> • 15 ACs involved in BPI implementation receive technical support from the Consultant to implement the marketing component of their BPIs. 	Q1/2025	8
7	Follow up 75 ACs implementing of BPIs	Q3/2025	12
8	Final Report	Q4/2025	10
	Total		100

38, Payment:

The payment will be made to Individual Consultant upon satisfactory completion of each deliverable certified by Project Director.

38. **Inputs ensured by the MAFF.** The MAFF will ensure that the consultants have the necessary information, documents, and collaboration from the ministry's staff at all level. All logistic arrangements and costs related to the workshop/ matchmaking meetings will be responsible by the Project PCO.

39. **Duty Station:** The consultants will be based at MAFF/CASDP Office in Phnom Penh with frequent travel to the fields to support ACs implementing their grant. The DSA and transportation to the fields will be covered by MAFF.

40. **Qualifications Required for the Consultant:** The candidate must have a track record of successful project management and experience in successfully supporting rural and agriculture producers and cooperatives successfully sell their products in local and international markets. Specifically, the Consultant shall have:

- a) Minimum of 15 years of experience in a mix of value chain development, economic development, trade, competitiveness, or agricultural development programs;



- b) Minimum of 10 years of experience in private agribusiness sector leading in marketing and sales of agriculture products in domestic and international markets;
- c) Demonstrated success in implementing programs aimed at increasing the competitiveness and inclusiveness of agricultural value chains, preferably with a focus on high value added (HVA) products;
- d) Demonstrated knowledge of the latest developments in advancing good/best practices in value chain development;
- e) Good knowledge of non-tariff measures (NTMs) requirements in major exporting markets (Europe, the US, and China)
- f) Experience as a project manager for large and complex private sector agribusiness development projects;
- g) Relevant graduate degree and must be fluent in English; Khmer would be considered an asset.
- h) Other desired qualifications include: prior experience in East Asian countries; a proven ability to work collaboratively with the government, World Bank and/or other donors; experience forging partnerships between private sector entities.



SUMMARY OF THE TERMS OF REFERENCE FOR LOCAL TECHNICAL SERVICE PROVIDERS (TSPs)

1) Support for the preparation and evaluation of Diversification/Business Plan (DPI). The TSP will closely work with the teams to elaborate the full-fledged DPI, including their detailed public infrastructure plan and one or several detailed business plans (BPI), one for each PO and SMA. Each selected BPI should be technically feasible, financially viable, economically profitable, socially responsible, and environmentally sustainable, and should, when implemented, contribute to a consistent and timely supply of sufficient quantities of quality produce to buyers while providing a reliable income to farmers. Proposed production and processing systems will be designed with the purpose of strengthening resilience and introducing climate smart techniques. As the TSP works with the teams, the ownership and decisions should always be with the POs and SMAs. The TSP will advise the teams and write parts or even the entire plans depending on the capacity of the teams. The TSP will also closely work with MAFF, MRD and MoWRAM to ensure the technical feasibility of the plans.

The DPI and associated BPI will be evaluated and selected by the EC and thereafter endorsed by the AEC. Priority will be given to BPIs that can also contribute to closing key nutrient gaps in the domestic food system (as identified in the Fill the Nutrient Gap analysis) or exploit improvements in nutrition outcomes through collaboration with other relevant, respective projects. Additionally, criteria prioritize also resilience and climate responsiveness of proposed production and processing systems through a scoring system. The TSP will provide TA to the EC to strengthen their capacity to evaluate the DPI and associated BPI.

