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TERMS OF REFERENCE

Job Title:	International Consultant to Develop the Feasibility Study on Sustainable Organic Fresh Fruit Growing and Exports
Type of Contract:	Individual Contract (IC)
Project Reference:	Regional Aid for Trade Project
Duty Station:	Home based, with max. 3 travel missions to Chisinau, Moldova
Expected workload:	40 working days
Duration:	October – December 2013

BACKGROUND

In the past decade the Moldovan agriculture has undergone significant structural and technological changes. Generally, the income levels remain depressed, while the gap between efficient farms and the subsistence-oriented peasants' households has further widened. Recent reports suggest that the most detrimental impact of the agriculture on environment comes from the improper crops-rotation, drastic reduction in use of organic fertilizers, the improper use of chemical fertilizers, especially in the small farms, overgrazing, and significant cuts in the field-protecting forest strips¹.

While Moldovan agriculture continuously was faced with emigration of labour force during the last decade, National Report for UN Conference on Sustainable Development 2012 Rio+20 argues that organic agriculture is the best long-term option to provide sustainable job opportunities in rural communities. Furthermore, the low level application of chemical fertilizers in traditional agricultural entities in Moldova can be harnessed as a real opportunity to pursue organic forms of agricultural production. In terms of export opportunities, the global market demand for organic food is steadily growing. The key destination markets for Moldovan produce follow the same global trend: the EU organic market was estimated at 21.5 bln Euro², while in Russia the total consumer market is estimated at \$148 million but with strong growth trends and potential³. As competitive pressures are poised to grow in the coming years in the aftermath of the DCFTA implementation, sustainable organic agricultural production might provide a proper niche for Moldovan agri-food exporters and producers.

Furthermore, a key characteristic of the sustainable organic agriculture is the replacement of chemical fertilizers with organic ones; from this perspective, the development of sustainable organic agriculture can be significantly supported by the increased use of the biogas installations in rural households and farms, as for instance remnants of converted biomass or biogas can be used as organic fertilizers. The connection of organic agriculture with energy production from biomass in the future could usher in a virtuous sustainable production cycle. For the time being, local producers should definitely focus

¹Ministry of Environment of Moldova and others, "State of Environment in Republic of Moldova in 2007-2010", National Report.

²<http://orgprints.org/22345/19/willer-2013-session-european-market.pdf>; Avantajele agriculturii ecologice și pașii spre certificare, <http://inagro.md/uploads/user/Avantajele%20agriculturii%20ecologice%20%C5%9F%20pa%C5%9Fii%20spre%20certificare.pdf>

³http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Russian%20Organic%20Market%20Continues%20to%20Grow_Moscow%20ATO_Russian%20Federation_2-15-2013.pdf

primarily on possible closed cycles within agricultural field, mainly through combining fruit growing with labor intensive and HVA milk production, for instance.

CONTEXT

Overall, the vast majority of the Moldovan producers and, in some cases, also exporters of fresh fruits are small or medium sized enterprises, many of which are members of two active professional associations. For the last two years, UNDP Moldova, via the regional Aid for Trade Project, is implementing a series of specific activities to consolidate the capacities of such associations and their members. The target is enabling primarily fresh fruit producers to further consolidate their collaboration within the existing associations and cooperate for improving their competitiveness both at home and abroad. This is one of the key challenges faced by many producers, which otherwise would not be able to produce sufficiently large and qualitative lots of fresh produce. Besides cooperation for production or sales, producers need to diversify their produce and their target markets. Most probable, focusing more attention on niche markets, including the organic fresh fruit growing, is one way to stay competitive and profitable. Indeed, orientation towards organic production comports certain risks, including, but not limited to: a) expensive productive inputs for many small sized companies, b) high uncertainties related to identifying export opportunities and competitive advantages on potential markets, c) lack of supportive national regulatory framework to promote organic production, d) lack of trust of producers in needed partners along the value chain, particularly because organic fresh fruits require short lead time to market and storage requires sophisticated facilities.

Given the risks described, at present, on the local market there are very few companies, which decided to invest in organic fresh fruits production and invested into Global GAP. Their key constraints are lack of needed infrastructure in terms of sorting, pelleting and labelling technologies, lack of access to some technologies and finance, including at the very end stages of the value chain, lack of tools to promote exports and limited knowledge of foreign market opportunities. Trust between producers and the lax contract enforcement mechanisms are also important variables that sometimes result in unachieved profits and missed opportunities.

