



Department of Agriculture

## PHILIPPINE RURAL DEVELOPMENT PROJECT Mindanao Project Support Office

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### TERMS OF REFERENCE

#### INDIVIDUAL CONSULTANT FOR UPDATING OF COCONUT VALUE CHAIN ANALYSIS (VCA) REPORT OF MINDANAO

##### **1. Background**

The Department of Agriculture is implementing the Philippine Rural Development Project (PRDP) aimed at increasing rural incomes and enhancing farm and fishery productivity. PRDP has been supporting smallholders and fisherfolk to increase their marketable surpluses, and their access to markets. The achievement of PRDP goals is through improvements in planning, resource programming and implementation practices, and co-financing of rural infrastructure and enterprise subprojects.

The DA-PRDP is mainly composed of four components namely the I-PLAN, I-BUILD, I-REAP and I-SUPPORT. Specifically, the I-PLAN (Investment for AFMP Planning at the Local and National Levels) Component of PRDP is expected to implement two major activities, the subcomponent 1.1 (SC 1.1) which is mainly intended for enhancing the Agricultural and Fisheries Modernization Planning (AFMP) process and the subcomponent 1.2 (SC 1.2) that supports the AFMP implementation through design of coordinated systems of technical support.

One of main outputs under I-PLAN SC 1.1 is the crafting/updating of Value Chain Analysis (VCA) report of different priority commodities. The VCA report serves as primary scientific-based planning tool for the crafting of Provincial/City Commodity Investment Plans (P/CCIPs), and in the identification of strategic interventions in addressing different value chain segments.

To date, Mindanao Cluster now has a total of 39 approved VCA reports of different priority commodities, 19 commodities are cluster-wide in scope and 13 are region-specific. Given that most of the cluster-wide VCA reports were crafted and approved in 2015-2018, most of the data, analysis, and industry strategies presented in the reports are now outdated. One of these outdated VCA reports is the coconut VCA report. Coconut has three product forms and each product form has VCA report. VCA reports include: (i) coconut peat and fiber, developed in 2015; (ii) Coconut oil/VCO, 2017; and (iii) Coconut Sugar, 2017.

Since over seven years have passed since the VCA reports were developed, changes in the industry have taken place. Also, the coconut industry has also now different priority and emerging product forms that need to be included into one updated cluster-wide VCA report using the i-VCA approach and guidelines.

## **2. Description of the Assignment**

The primary responsibility of the individual consultant is to conduct the updating of the Mindanao Coconut VCA Report. The updating will include all coconut commodity product forms, and the VCA report output will conform to the i-VCA process. Specifically, on the course of conduct of VCA updating, the individual consultant will:

1. Conduct inception meeting with PSO and RPCO teams to: (i) set scope and limitations of the VCA coconut Mindanao Report; (ii) finalize the schedule of activities with PSO Mindanao and RPCOs; and (iii) agree on other activities and arrangements such as during field visits and consultations.
2. Lead in the conduct of KIIs, FGDs, stakeholders' consultation meeting, among other VCA-related activities in collaboration with PSO and RPCO teams
3. Coordinate with the PSO Mindanao on identification of data gaps and other required information
4. Submit draft reports subject for stakeholders consultation, and Joint Technical Review (JTR) respectively, and lead in preparation and presentation of materials
5. Finalize updated Mindanao Coconut VCA Report towards issuance of No Objection Letter (NOL) as approval of VCA Report

## **3. Expected Output**

The individual consultant is expected to submit one (1) PSO-approved updated VCA report for coconut of Mindanao Cluster. The updated Mindanao-wide VCA Report for Coconut will include, but not limited to, the following product forms:

- Coco Oil
- VCO
- Desiccated Coconut
- Coconut Water
- Coconut Sap Sugar
- Coconut Powder/ Flour
- Coconut Coir & Fiber
- Coconut Shell Charcoal

The VCA report is expected to follow DA-PRDP'S VCA Report outline following the i-VCA approach and guidelines (*See Annex 1*).

## **4. Duration and Payment**

The individual consultant shall render services and deliver the expected output within a period of **6 months** (July 2024 – January 2025) commencing from date of notice of award/contract. Total cost of consultancy services is One Million Pesos (Php 1,000,000) inclusive of all taxes and subject to applicable laws and government accounting and auditing rules and regulations.

In consideration of the above mention outputs, the individual consultant will conduct following activities, and attain respective expected outputs for payment.

