

Terms of Reference

Call for proposals: Feasibility study on horizontal value distribution in the Malawian Tea Industry

1. Background:

About IDH the Sustainable Trade Initiative

IDH Sustainable Trade Initiative (“IDH”) accelerates and up-scales sustainable trade by building impact oriented coalitions of front running companies, civil society, governments, knowledge institutions and other stakeholders in several commodity sectors. We convene the interests, strengths and knowledge of public and private partners in sustainability commodity programs that aim to mainstream international and domestic commodity markets. We jointly formulate strategic intervention plans with public and private partners and we co-invest with partners in activities that generate public goods.

About the Malawi Tea Revitalisation Programme 2020

The Malawi Tea Revitalisation Programme 2020 (“**Malawi Tea 2020**”) aims to work towards a competitive Malawian tea industry where workers earn a living wage and smallholders are thriving. In the programme, a unique coalition of producers, international tea buyers, certification organisations, civil society and donors are working together to tackle the root causes of low wages and incomes in the Malawian tea industry.

Under Malawi Tea 2020, a price discovery model (the “**Model**”) has been developed which aims to give clarity on sustainable procurement practices in the tea industry. The Model reveals to what extent buyers need to pay an additional contribution to producers, in order to assist them in attaining the payment of living wages to the industry workers.

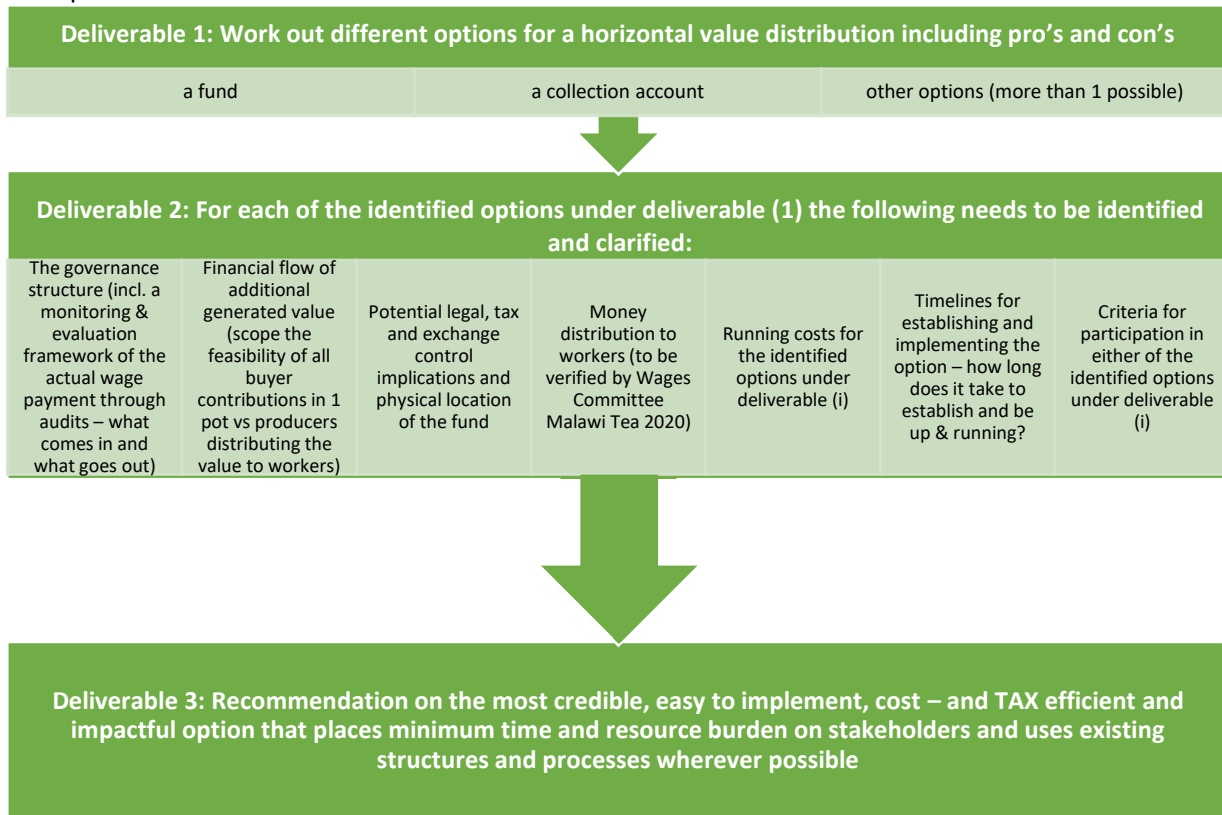
This ToR focuses on the distribution mechanism of the additional wage payment. One way to distribute the additional value generated through sustainable procurement practices is the horizontal option: spreading the value equally across the Malawi tea workforce. The horizontal option is a temporary solution and this will eventually transition into a vertical option post 2020. This study should assess the feasibility of the horizontal options and find ways to do so in a credible, easy to implement, cost and TAX efficient and impactful manner that places minimum time and resource burden on stakeholders and takes into account existing structures and processes wherever possible.

2. Objective:

To provide a feasibility study on the horizontal option, spreading the (extra) value equally across the entire Malawi tea industry according to specific deliverables.

3. Deliverables:




The specific deliverables under this ToR are:



4. Output:

- The consultant is expected to deliver a written report including abovementioned deliverables and recommendation on the feasibility of the horizontal options identified;
- The consultant is expected to deliver a summary of the report in PowerPoint slides (max. 15 slides).

5. Timeline:

Timeline	December	January	February	March
Selection of consultant				
Implementation of assignment		Contract signed 	Draft feasibility study 	Final study & recommendations

6. Selection criteria:

- Financial rigour, credibility from a financial and fiscal perspective;
- The ability to analyse, structure and communicate findings in a SMART & executive manner;
- A track record of similar work and previous working experience;
- Capacity to conduct the assignment within the defined time frame.

7. Process & submission:

IDH would like to invite suitable & qualified organizations and/or individuals, with no conflict of interest, to undertake the analysis and present a report that will inform the Malawi Tea 2020 program on the feasibility of a horizontal value distribution, across the Malawian tea industry.

Interested candidates should submit their expression of interest along with technical and financial proposals that should include the following;

- CVs including detailed work experience, education. Where more than one consultant will be involved clearly indicate the overall lead consultant;
- A proposed work plan including methodology, due dates and final deliverables;
- Proposed budget for the assignment;
- Two (2) references as well as a copy of their most recent assignment report (this will be returned).

The analysis is expected to be completed within 25 days from the day of signing the contract. The proposal needs to be sent to kambalame@idhtrade.org and huijssoon@idhtrade.org by close of business **5 January 2018**.

8. Relevant background material:

The following documents are attached to this ToR to provide additional background information:

- Malawi Tea 2020 Annual Progress Report 2017;
- Please also see www.idhsustainabletrade.com and www.malawitea2020.com.