In this context, UNDP, in collaboration with the Ministry of Agriculture and Food Industry, and being supported by the associations of fresh fruit producers, is seeking to conduct a feasibility study to spot those priority areas and commodities that could or should benefit from more support from State and donors community, so that to encourage substantial cooperation of producers around the idea of organic sustainable fresh fruit production and further consolidate the capacities of the existing associations to support such producers. The organic fresh fruits export promotion is one area in which all key relevant stakeholders shall join efforts to ensure that by the time new investments for organic fresh fruits production are eventually made, needed regulatory and infrastructure frames are already in place. Other important areas and associated benefits and costs shall be identified and analyzed in a participatory and consultative manner.

OBJECTIVES OF THE CONSULTANCY ASSIGNMENT

The specific objectives of the consultancy are, as per below.

- Develop a draft paper on the current status of organic fresh fruits production and exports in Moldova and share the draft report with all relevant stakeholders, including local companies, associations of producers, LPAs and CPAs alike; early sharing of the draft paper will ensure that key stakeholders could provide timely inputs and ideas on how to promote or upscale existing best practices;
- Conduct a detailed SWOT analysis and identify key opportunities and areas for further intervention from the private and public sectors; conduct impact assessment on the prospective impacts of organic fresh fruits production and exports on net job creation, net

trade balance, income generation, overall sustainability of agricultural production, food security and other; share the intermediary draft with all relevant stakeholders;

- Develop a comprehensive and relevant set of policy, regulatory and specific sector recommendations to pave the way for increasing sustainable organic fresh fruit growing and adherence to organic quality standards and GlobalG.A.P. certification; conduct an in-depth analysis of the existing and prospective synergies that might emerge between sustainable organic fresh fruit growing and bio-energy production; conduct in-depth interviews with existing pool of organic producers and holders of Global G.A.P. (existing professional associations will share the lists of such producers)
- Analyzed how the current support framework can be conducive to the development of sustainable organic agriculture and develop a specific set of policy recommendations based on international/regional best practices aimed at improving the framework if needed;
- Develop three (3) specific case studies which could serve as a basis for designing a pilot project to be further up-scaled;
- Develop the complete final Feasibility Study to incorporate all of the above.

The international consultant will be supported by a national consultant, who will have the following responsibilities:

- Provide substantial analytical input into the development of a draft paper on the current status of organic fresh fruits production and exports in Moldova and share the draft report with all relevant stakeholders;
- Conduct, together with the international expert, a detailed SWOT analysis and identify key opportunities and areas for further intervention from the private and public sectors; conduct impact assessment on the prospective effects of the organic fresh fruits production and exports on net job creation, net trade balance, income generation, overall sustainability of agricultural production, food security and other; share the intermediary draft with all relevant stakeholders;
- Develop a comprehensive and relevant set of policy, regulatory and specific sector recommendations to pave the way for sustainable organic fresh fruit growing and adherence to organic quality standards and Global G.A.P. certification; conduct an in-depth analysis of the existing and prospective synergies that might emerge between sustainable organic fresh fruit growing, including closed agricultural cycles mentioned above and, in long term run, bio-energy production;
- Contribute to the development of a specific set of policy recommendations for the promotion of support measures providing incentives for organic fresh fruits production and export, public or mixed financing of the organic start-ups, institutionalization of a national certification body based on international/regional best practices, among others ;
- Provide substantial input into the development of three (3) specific case studies which could serve as a basis for designing a pilot project to be further up-scaled;
- Provide analytical support to the international consultant for the finalization of the Feasibility Study.