Activities/Timelines for the Updating of Mindanao Coconut VCA:

Activities	JULY '24			AUGUST 2024			SEPTEMBER 2024			OCTOBER 2024			NOVEMBER 2024			DECEMBER 2024			'25 JAN	
	3rd	4th		1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd		4th
Availability of NoA/ NtP; Start of																				
duct Rapid Market Analysis & research																				
duct of inception meeting with PCOs via online																				
mission of inception report; review of inception report;																				
lease of first tranche payment																				
duct of KIIs/ FGDS																				
duct of stakeholders' consultation																				
ommission of first draft VCA for JTR review and acceptance of first by PSO and endorsement to																				
elease of second tranche payment																				
review by NPCO																				
onduct of JTR by NPCO via online compliance to comments from JTR																				
ubmission of final VCA report																				
ssuance of NOL																				
ayment of 3rd tranche; End of contract																				

*Payment Schedule:*

<b>Mode of Release</b>	<b>Release to Consultant</b>	<b>Requirements</b>
1 <sup>st</sup> tranche <i>(3<sup>rd</sup> week of August 2024)</i>	50% of the total fund allocation (Php 500,000)	<ol style="list-style-type: none"> <li>1. Notice of Award and Notice to Proceed</li> <li>2. Notarized Contract for Individual Consultant</li> <li>3. Inception Report</li> <li>4. Certificate of Acceptance from PSO I-PLAN on the inception report submitted</li> </ol>
2 <sup>nd</sup> tranche <i>(2<sup>nd</sup> week of November 2024)</i>	30% of the total fund allocation (Php 300,000)	<ol style="list-style-type: none"> <li>1. First (1<sup>st</sup>) draft report of the updated Mindanao Coconut VCA Report with results and analysis subject for Joint Technical Review (JTR) by NPCO with PSO and RPCOs</li> <li>2. Documentation of the KIIs/FGDs conducted per region, and data entry sheets</li> <li>3. Documentation of stakeholders' consultation workshop</li> <li>4. Certificate of Acceptance from PSO I-PLAN on the draft VCA report submitted, and signed VCA Report Clearance form for submission for JTR</li> </ol>
3 <sup>rd</sup> tranche <i>(January 2025)</i>	20% of the total fund allocation (Php 200,000)	<ol style="list-style-type: none"> <li>1. No Objection Letter from NPCO I-PLAN</li> <li>2. Final and approved updated Mindanao Cluster Coconut VCA report</li> </ol>

**Notes:**

- First (1<sup>st</sup>) tranche release will serve as mobilization fund for the individual consultant to gather data gathering at the regional level
- Second (2<sup>nd</sup>) tranche release is intended for the report enhancement and further data gathering if needed

**Remarks:**

- Cost of stakeholders' consultation is to be funded by PSO Mindanao.

## 6. Management of Contract

The contracted individual consultant shall report or be accountable to the PSO through its designated focal person/s. The individual consultant shall undertake the tasks in coordination with the PSO. The PSO will coordinate with RPCOs in Mindanao for conduct of activities. The associated activities may involve stakeholders (national government agencies, LGUs, private entities and other VC players) and shall be conducted in a manner and process that may be defined in the inception report and/or contract.

The contracted individual consultant will cover his/her travel expenses to Mindanao as well as to different regional points, particularly during the conduct of KIIs and FGDs.

## 7. Documentary Requirements


- a. CV of consultant;
- b. Portfolio of VCA reports produced/ published under completed contracts with government and other institutions;
- c. Photocopy of certificates as resource speaker on VCA-related topics to international and local activities;
- d. Photocopy of certificates on VCA-related trainings attended/ completed, and;
- e. Photocopy of diplomas (Undergraduate/ Post-graduate degrees).

## 8. Qualifications


The consultant shall have the following qualifications:

- Minimum of 15 years of professional experience in developing VCA reports
- Must have produced at least 10 VCA reports of agricultural commodities
- Experience in using the value chain approach and industry strategy in planning and project implementation, particularly in Mindanao
- At least a bachelor's degree holder in a discipline relevant to the scope of the assignment such as, rural development and economics, agribusiness, public policy, or any other relevant discipline;
- Must have working knowledge and understanding of the conditions of the agri-fishery sector in Mindanao, especially for coconut
- Knowledge on agricultural climate resiliency, and other climate/environment-related considerations

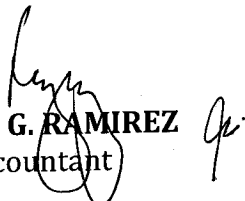
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Deputy Project Director

1.2.2) 50211020-02 KA # 2024-031  
3/13/2024 (EU Grant)

