

Terms of Reference

Call for proposals - Feasibility study on vertical value distribution (potential wage disparities) in the Malawian Tea industry, including a social impact analysis

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**”) is 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.

While there is agreement on the importance of living wages and sustainable procurement practices for the industry, there has been no decision yet on how additional buyer contributions can be distributed to workers across the industry. During the 2017 Annual Progress Meeting (APM), a buyer and producer session identified the need to conduct an analysis of the social impact of a potential differentiated wage payment in the industry. This Terms of Reference provide an outline of what the study is expected to achieve.

2. Objective:

To undertake a feasibility study on the payment of differentiated wages in the Malawian tea industry including a social impact analysis related to associated risks & opportunities.

3. Deliverables:

The specific deliverables under this ToR are:

- i. Conduct an assessment of:
 - a. wage structures in other plantation industries in Malawi (e.g. sugar) and, if applicable how these allow for differentiated wage payments;
 - b. situations where worker unrest in a plantation context occurred, in Malawi and other countries, including an identification of the driving forces behind this unrest as well as identification of cases where differentiated wages are paid and no (social) unrest occurred.
- ii. Conduct stakeholder consultation, including employer’s and employee’s perspectives, on the possibility of differentiated wage payments. This consultation should include an identification of:
 - a. Local, political, security, economic, and employment risk factors and opportunities;
 - b. The amount of people will be affected by the proposed wages changes¹.



For this assignment, the assumption is made that payment of differentiated wages is possible.

¹ There is an understanding that not all workers that are paid below the living wages benchmark

4. Output:

- The consultant is expected to deliver a written report including abovementioned deliverables, as well as recommendations on how to manage the payment of potential wage disparities in the tea industry;
- 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		 Contract signed	Draft analysis	Final analysis & recommendations
Implementation of assignment		 Define opportunities in the legal operational framework		

6. Selection criteria

- International labour law specialist, and preferably with experience of the Malawian labour market and law;
- The ability to analyse, structure and communicate findings in a SMART & executive manner;
- A track record of experience in conducting social impact analyses;
- Capacity to conduct the assignment within the defined time frame.

7. Process & submission:

IDH would like to invite suitable & qualified individuals, with no conflict of interest, to undertake the analysis and present a report that will inform the Malawi Tea 2020 program on social impacts of potential wage disparities across the 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 45 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 Terms of Reference to provide additional background information:

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