

## **Terms of Reference**

### **Prioritization of SPS investments for market access and value chains in Madagascar STDF Project Preparation Grant (STDF/PPG/575)**

#### **Background**

1. Agriculture is vital for the economy of Madagascar where most poor households are engaged in subsistence agriculture. Agricultural products make up an important part of exports. Madagascar is the world's top exporter of cloves and vanilla. Lychee and shellfish are also important exports. There is significant potential to increase these exports and to develop other high value products (e.g. hand-picked green beans, artemisia, cocoa) and promising value chains for export (e.g. seaweed, sea cucumber, crab) to stimulate economic growth, improve rural livelihoods and incomes (World Bank, Economic Update, Dec. 2016).

2. Yet Madagascar faces a number of challenges to develop potential value chains for export. SPS capacity gaps in the public and private sector, weak institutional capacity and limited resources are among the key challenges faced.

3. In December 2016, the Ministry of Agriculture and Livestock in Madagascar submitted a request for an STDF Project Preparation Grant (PPG) to prioritize SPS investments for market access in export-oriented value chains using the STDF P-IMA framework ("Prioritizing SPS Investments for Market Access: A framework to inform and improve SPS Decision-making")<sup>1</sup>. This PPG request was supported by other government stakeholders in Madagascar including members of the National SPS Committee and the Directorate of Veterinary Services. In addition, letters of support for the PPG were received from the private sector (e.g. Ramanandraibe Group, lab service providers) and industry / export associations (National Vanilla platform, Association of clove exporters, Trade union of industries of Madagascar), as well as the consumer association, etc. The application was approved by the STDF Working Group in March 2017.

#### **Purpose and expected outputs of the PPG**

4. The P-IMA framework provides an evidence-based approach to engage all relevant stakeholders to prioritize diverse SPS investment related to market access, needs based on an analysis of available (quantitative and qualitative) data and information. It offers a structured process to establish priorities among a set of multiple SPS capacity-building needs, where available resources are insufficient to address all of these needs at the current point in time.

5. The purpose of this PPG is to enable – with the support of an international consultant – concerned public and private sector stakeholders to prioritize SPS investments for market access in export-oriented value chains using the STDF P-IMA framework. This work will take into account the findings of assessments of SPS capacity using the IPPC Phytosanitary Capacity Evaluation Tool, and the OIE Tool to Evaluate the Performance of Veterinary Services, as well as any other relevant assessments focused on agriculture development, value chain development (e.g. World Bank Economic Update on Madagascar, Dec. 2016). The PPG should also complement and support the Enhanced Integrated Framework (EIF) Diagnostic Trade Integration Study (DTIS) in Madagascar,

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<sup>1</sup> See: [www.standardsfacility.org/p-ima](http://www.standardsfacility.org/p-ima)

including the DTIS update (2016) and the ongoing Tier I project to build capacity in the National Implementation Unit.

6. Work under the PPG should take account of the "*Cadre de Programmation-Pays (CPP) de Madagascar*"<sup>2</sup> developed following a request from the Ministry of Agriculture Government in July 2012. The CPP, developed by the Government in collaboration with FAO, outlines the medium-term response to address needs in the agriculture sector, and provides a strategic vision for the country's future development. It is intended to serve as a strategic programming tool, to support resource mobilization and results-based management, and to facilitate synergies across diverse stakeholders with an interest in the sectors supported by FAO.

7. The PPG will be carried out in close collaboration with stakeholders involved in ongoing and planned projects focused on agricultural development and trade in Madagascar in order to identify, wherever possible, opportunities to inform planning and prioritize SPS investments within these projects. Such activities include:

- World Bank supported "Madagascar Agriculture Rural Growth and Land Management Project" (US\$ 53.27 million, 2016-21).<sup>3</sup> The objective of this project is to improve rural land tenure security and access to markets of targeted farming households in selected agricultural value chains in the project areas, and to provide immediate and effective response to an eligible crisis or emergency. One of the five components focuses on agribusiness value chain development.
- World Bank supported "*Pole Intégré de Croissance*" (PIC)
- World Bank supported "Madagascar-Statistical Capacity Building" project (USD 35 million, 2017-22)<sup>4</sup>. This project aims to strengthen the capacity of the National Statistics Institute (INSTAT) to produce quality statistics and to enhance its statistical dissemination practices. Work on P-IMA is linked to the second component of this World Bank project on Data Collection, Analysis, and Dissemination to support the closing of critical data gaps and the enhancement of data accessibility and dissemination practices.
- The National Indicative Programme for Madagascar (NIP) for the period 2014-2020, under the 11th European Development Framework (EDF) which aims to achieve the overall goal of poverty alleviation through the re-launching of sustainable and inclusive growth.<sup>5</sup> The NIP totals an amount of €518 million and is aligned to the Government's priorities around three focal sectors: (i) governance and strengthening of public policy; (ii) infrastructure in support to economic development, and (iii) rural development including promotion of a sustainable and competitive agricultural sector and strengthening the resilience of vulnerable people.
- EU-supported WINDRA project
- Activities supported by COLEACP

