

# TERMS OF REFERENCE

## Developing a Living Income and Living Wage benchmark and household income and livelihood baseline for North West Liberia

### A. Introduction

The agricultural sector in Liberia is the primary livelihood for more than 60% of Liberia’s population. Cocoa is among the main cash crops and foreign exchange earners besides rubber, oil palm, and timber. Although significant number of smallholder farmers in Liberia are engaged in cocoa production, Liberia is overall still a small cocoa producing country, with an annual production of approximately 9,000 metric tons of cocoa beans. Low average yields of 200 kg/ha, which is almost a third of what is produced in neighboring countries.

Cocoa pricing is a topic of increasing interest which has attracted debates and discussion amongst stakeholders in the past years. Fluctuating and low prices for cocoa leaves cocoa farmers and their families in a situation where the income they make from cocoa sales does not allow them to meet basic household needs<sup>1</sup>. There is an increasing call in the cocoa sector and other agricultural sectors dominated by smallholders to enable smallholder farming families to earn a living income.

A living income is determined by multiple income drivers as illustrated in Figure 1, where often, each of the drivers is important but not enough on its own to guarantee a living income for farming families.



Figure 1. Income drivers (source: IDH<sup>2</sup>)

For a living income for farming families to be reached, many argue that an integrated approach (a so-called SMART-MIX of interventions) that takes the different income drivers into consideration is needed.

In 2019, the Liberia National [Cocoa Public private platform](#) (NC3P) convened by IDH the Sustainable Trade Initiative brought together representatives from the Government of Liberia, private sector, farmers’ organisations, civil society organisations, research institutions, development partners and other stakeholders launched a Joint Framework for Action and the [Roadmap to a Sustainable Cocoa Sector](#).

<sup>1</sup> <https://www.cbi.eu/news/living-income-gains-visibility-scale-cocoa-sector>

<sup>2</sup> See: Roadmap on Living Income; A Platform to Guide Company Action to Close Living Income Gaps in Supply Chains on <https://www.idhsustainabletrade.com/roadmap-on-living-income>

In this Roadmap, stakeholders express their commitment to work towards a sustainable and economically viable cocoa sector, that brands Liberia as a source of high quality, deforestation free environmentally friendly and ethically introduced cocoa beans & cocoa related products. This includes jointly working toward securing a living income for cocoa farmers and increasing their net income by comprehensively improving skills and adoption of best practices by farmers to enable increased production per farmer, as well as product diversification, value addition in the sector and lower the cost of production.

To enable the sector to be informed on the living income benchmark figure, analyse the gap and develop actions to close the gap, IDH as partner to the NC3P seeks to contract a consultant or service provider to provide services to develop a living income benchmark.

## **B. The assignment**

IDH seek to contract a consultant or service provider to provide services to develop a living income benchmark.

### *Phase 1:*

- A. The Consultant will through the Anker methodology develop a living wage and living income benchmark figure for Liberia / Lofa county;
- B. In parallel, the consultant will develop a household income and livelihood baseline.

The geographical scope of the research is North West Liberia. The data gathering methods will include quantitative and qualitative research, on community and household level (socio-economic baseline).

For any data gathering effort, the service provider will explicitly ensure that participants in the research are informed on the purpose of the research, and participants only participate if they provide consent to their participation and use of the data for the baseline surveys.

The approach and report should allow for updating of data on regular intervals, we well as for replication of the methodology in the central and south east regions of Liberia. As part of the contract, the service provider will share recommendations on data collection follow up, allowing for a consistent approach.

In general, the following approach is suggested for data gathering

- Desk study to collect existing statistical information, as well as qualitative information. In addition, IDH will avail data and reports from previous data gathering work that has been undertaken in the project region.
- Quantitative data gathering, covering at four districts and 12 towns/communities per county. In the proposal, the consultant will suggest the sampling approach in the inception report, likely to be based on random stratified sampling. The consultant needs to take into account that road infrastructure in the region is poor, and that some communities can only be reached by motorbike.
- Qualitative data gathering will be performed though focus group discussions and qualitative interviews.

The service provider will ensure a gender sensitive approach to data gathering, as well as to any analysis or follow on recommendations that are provided.

In the report, data will be disaggregated by gender where possible and relevant, as well as by age groups. Also, diversity of household composition, farm size, income sources and other variables will

be considered when presenting household data and findings, where relevant by developing segmentation of households and presenting data and findings per segment.