## Annex 1: Outline of the VCA Report (PRDP guidelines)

Section 1. Introduction	
<b>A. Background Information and Objectives</b>	<ul style="list-style-type: none"> <li>● Brief Background on PRDP</li> <li>● Background for VCA</li> <li>● Brief profile of the study area's agriculture and fishery resources: natural, human, capital, institutional, etc</li> <li>● Introduce Mindanao and its regions and commodity chain</li> </ul>
<b>B. Rationale of the VCA</b>	<ul style="list-style-type: none"> <li>● Rationale for selecting the chain/socio-economic importance of the selected commodity to Mindanao and its regions/provinces</li> <li>● Description on why the Mindanao and its regions/provinces was chosen for the value chain study of the selected commodity</li> <li>● For VCA to be updated, provide reasons for updating</li> </ul>
<b>C. Objectives of VCA</b>	<ul style="list-style-type: none"> <li>● VCA Objectives</li> </ul>
<b>D. Methodology</b>	<ul style="list-style-type: none"> <li>● Brief description of sources of data/data gathering methodology</li> <li>● Brief description on how data was gathered/sources of data</li> <li>● Brief description on the overall process in coming up with the proposed interventions</li> </ul>
<b>E. Scope and Limitation of the Study</b>	<ul style="list-style-type: none"> <li>● Brief description on the statistical data limitation</li> <li>● Brief discussion on the scope of the study</li> </ul>
<b>Section 2. Overview of the Industry</b>	<b>Overall purpose: to introduce the commodity and its product forms, the production data and its environment</b>
<b>A. Product Description</b>	<ul style="list-style-type: none"> <li>● Product description</li> <li>● Forms</li> <li>● Uses/Industry users</li> <li>● Brief statement on what product forms are currently produced in Mindanao and its regions</li> <li>● Brief statement on coverage of VCA in relation to product format</li> </ul>
<b>B. Supply Analysis</b>	<ul style="list-style-type: none"> <li>● 5-year statistics and brief analysis</li> <li>● Philippine position/contribution to world production</li> <li>● Position of Mindanao cluster and its regions vis-à-vis total Philippine Production</li> <li>● Mindanao/ Region/Province: 5-year statistics and analysis</li> <li>● Brief presentation of Top 10 Producing Municipalities (to aid PCIP preparation)</li> </ul>
<b>C. Environment</b>	<ul style="list-style-type: none"> <li>● Description on the environmental factors on the various segments of the Value Chain that may have a potential impact on the commodity <ul style="list-style-type: none"> <li>● The effects of value chain of commodity to the environment</li> <li>● Mindanao/ regional CRVA maps on coconut suitability; and other related climate-resiliency maps for the commodity</li> <li>● List/ table of different risks, and their recommended risk mitigating measures on coconut production, trading, processing and other VC activities</li> </ul> </li> </ul>
Section 3. Nature and Structure of the Industry	
<b>A. Value Chain Mapping</b>	<ul style="list-style-type: none"> <li>● Description of key value chains and market channels per product form.</li> <li>● Geographic flow map with description of flow of products including indicative volume levels per product form</li> <li>● Commodity map that may include the locations but not limited to the following: <ul style="list-style-type: none"> <li>○ Current and Potential Production Area</li> <li>○ Buyers</li> <li>○ Traders</li> <li>○ Consolidators</li> <li>○ Post harvest facilities</li> <li>○ Processors</li> <li>○ Farmer Cooperatives / Associations (FCAs); Small Coconut Farmer Organizations (SCFOs)</li> </ul> </li> <li>● Presentation of GIZ value chain map per product form</li> </ul>

