Call for Tender

Consultancy assignment –Data validation on Cost of Sustainable Production for Fairtrade Coffee Producers in Asia

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| OVERVIEW: |
| The current Fairtrade prices for coffee were established in 2011. The world market prices for coffee have fallen and surged significantly during the past years, which results from a series of environmental and political events, in addition to the global pandemic plus the volatile nature of the coffee market. Considering these reasons, the Fairtrade coffee prices are now due for review.  As a preparation for the upcoming coffee price review, the project aims to obtain up-to-date data on the costs of sustainable production (COSP) for Fairtrade coffee. Instead of collecting first-hand information, Fairtrade will provide data, which was collected previously, and the consultant is asked to carry out data validation to estimate current COSP in the selected countries.  This project is led by Pricing unit (PU), with close collaboration and coordination with the GPM coffee team, GPM living income team, as well as the corresponding Producer Networks: CLAC (Red Café CLAC, and relevant national platforms), the Network of Asia Pacific Producers (NAPP) and Fairtrade Africa (FTA) to obtain feedback from coffee SPOs (Small Producer Organizations). |

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| OBJECTIVE/PURPOSE: |
| In COSP project 2017, Fairtrade has collected COSP data in many countries in Asia which covers Fairtrade Coffee cooperatives in India, Indonesia and Vietnam.  Based on the COSP data provided by Fairtrade, the consultant is asked to update the data and estimate the current values by applying a set of indicators and/or referencing to secondary data in the respective regions.  The consultant should propose a methodology to update the data and suggest indicators as well as sources of secondary data to be used. The consultant will lead the data validation process and will provide clarifications throughout the whole COSP project to Fairtrade International. Fairtrade International will facilitate a global meeting including three regional consultants (Asia, Africa, Latin America, and Caribbean) to align on the methodology and ensure frequent communication is taking place.  The findings of this project should allow Fairtrade to draw preliminary COSP results per region. |

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| TASKS/DELIVERABLES: |
| **Overall tasks:**   * Review the COSP data provided by Fairtrade international and propose a methodology, including the potential set of indicators and sources of secondary data for data validation. * To harmonise the methodology across three regions, the regional consultants will be invited to join a global meeting and present the proposal on the methodology to be used. * Consider the indicators listed in the Annex and propose final indicators. * The consultant will share the preliminary updated figures with the country round tables, who are responsible for endorsing the results at country level before submitting the final report to Pricing unit. * In the situation where secondary data is not sufficient, the consultant will carry out a small-scale data collection in the field when necessary. The consultant should also validate the representativeness of the samples included in the database versus the current certified SPOs. * Document the methodology used and validation process. * The consultant is responsible for answering questions related to COSP data throughout the COSP study project.   **Key deliverables:**   * Description of validation process, including applied methodology, source of secondary data, indicators, list of participants in the process, etc. * Narrative report of the results, the report should follow the format provided. * Final database with the raw data validated and endorsed by the round tables. The raw data should be returned in the provided format. * Final presentation to Fairtrade on the process and findings.   Please note: all deliverables should be provided in English, except the raw data.  **Timelines:**  The consultancy contract is scheduled to start as soon as possible, and the project should be finished before August 15th 2022. |

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| REQUIREMENTS: |
| The consultant / consultancy company for this assignment should have the following expertise:   * Proven experience in agricultural research, particularly related to coffee production and coffee supply chain; * Good knowledge of coffee production in the country of origins and ability to assess and calculate cost of coffee production; * Affinity with the context and challenges of sustainable development in the coffee sector; * Excellent data analysis skills; * Understanding of the concept of cost of production; * Fluency in English and local language. |

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| TERMS AND CONDITIONS: |
| **How to apply:**  Interested parties can present their proposals by sending an e-mail to [y.chiu@fairtrade.net](mailto:y.chiu@fairtrade.net) indicating “Consultancy assignment –Data validation on Cost of Sustainable Production for Fairtrade Coffee Producers in Asia” in the subject line. The proposal should include the following information:   * Professional expertise: A brief description of the research team and the relevant expertise of the team members, focussing on the requirements presented in this document * Project plan: A description of the methodological approach and indicators proposed for this project, specifying timelines and deliverables * Budget breakdown: Consultancy fees and all additional costs   Deadline to submit application: 24 June 2022.  Interviews are scheduled to take place in w/c June-July 2022.  **Criteria for evaluation:**  The proposals will be evaluated according to the following criteria:   * Relevant professional expertise of the research team * Quality of the proposed methodology for data validation * Familiarity with the subject matter and region * Requested budget for consultancy fees and other costs * Proposed timelines for the project.   **Questions:**  Interested parties can send their questions regarding this assignment to [y.chiu@fairtrade.net](mailto:y.chiu@fairtrade.net). The deadline for presenting questions is 20 June 2022. |

**ANNEX – COSP structure and indicators**

The COSP database for Asia covers three countries: India, Indonesia, and Vietnam, where 6 SPOs were interviewed, and their members were invited to take part. The data refers to the harvest between 2014-2015. Costs at farm and SPO’s level were calculated and converted to per kilo of green coffee.

The following list provides an overview of the COSP data format in which the consultant will receive the baseline data. Values for each cost item will be aggregated at country level and the information related to each individual SPOs and farmers will be anonymised. Please note the list is not exhaustive and minor adjustments might be possible after the first meeting with the consultant.

Basic information of the farmers and SPOs:

Location of the SPOs, average farm size, area cultivated with coffee, productivity in kg of parchment, density, types of coffee (conventional or organic, Arabica or Robusta), Processing methods, total volume sold by SPOs versus Fairtrade sales, etc.

Farmer costs:

1. Field labours
2. Harvest
3. Transport from the field to the processing facility / collector centre
4. Washing
5. Pulping
6. Fermenting
7. Demucilage
8. Drying
9. Hulling
10. 2nd Hulling
11. Roasting
12. Packing and/or Storage
13. Transport from the processing facility to the SPO

Total per kg of parchment

Organizational costs:

1. Administrative and organizational costs (all products)/ Administrative and organizational costs (Proportion on sales for coffee)
2. Overhead costs for coffee
3. Harvest costs
4. Transport costs from the field to the processing facility
5. Coffee processing costs, includes: Washing, pulping, fermenting, demucilage, drying, hulling, 2nd hulling, and management of the processing waste (water and any

other waste)

1. Transport costs from the processing facility to the SPO
2. Packing and/or Storage costs
3. Quality sort and control costs
4. Transport to the buyer costs
5. Export costs

Total per year (without export)

Total per kg of green bean equivalent

The consultant is also asked to assess the local situations and any major events since last data collection which could potentially impact the overall costs and suggest indicators to be applied in this project. Recommended indicators to be considered (but not limited to) are: Inflation rates, consumer price index, exchange rates between local currency and US dollars, impact of COVID, increase cost of transport/logistic costs and any other environmental and social events, etc.