



## International Labour Organization

### Terms of Reference for a service provider to support the development of a sustainable business model for export quality improvement of processed foods.

#### 1- BACKGROUND AND INTRODUCTION

Lebanon has been suffering from a severe financial and economic crisis with long-lasting effects on its economy and its people. With the drastic devaluation of the currency, prices of imported items have risen sharply, and households are now increasingly struggling to cover food needs. The combined effects of the crises have resulted in unprecedented levels of unemployment and pushed both the Lebanese population and the approximately 1.5 million Syrian refugees further into poverty. The Lebanese agriculture sector remains one of few sectors where both Syrian refugees and vulnerable Lebanese host communities can legally find employment as well as vulnerable Lebanese host communities but has been particularly hard-hit by the ongoing crises.

The International Labour Organization (ILO) is therefore implementing a project aimed at 'Promoting Decent Jobs for Lebanese host communities and Syrian refugees' funded by Swedish International Development Agency (Sida). The project focuses on the agriculture and agri-food sector as a key sector for the livelihoods of both Lebanese and Syrian vulnerable population groups and in particular women of both communities and aim to develop specific agricultural and agri-food value chains with potential for decent job creation that will benefit both groups.

The project makes use of the ILO's Approach to Inclusive Market Systems (AIMS) to safeguard jobs and livelihoods of vulnerable Lebanese and Syrian communities threatened by the crises and encourage decent job creation for both groups in sectors with potential. To that end, the project uses the market systems development approach to address key sectoral constraints to decent job creation sustainably, in combination with more direct interventions to strengthen capacities of vulnerable Lebanese and Syrian communities and safeguard decent work conditions.

Exports from Lebanon's agricultural sector face quality issues due to pesticide residues that do not meet international standards. Implementing sustainable management practices, particularly reducing pesticide use, is essential to improving the quality and competitiveness of these exports. By adopting such practices, the supply chain can become more reliable and meet the stringent requirements of export markets. In 2021, a pilot project to support contract farming arrangements to increase fresh vegetable production and supply to local processors showed promise despite challenges. Building on this, in 2024 the ILO aims to expand and solidify this model by assessing business interest and investment readiness, identifying suitable aggregators, and exploring the potential of key vegetable crops and identify those with the highest stakeholder interest across Lebanon.

#### 2- Objectives:

The consultancy aims to establish and refine a sustainable business model to improve the export quality of processed foods. This model focuses on optimizing the interactions between key stakeholders: aggregators, farmers and processors. Aggregators will act as intermediaries, ensuring that farmers' produce meets the required quality and quantity specifications, while providing the necessary technical and financial support. Farmers will be able to focus on growing high quality crops and benefit from a secure market and simplified business interactions. Processors will specify their crop requirements and commit to purchasing the produce, aiming to obtain high quality goods at competitive costs compared to imports.

The objectives of the consultancy include:

- Assessing the interest of agribusinesses in this business model.
- Identify agribusinesses and aggregators willing to invest in the model.
- Explore the feasibility of this model in Lebanon, considering regional aspects.
- Assess which crops would be most suitable for the model based on the incentives of key stakeholders, including the feasibility of implementing good agricultural practices.

### **3- Scope of Work:**

The consultant will undertake a comprehensive set of tasks to ensure the successful assessment and implementation of the proposed model. The scope of work includes the following phases:

- **Phase 1: Stakeholder engagement:**
  - Conduct meetings and interviews with key agrifood companies and aggregators to assess interest in this business model.
    - Formulate questionnaire: Develop a detailed questionnaire for the interviews by reviewing and updating existing ILO surveys to meet the specific needs of this consultation.
    - Agrifood companies: Interview up to 10 companies involved in different aspects of the agrifood sector across the sector, including the Bekaa and northern Lebanon.
    - Aggregators: Interview up to 10 aggregators specializing in major crops identified based on agri-food companies, including Bekaa and North of Lebanon, to understand crop-specific aggregation dynamics.
  - Identify potential agribusinesses willing to invest in the model, and document their needs and willingness to pay and invest.
  - Engage with aggregators to understand their ability to manage supply and demand.
  - Analyze market demand for key crops, identifying those with the highest interest from stakeholders.
  - Prepare a comprehensive report summarizing results.