<p><b>B. Key Players and Functions</b></p>	<ul style="list-style-type: none"> <li>● Description of players and functions should include the following: <ul style="list-style-type: none"> <li>○ Number of players including number of Women and IPs, if applicable</li> <li>○ Range of scale/capacity of operations</li> <li>○ Number of employees</li> <li>○ Typical suppliers/buyers</li> <li>○ Existing common service facilities</li> <li>○ Functions and Production/Operations system: Discussions to focus on analysis of variations in technology, knowledge, and practices for key typologies of players as well as Mindanao/regions/provinces</li> <li>○ Benchmarking: Production/operations system – practices, technology, etc.</li> <li>○ Firm level constraints</li> </ul> </li> </ul> <p>To the extent possible, distinction must be made for players in each of the identified chains/market channels including geographic location</p> <ul style="list-style-type: none"> <li>● Existing and Potential Agro-Industry Investments</li> <li>● Summary of list of Registered coco-based enterprises per region and provinces and their volume capacities (oil millers, food processors, copra buyers, lumber traders, husk buyers/processors, charcoal buyers, CME processors, laboratory providers, activated carbon manufacturer, nursery operators, chainsaw operators, etc.) Note: details per player can be identified in the annex</li> <li>● Risk-Resilient VC Map</li> <li>● Multi-Factor Risk Assessment table/s</li> </ul>
<p><b>C. Nature of Interfirm Relationships</b></p>	
<p><u>1. Horizontal Relationships</u></p>	<ul style="list-style-type: none"> <li>● Description and analysis of relationships: farmers – farmer; intermediaries - intermediaries; lead firms – lead firms.</li> <li>● Description and analysis among players as to weak, moderate or strong based on the following criteria: <ul style="list-style-type: none"> <li>○ Information Sharing</li> <li>○ Competition</li> <li>○ Trust</li> <li>○ Benefits from collective initiative</li> </ul> </li> <li>● Presentation of cooperatives and associations including analysis</li> </ul> <p>There may be a need for description and analysis to be province specific and value chain/market channel specific (if there are obvious differences).</p>
<p><u>2. Vertical Relationships and Supply Chain Governance</u></p>	<ul style="list-style-type: none"> <li>● Description and analysis of vertical relationships</li> <li>● Description and analysis of value chain governance</li> <li>● Description and analysis among players as to weak, moderate or strong based on the following criteria: <ul style="list-style-type: none"> <li>○ Procurement of Supply</li> <li>○ Information sharing on technology and price</li> <li>○ Quality Control</li> <li>○ Presence of value added services</li> </ul> </li> </ul> <p>There may be a need for description and analysis to be province specific and value chain/market channel specific (if there are obvious differences).</p>
<p><b>D. Price and Cost Structure</b></p>	
<p><u>1. Income and Profits</u></p> <p><u>2. Relative Financial Position of Players</u></p>	<ul style="list-style-type: none"> <li>● Description and analysis of cost components and implications to profitability – including variations between the key typologies of players and provinces (if applicable)</li> <li>● Benchmarking – income and profit, productivity, profitability, cost centers/labor and material usage (ASEAN for commodities of national significance)</li> <li>● Cost and Return – should include postharvest losses</li> <li>● Analysis per cycle not necessarily per year (e.g. per cropping cycle)</li> </ul> <p>There may be a need for description and analysis to be province specific and value chain/market channel specific (if there are obvious differences).</p> <p>Description and analysis of the following:</p> <ul style="list-style-type: none"> <li>● Added Unit Costs/Value added</li> <li>● % Share in Profit</li> <li>● % Unit Margin</li> </ul>

*There may be a need for description and analysis to be province specific and value chain/market channel specific (if there are obvious differences).*

#### **Section 4. Markets and Market Opportunities**

##### **A. Market and Market Trends**

###### **1. Export Markets**

- Description and analysis of existing markets and its implications to upgrading trajectory
  - o Existing and evolving market standards (product and process standards)
  - o Existing and forecasted supply and demand
  - o Mindanao and its regions' competitiveness position
- Description and analysis of potential markets and its implications to Mindanao and its regions/provinces
- Description and analysis of existing markets and its implications to upgrading trajectory
  - o Existing and evolving market standards (product and process standards)
  - o Existing and forecasted supply and demand
  - o Mindanao and its regions' competitiveness position
- Description and analysis of potential markets and its implications to Mindanao and its regions/provinces

##### **B. Price Trends**

###### **1. Export Markets**

- Description and analysis of price trends in existing markets/market channels and its implications to Miregion/provinces
- Provinces/Region price competitiveness position

###### **2. Domestic Markets**

- Description and analysis of price trends in existing markets/market channels and its implications to Mindanao and its regions/provinces
- Mindanao and its regions/provinces' price competitiveness position

#### **Section 5. Support Services**

##### **A. Financial Services**

- Description and analysis of existing financial services and providers
  - o Existing providers and their services including requirements
  - o Analysis in terms of their current outreach, relevance, and accessibility
- Description and analysis of demand, acquisition, and use of financial services
- There may be a need for province and market channel specific discussion*

##### **B. Non-Financial Services**

- Description and analysis of existing non-financial services and providers
  - o Existing providers and their services including delivery schemes
  - o Analysis in terms of their current outreach, relevance, and accessibility
- Description and analysis of demand, acquisition, and use of non-financial services
- There may be a need for province and market channel specific discussion*