SCOPE OF WORK AND EXPECTED OUTPUTS

The key expected specific outputs are listed below, together with an estimation of the working days needed to complete the tasks:

1. Assessment of the current state of sustainable organic fresh fruit growing and exporting policies and practices; analysis of the current efforts by individual producers and associations to promote organic fresh fruits (international consultant – 5 w/d; national consultant – 10 w/d; incipient policy workshop -1; field visits – 6 days);
2. Assessment of potential impacts for the sustainable fresh fruit growing and exports in Moldova in areas such as net job creation, net trade balance, income generation, overall sustainability of agricultural production, food security and other (international consultant – 10 w/d; national consultant – 10 w/d).
3. Assessment of the main risks, advantages, costs, benefits based on the identified impact areas; in particular, the analysis should weight the current and prospective costs and benefits of investments in organic sector by Moldovan producers and the potential of these producers to explore niches on the EU market (international consultant – 10 w/d; national consultant – 5 w/d; intermediary national validation workshop -1).
4. Set of recommendations (with costing) for advancing sustainable organic fresh fruit growing and exports for public authorities, private sector, development agencies and practitioners (international consultant – 5 w/d; national consultant – 5 w/d).
5. Analysis of the “virtuous cycle” between sustainable organic fresh fruit growing and bio-energy production feasible in Moldovan conditions in long term – recommendations and costs (international consultant – 10 w/d; national consultant – 10 w/d; final validation workshop -1)

KEY EXPECTED DELIVERABLES

Deliverable(s)	Deadline
1. Assessment of the current state of sustainable organic fresh fruit growing and exporting policies and practices; analysis of the current efforts by individual producers and associations to promote organic fresh fruits	October 15, 2013
2. Assessment of potential impacts for the sustainable fresh fruit growing and exports in Moldova in areas such as net job creation, net trade balance, income generation, overall sustainability of agricultural production, food security and other	October 31, 2013
3. Assessment of the main risks, advantages, costs, benefits based on the identified impact areas; in particular, the analysis should weight the current and prospective costs and benefits of investments in organic sector by Moldovan producers and the potential of these producers to explore niches on the EU market (to include at least 3 specific case studies); conduct intermediate validation workshop	November 15, 2013
4. Set of recommendations underpinned by costing estimates for advancing sustainable organic fresh fruit growing and exports, subsidization and adherence to GAP practices for public authorities, private sector, development agencies and practitioners	November 22, 2013
5. Analysis of feasibility of an eventual “virtuous cycle” between sustainable organic fresh fruit growing and bio-energy production in Moldovan conditions in long term – recommendations and costs	December 6, 2013
6. Conduct final validation workshop and finalize the Feasibility Study	December 12, 2013

METHODOLOGY

The international consultant, with the support of a national consultant, shall review the existing recent analytical products, current legislation in Moldova and in developed countries, including EU and CIS that directly or indirectly tackle the promotion of organic fresh fruits production and exports.

In order to consult the key deliverables envisaged by the current ToR, the team of consultants is advised to use focus groups, in-depth interviews or other means to share information and collect feedback.

ORGANIZATIONAL SETTING

The consultant will work under direct supervision of UNDP Policy Unit and UNDP BRC Aid for Trade Team Leader. Technical assistance and logistical support to the consultant will be provided in the framework of the Policy Analysis Project of UNDP Moldova. The Ministry of Agriculture and Food Industry and the two existing professional associations of fresh fruit producers and exporters will provide necessary assistance in the facilitation of the consultative process, liaising with relevant public actors, among others.

SKILLS AND EXPERIENCE REQUIRED

- Advanced degree in Economics, Agriculture or other relevant fields;
- At least 7 years of proven analytical skills and previous experience in policy analysis, development of comprehensive analytical reports in economic and agricultural fields;
- Familiarity with the situation in the organic fresh fruits segment in Moldova and in the region, in-depth knowledge on principles of organic production, and overview of European organic market, its marketing channels, and main EU market stakeholders;
- Knowledge of the EU organic certification requirements and procedures, regulations, including institutional, legal and policy frameworks, in the area of organic fresh produce;
- Excellent analytical and writing skills,
- Strong communication and teamwork skills;
- Fluency in English is mandatory. Knowledge of Romanian and/or Russian is an advantage.

PERFORMANCE EVALUATION

Contractor's performance will be evaluated against timeliness, responsibility, initiative, communication, accuracy, and overall quality of the delivered products.

FINANCIAL ARRANGEMENTS

Payment will be disbursed in several instalments, upon submission and approval of deliverables mentioned in the Section "Key expected deliverables" and certification by UNDP Project Manager that the services have been satisfactorily performed.