2) BPI implementation support. The TSP, in close collaboration with the MAFF, will provide implementation support to POs and SMAs, to make sure that all the investments and TA are implemented as planned and to the highest standards possible. The objective is to strengthen the implementation readiness at farmer, PO and SMA levels. Specifically, this support will focus on:

- a) provision of agriculture extension services in close collaboration with MAFF; this includes commodity-specific technical advice in production (Good Agriculture Practices—GAP--and Good Animal Husbandry Practices--GAHP), inputs acquisitions and utilizations (including agri-tech such as on-farm irrigation technologies), harvest and post-harvest management to improve productivity and quality of agriculture products.;
- b) at processing level (where it is relevant), provision of advice on increasing efficiency of production and food safety
- c) The TSPs are expected to work closely and collaboratively with Marketing and Market Penetration advisor to be retained separately by the project to assist ACs, POs, and SMAs secure markets (including export ones) for their crops. The TSP will work directly with the teams and support the teams in their procurement processes, reaching a learning by doing objective, working collaboratively with the financial management consultants.

3) Deliverables. The TSPs will be responsible for the following deliverables:

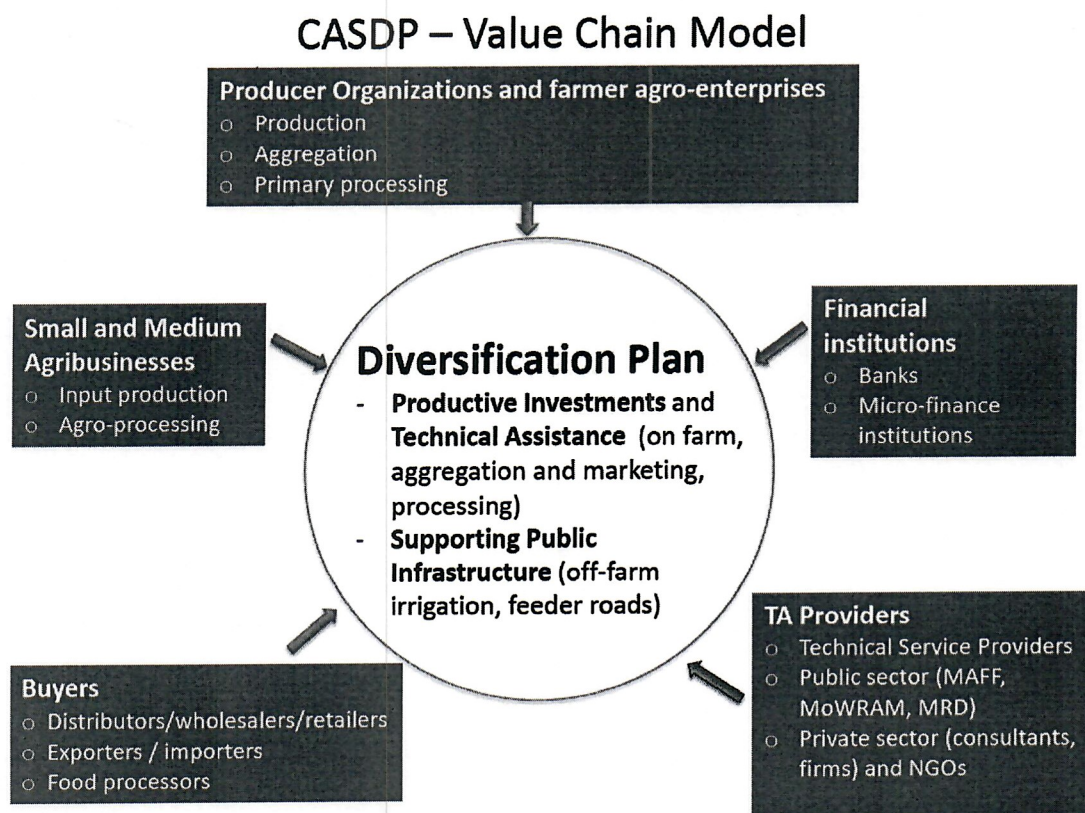
- a) Organization and implementation of networking events
- b) Awareness raising and information dissemination
- c) Preparation assistance and quality assurance of BPI
- d) Compliance of BPI with the project's social and environmental safeguards
- e) Training to project stakeholders
- f) Support to project M&E (data and information collection)
- g) Quarterly and annual progress reporting.
- h) Supporting AC to implement the BPI successfully