#### **Section 6. Enabling Environment**

##### **A. Formal Rules, Regulations and Policies**

- Regulations, policies, international trade agreements and public infrastructure relevant to the commodity being analyzed
- Analysis on how above either facilitate or hinder the movement of a product or service along its value chain
- Potential reform measures

##### **B. Informal Rules and Socio-Cultural Norms**

- Key socio-cultural norms that affect business practices, promote or hinder gainful participation in markets and upgrading.
- Implications to upgrading and design of interventions

#### **Section 7. Constraints and Opportunities**

- Best opportunities for growth and improved industry performance
- Systemic constraints that significantly affect chain competitiveness and prevent those unrealized opportunities from being exploited.
- These are the constraints and opportunities presented during the stakeholder's workshop in addition to key findings.*



<b>Section 8. Competitive Directions</b>	
<b>A. Competitiveness Vision</b>	<ul style="list-style-type: none"> <li>• Discussion on development vision and framework/priority development thrusts of players and stakeholders e.g. meet domestic demand, import substitution export               <ul style="list-style-type: none"> <li>• Integrate sustainability concerns on commodity VCA</li> </ul> </li> </ul>
<b>B. Priority Constraints and Interventions</b>	<ul style="list-style-type: none"> <li>• Table 2 --- prioritization of constraints and identification of interventions are done during the stakeholder's workshops --- and then further refined during the writing of the VCA.</li> <li>• Discussion to focus on how interventions will address constraints</li> </ul>
<b>Section 9. Conclusions and Recommendations</b>	
	Conclusions and recommendations on competitiveness position of Mindanao and its regions provinces, markets to focus on, and key directions for upgrading.
<b>Section 10. References</b>	
	References used in the study
<b>Section 11. Annexes</b>	
<b>Annex 1: List of Players in the Value Chain</b>	<ul style="list-style-type: none"> <li>-Name of Association/Cooperative/Company /Contact Person</li> <li>-Complete Business Address</li> <li>-Telephone(Landline), Cellphone and Email Address</li> <li>-Year Established and Legal Personality</li> <li>-No. of Members (Regular)</li> <li>-Main Business</li> </ul> <ul style="list-style-type: none"> <li>• Details on list of registered coco-based enterprises per region and provinces and their volume capacities (oil millers, food processors, copra buyers, lumber traders, husk buyers/processors, charcoal buyers, CME processors, laboratory providers, activated carbon manufacturer, nursery operators, chainsaw operators, etc.)</li> </ul>
<b>Annex 2:</b>	Minutes of the meeting (Stakeholders Consultation, FGDs), attendance

PHILIPPINE RURAL DEVELOPMENT PROJECT  
 PSO MINDANAO CLUSTER WIDE  
 CY 2024 CONSOLIDATED WORK AND FINANCIAL PLAN  
 PRDP SCALE-UP (PSO I-PLAN) 05 07 MAY 24, 2024  
 (Amount in Thousand Pesos)

Component/ Unit	Program/Activities	Unit of Measures	Physical	Target (Total)			PHYSICAL TARGET/TIME FRAME				FINANCIAL TARGET ('000)			
				LP	GOP	TOTAL	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
<b>1. LOCAL AND NATIONAL LEVEL PLANNING</b>														
<b>1.1. Enhancing AFMPs Process</b>														
<b>1.1.1. Training and Workshop</b>														
	1.1.1 Sub-total, PSO		0	0	0									
<b>1.1.2. Consultancy</b>														
	1.1.2 Sub-total, PSO		1	800	200	1,000			1					
	1.1.2 Sub-total, PSO			800	200	1,000								
<b>1.1.3. Incremental Operating Cost</b>														
	Assistance to VCA preparation	No. of Activity	30	80	20	100			15					50
	Attendance to meetings/workshops	No. of Activity	30	91	23	114			15					50
	Intra-component backstopping	No. of Activity	30	44	11	55			15					25
	<b>Other MOOE:</b>													
	Fuel and Oil	No. of Liters	0	0	0	0								
	Plane tickets	No. of time procured	0	80	20	100								50
	1.1.3 Sub-total, PSO			295	74	369								189
<b>1.2. Support to AFMP Implementation</b>														
	1.2.1. Training and Workshop			0	0	0								0
	1.2.1 Sub-total, PSO			0	0	0								0
<b>1.2.2. Consultancy</b>														
	1.2.2 Sub-total, PSO			0	0	0								0
	1.2.2 Sub-total, PSO			0	0	0								0
<b>GRAND TOTAL - I-PLAN</b>					<b>1,095</b>	<b>274</b>	<b>1,369</b>							<b>189</b>

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