The following section provides a more detailed description of the services to be provided.

#### A. Living wage and living income benchmark figure

Using the Anker Methodology, the consultant will develop a living wage and living income benchmark figure, that can be applied to North West Liberia.

For calculating the cost of a decent standard of living, the methodology details costing approaches for the following areas (data sources referenced below are suggestions and can be refined and proposed by the consultant):

- Decent food - Local market surveys, model diets and secondary data
- Decent housing - Rental costs, building costs, contextual and international housing standards & secondary data.
- Non-food non-housing (such school, transport and clothing) - Focus groups and secondary data.
- Margin for unforeseen events - Additional percentage dependent on the context.



Figure 2: Living income benchmark compositions (Sources. Adapted from the LICOP LI study for Ivory coast<sup>3</sup>)

The work will include a breakdown of the cost of living which includes the total value of each category of cost, the total cost of living for a typical household (or where appropriate, segmented into household profile groups), the net value of living wage, the value of standard deductions such as taxes, and the final gross living wage.

It is expected that from the above breakdown of each calculation of living wage, living income benchmarks for the same regions can be derived.

The living income and living wage benchmarks and the data generated will be made public by the consultant, and made available for any company/organization wanting to use such data for furthering living wage projects in the region.

NOTE: As the proposed project envisions to impact the household livelihood and income position through multiple activities, there may be a need for methodological innovation to allow for analysis in Phase 2 of the assignment. Where this is the case, this will be proposed by the Consultant for discussion with IDH and the private sector project partners.

<sup>3</sup> [https://www.living-income.com/files/ugd/0c5ab3\\_a437a776dc7747c2999d3b0c60a46a97.pdf](https://www.living-income.com/files/ugd/0c5ab3_a437a776dc7747c2999d3b0c60a46a97.pdf)

*B) Household income and livelihood survey - Current income and livelihood sources in project region*  
 In parallel to gathering data for the Living Income and Living Wage benchmark, the Consultant will assess current income levels in the region through a household income and livelihood survey.

Key indicators that the baseline study is likely to address include:

<b>Type</b>	<b>Socio-economic indicator</b>
<b>Demography</b>	# of households, # inhabitants, household composition
	# of men, women, boys and girls, and age distribution per men, women, boys and girls
<b>Development</b>	Community infrastructure: man -made community infrastructure, like road, water pump, school, clinic, palaver huts, irrigation dams, generators, powerlines, solar panels. (note: part of this data has already been gathered through participatory land use planning work in the region for which the reports will be provided to the consultant by IDH)
	Household assets: typology of housing (number of rooms, construction, thatched, iron sheets, flooring, etc.) and household possessions as proxy indicator of household income (kerosene lamp, torch, solar panels, generator, bicycle, motorbike, mobile phone, television, refrigerator, private toilet, water tank, livestock: chicken, goat)
<b>Income and livelihood</b>	Household food security (for example Household Food Insecurity Access Scale (HFIAS))
	Household nutrition (per proxy, such as household dietary diversity score)
	Reported sources of income % (multiple income sources from multiple members needs to be accounted for when considering household income): Farming (palm oil grower, cocoa grower, rice grower), other farmers (describe which), artisanal mining, hunting/fishing/trapping, firewood/charcoal sales, livestock, motorbike rider, cross border trade, shop owner/masons/petty trade, education/health worker, government staff, other formal employment, migrant workers, handicraft/basket making/artisanal production, remittances, other.
	Average monthly income per occupation type (estimated). If farming: estimated area being farmed by the household.
	Market integration: % of agric production for self consumption. Do people sell agric. products, and what do they sell, where? Do people buy agricultural inputs, and what do they buy, where?
	Cocoa: Income from cocoa, revenue potential if investing more (deducting costs)(P&L analysis?)
	Other livelihood sources: Forest dependence: Reliance on non-timber forest products (NTFP) for household livelihood and income.
<b>Opinions and aspirations</b>	What are personal and household ambitions for the future, in terms of household assets and income sources?

The consultants will propose a series of recommendations, where possible and relevant gender segregated and/or segregated into various segments of household profiles.