PROJECT APPROACH TO VALUE CHAIN DEVELOPMENT

1. Key stakeholders of value chains:

- (a) **Producer Organizations (PO):** involved in production, aggregation, primary processing
- (b) **Small and Medium Sized Agribusinesses (SMA):** involved in downstream activities, such as agro-processing, but could also be in upstream activities, such as seed or seedling production. Includes aggregators, processors, input suppliers, importers, distributors, wholesalers, supermarkets.
- (c) **Buyers / Larger Agribusinesses:** Includes larger agro-processors, distributor, wholesaler, retailer, exporters, etc.
- (d) **Financial institutions:** Banks and microfinance institutions (ideally participating in the credit line described in Subcomponent 1.2)
- (e) **TA Providers: Service providers (including the TSPs)** associated to the area, public sector actors (MAFF, MoWRAM, MRD), private sector (consultants and firms) and NGOs.

2. The figure below helps to visualize the stakeholders involved in the preparation of the DPr and DPI and the main ticket items to be included into it.



3. **Composition of teams and commercial agreements:** As further described in the Project Operations Manual (POM), there is flexibility in the composition of stakeholders for one DPI. It can reach from only one PO selling to a larger buyer (where only the PO would directly benefit from the Project, but where the buyer is included in the DPr), to models with one PO and one SMA plus a buyer (where the PO and the SMA benefit), or even DPr with a number of SMAs. For example, there might be a seedling producing SMA that gets into an agreement with a PO to sell their seedlings to the PO, and a processing SMA gets into an agreement with a PO to buy its production according to the specification agreed in the agreement. If two or more POs would like to organize themselves into a formal second tier PO, to reach economies of scale, that would also work. At DPI

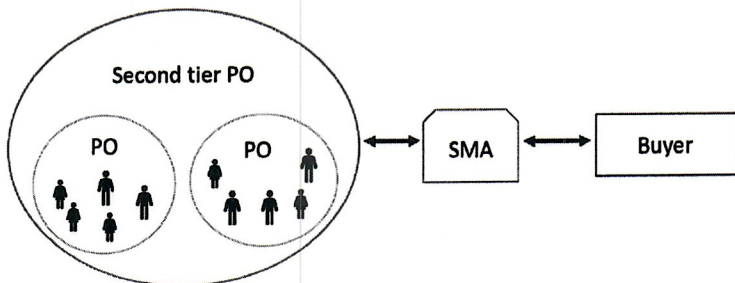
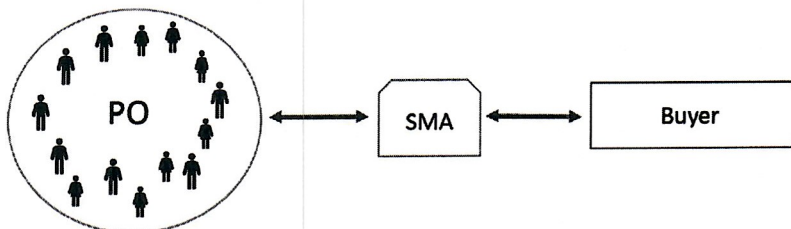
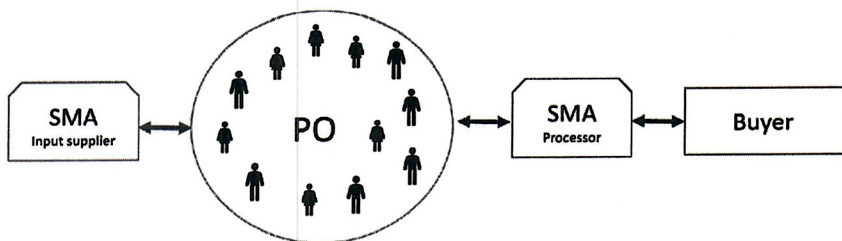
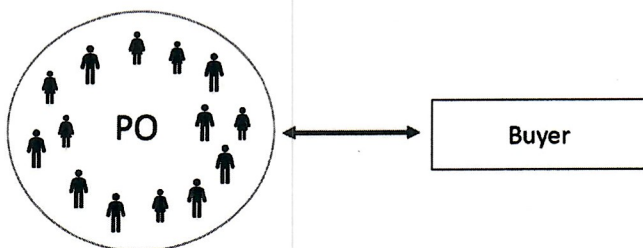
stage, a draft contract for each commercial relationship in a BPI will be enough. With this structure, the projects intend to integrate farmers into value chains, on one hand horizontally by working together as a group, and on the other hand vertically by having commercial agreements with other value chain actors.