Evaluate stakeholder feedback to determine the feasibility of proceeding to Phase 2. Given potential financial constraints and the economic and political climate, this evaluation will consider whether there is sufficient stakeholder interest and capacity to move forward and how to proceed with different private sector financing strategies to implement the model. At the end of Phase 1, up to two crops will be selected for further evaluation and modifications may be required in the workplan to take additional steps to refine the approach and implementation strategy.

- **Phase 2: Market and production analysis:**

- Investigate the potential for implementing this model in Lebanon.
- Determine which actors could be part of the model based on stakeholder engagement.
- Estimate the budget these actors will need to invest in the model.
- Review current production practices, costs and yields for up to two crops.
- Assess farmers currently working with interested industries, their willingness to adopt new practices, and their ability to meet the quality and quantity requirements of processors and aggregators.
- Prepare a comprehensive report summarizing results.
- Outline actionable steps for implementation based on stakeholder feedback and market analysis.

#### **4- Timeline:**

The consultancy will be conducted from August until November 2024.

#### **5- Deliverables:**

1. Work plan with detailed timeline: Provide a work plan that outlines a detailed timeline for the assignment, including a strategy for conducting key informant interviews (KIIs) with all potential partners involved in this model. Create a detailed questionnaire tailored to the specific needs of this consultation.
2. Comprehensive report for the Phase 1: Stakeholder engagement
  - Overview of stakeholder engagement results.
  - Identification of potential agribusinesses willing to invest in the model, including their needs and willingness to pay and invest.
  - Key crop identification and selection of up to 2 crops based on stakeholder feedback and market demand.
  - Assess the ability of aggregators to manage supply and demand.
3. Comprehensive report for the Phase 2: Market Findings and Recommendations
  - Evaluate the potential for implementation of the model based on stakeholder engagement and production analysis.

- Overview of demand and production practices for the selected crops, including costs and yields.
- Market and production analysis, including current production practices, costs, and yields for the selected crops.
- Assessment of farmers' readiness to adopt new practices and their ability to meet quality and quantity requirements.
- Recommendations on implementation strategies for the contract model in question.
- Detailed steps for moving forward based on analysis and results.

#### **6- Payment Schedule**

**First Payment 20%:** Tentatively due by 15 September 2024, upon satisfactory delivery and project approval of deliverable 1.

**Second Payment 40%:** Tentatively due by 15 October 2024, upon satisfactory delivery and project approval of deliverable 2.

**Third and final Payment 40%:** Tentatively due by 15 November 2024, upon satisfactory delivery and project approval of deliverable 3.

All payments are in fresh USD via international bank transfer. A USD account should be available in the name of the consultant for payment transfers.

#### **7- Qualifications:**

The consultant should have the following qualifications:

- Advanced degree in agriculture, agribusiness, agricultural economics, or related field.
- Demonstrated experience (15+ years) in supply chain management, product development, productivity improvement for industrial exports and market analysis, food safety, or business development preferred.
- Expertise in contract farming models and stakeholder engagement.
- Previous experience working with aggregators, farmers, and the private sector to increase export opportunities.
- Successful track record in similar projects related to agri-food value chain development. Experience in working with diverse stakeholders, including agri-food companies, farmers, and aggregators.
- Previous experience conducting assignments for the ILO in related fields is an advantage.
- Excellent communication and report writing skills.

#### **8- Application process and deadline**



Interested service providers are invited to submit their resume, along with proof or sample of previous work related to the required qualifications and financial proposal (including proposed number of days and expected daily rate in USD).

Information should be sent to [loutfi@ilo.org](mailto:loutfi@ilo.org), [ayalal@ilo.org](mailto:ayalal@ilo.org) and [saadi@ilo.org](mailto:saadi@ilo.org) by a maximum of 2:00 PM Beirut time on **August 12, 2024**.

Late applications will not be considered.

Any questions should be referred to [loutfi@ilo.org](mailto:loutfi@ilo.org) and [ayalal@ilo.org](mailto:ayalal@ilo.org) before August 9, 2024.

#### **9- Focal Point(s) at ILO**

The Service Provider will coordinate with the Project Technical Officer and National Officers in the ILO Beirut Office and with relevant technical departments involved in the ILO Beirut Office and ILO Headquarters. The service provider will designate a focal point from its side to manage the assignment.