## **C. Deliverables and payment schedule**

Milestone	Due date
A) Inception report, including sampling approach and field workplan	15 November 2022
B) Living wage baseline report – draft	31 January 2023
C) Socio-economic baseline report - draft	15 February 2023
D) Final reports	31 March 2023

Payments will be made as follows:

- 10% at signing of the contract
- 40% at acceptance of the inception report, outlining the survey and the survey approach and timeline
- 50% on final completion

## D. Requirements

### *Experience and qualifications*

- The Consultant must have demonstrated experience using the GLWC full-fledged Anker Methodology or any living wage benchmark methodology that has been recognized by IDH’s Process for Recognizing Living Wage Benchmark Methodologies (meaning it complies with the Criteria for Recognizing Living Wage Benchmark Methodologies and is listed on IDH’s website as a recognized methodology).
- The consultant must have demonstrated experience in socio economic baseline data gathering and socio-economic profiling of rural communities in West Africa, preferably in Liberia.
- The Consultant is a legally registered body such as an organization or research institution.
- The team put together by the Consultant to undertake this task includes Liberian team members that have significant experience in organising and carrying out surveys and are conversant in local languages of the project region.
- Good organisational and time management skills.
- Excellent written and oral communication skills in English, and the ability to produce clear and accurate reports.
- Able to keep relevant information confidential in accordance with non-disclosure or confidentiality agreements.
- Able to maintain strict independence from self-interest or personal bias.

By submitting the proposal, the Consultant confirms its ability to comply IDH General Terms and sign contract with IDH. This includes confirmation that the ground for exclusion as stated in article 8 are not applicable to the Consultant.

## E. Application

Interested candidates should send the following information to IDH program officer Richelieu Kaman at [kaman@idhtrade.org](mailto:kaman@idhtrade.org) before the application deadline of 30 September 2022 COB

Technical proposal:

- Up-to-date organizational profile and individual CVs for the entire team highlighting experience and skills.
- A description of approach, activities and deliverables for all three of the components (the living wage and living income benchmark, the potential phase 2 Gap analysis and recommendations, including
  - Workplan for phase 1
  - Overview of key milestones

- Outline of both the final reports.
- A description of the team, including roles and responsibilities and time allocation per team member (including field supervisors and enumerators)

Financial proposal:

- A detailed budget, separating phase 1 and phase 2. The budget should comply with the following requirements:
  - The budget will not exceed 80.000 Euro.
  - The budget specifies daily rates and total time specified for each expert.
  - All required amounts must be stated in Euros, excluding VAT.

IDH reserves the right to update, change, extend, postpone, withdraw or suspend the Terms of Reference, this tender, or any decision with regard to the selection or contract award. IDH is not obliged in this tender procedure to make a contract award decision or to conclude a contract with a participant. IDH reserves the right to suspend or annul the Tender Procedure at any moment in time.

Participants cannot claim compensation from IDH, any affiliated persons or entities, in any way, in case any of the afore-mentioned situations occur.

## F. Evaluation Method

The consultancy will be awarded to the Consultant with the most economically advantageous tender. The most economically advantageous tender is determined on the basis of the evaluation criteria of price, quality and efficiency.

Scoring criteria	Weight
Methodology and approach	50%
Qualification of the Service Provider and the Team	25%
Similar work experience and experience in the region	15%
Financial proposal	10%

## About IDH

IDH brings together governments, companies, CSOs, local communities and financiers in action driven coalitions to tackle global issues such as deforestation linked to agriculture production, poverty and climate change.

Founded in 2008, with core support from the governments of the Netherlands, Switzerland and Denmark, IDH has over 250 employees and an annual budget of around EUR 50 million. Our landscape strategy has been refined over the last decade, driving change through the core activities of Convening, Learning & Innovation and Financing. Our niche is in mobilizing the private sector for sustainable landscapes development by working with their local commodity programs and strengthening connections to their global value chains and markets.

### *IDH in Liberia*

IDH works in Liberia since 2015, where its landscape approach is based on strengthening land governance and securing community land rights, improving food security and diversification of income

in rural areas, and developing supply chains and investment opportunities offering communities options to increase agricultural productivity while protecting forests.

IDH is working in two landscapes, including in Lofa county. Key commodities we work on are palm oil, cocoa and rice, where IDH convened the national [Cocoa Public private platform](#) joint Framework for Action and the [Roadmap to a Sustainable Cocoa Sector](#).

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