4. Below some examples of team compositions without including the financial institutions and TA providers:

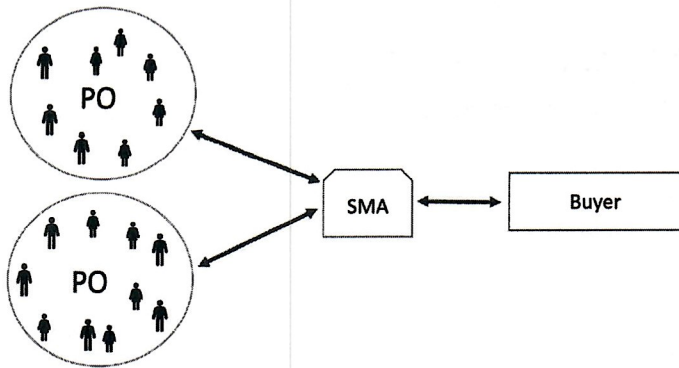
Examples of composition of teams

 = Members of POs = Producers

 = Commercial Agreement



PM



5. Both the format and the DPI and the selection criteria of it are further described in the POM and Annexes.

6. **Support for the preparation and evaluation of DPI.**

Following the awareness raising and information dissemination campaigns in the project provinces, there will be a general Call for Proposals, and interested POs and SMAs can submit initial Diversification Plans following a standard format. The DPI will consist of one or several business plans (BPI), one for each PO and SMA, describing the intended private investments and the required public infrastructure investment support (financed under Component 2) needed to support the implementation of the BPI. The BPI will state the business objective and include all involved stakeholders, including the financial lender (ideally participating in the credit line described in Subcomponent 1.2). It will also include an assessment of the knowledge and investment gap and broadly include the investments and TA that would be needed at farm, PO, and SMA level, including their cost and a simple financial analysis. When needed, POs and SMAs will receive support from a TSP, employed by the project. The project will ensure provision of TA to teams for the preparation of detailed DPI. Each DPI will have a detailed public infrastructure plan and include one or several detailed business plans (BPI), one for each PO and SMA. Each selected BPI should be technically feasible, financially viable, economically profitable, socially responsible, and environmentally sustainable, and should, when implemented, contribute to a consistent and timely supply of sufficient quantities of quality produce to buyers while providing a reliable income to farmers. Proposed production and processing systems will be designed with the purpose of strengthening resilience and introducing climate smart techniques. TA and infrastructure provision will support adaptation of respective practices. The DPI and associated BPI will be evaluated and selected by the EC and thereafter endorsed by the AEC. Priority will be given to BPIs that can also contribute to closing key nutrient gaps in the domestic food system (as identified in the Fill the Nutrient Gap analysis) or exploit improvements in nutrition outcomes through collaboration with other relevant, respective projects. Additionally, criteria prioritize also resilience and climate responsiveness of proposed production and processing systems through a scoring system.

7. Both the format and the DPI and the selection criteria of it are further described in the POM and Annexes.

8. **BPI implementation support.** The TSP, in close collaboration with the MAFF, will provide implementation support to POs and SMAs, to make sure that all the investments and TA are implemented as planned and to the highest standards possible. The objective is to strengthen the implementation readiness at farmer, PO and SMA level. This support includes also financial literacy to increase the procurement and financial management capacity of POs and SMAs.