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<sup>2</sup> See: <http://www.fao.org/3/a-bp622f.pdf>

<sup>3</sup> See: <http://projects.worldbank.org/P151469?lang=en>

<sup>4</sup> See: <http://projects.worldbank.org/P160071?lang=en>

<sup>5</sup> See: [https://ec.europa.eu/europeaid/countries/madagascar\\_en](https://ec.europa.eu/europeaid/countries/madagascar_en)

- any other relevant ongoing or planned projects

8. In addition, efforts will be made to mobilize synergies with ongoing work under national frameworks focused on agricultural development, trade and climate change, including the Comprehensive Africa Agricultural Development Platform (CAADP), in order to mainstream SPS investments into broader planning frameworks.

9. The SPS Coordinator in COMESA will be kept informed about implementation and results of the PPG in order to identify and ensure synergies with a regional project, requested by the COMESA Secretariat and approved by the STDF Secretariat on 30-31 October 2017, to use P-IMA in selected COMESA Member States to mainstream SPS investments into national planning and financing frameworks related to agriculture, trade, the environment and climate change.<sup>6</sup>

10. Use of the P-IMA framework in Madagascar is expected to generate information to support SPS capacity building in key value chains for export to regional/international markets, help to build awareness among the public and private sector about the benefits of investing in SPS capacity building, and support fund-raising. It is also expected to support development of a national SPS action plan, facilitate dialogue among government and private sector regarding SPS investment priorities, and inform decision-making of members of the National SPS Committee, political leaders, development partners and donors. It is also expected to identify ways to mainstream SPS investments into broader national planning and financing frameworks related to agriculture, trade, the environment and climate change.

11. The PPG will result in the following concrete outputs:

- Detailed report that analyses and prioritizes SPS investment options for export-oriented value chains in Madagascar. In addition to presenting and analysing the prioritization of SPS investments, this report should describe the process followed, experiences and challenges (if any), experiences in developing linkages and synergies with SPS capacity evaluation tools (PVS, PCE) and any other related initiatives, etc. This report should also document and describe efforts to mainstream SPS investments into broader planning and financing frameworks for agriculture, trade, trade facilitation, the environment and/or climate change. Other relevant information including a bibliography of documents consulted, participants at stakeholder workshops, etc., should be annexed. Relevant documents and reports should be provided to the STDF Secretariat for inclusion in the STDF Virtual Library.
- Short case story that describes the overall results and experiences of the P-IMA work in Madagascar, which will form the basis for an STDF PPG results story.

### **Implementation of the PPG**

12. The PPG will be led and implemented by an International Consultant, in close cooperation with a small team of officials from relevant national government authorities involved in food safety, animal and plant health, trade, etc. Other concerned parts of government (including the national SPS Committee), authorities responsible for trade, planning and finance, as well as the EIF National Implementation Unit, CAADP coordinator, etc.) will be actively consulted and engaged in the work. In addition, efforts will be made to actively engage representatives of industry and

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<sup>6</sup> The STDF Working Group is expected to make a decision on the regional project application from COMESA on 30-31 October 2017.

the private sector, academia/research/policy institutes, as well as development partners and donors with an interest in SPS capacity building, agricultural development and trade in Madagascar.

13. The data collection and analysis work will follow the steps outlined in the P-IMA User Guide<sup>7</sup>. As indicated in the User Guide, the work should take stock of and build on the findings and recommendations of previous assessments of SPS capacity, including the IPPC's PCE Tool (2017) and the OIE's PVS Tool (2013), as well as any other available assessments, data and information on SPS issues and agricultural trade.

14. The work will provide analysis and evidence to link and mainstream export-oriented SPS investments in key value chains to national policy objectives (e.g. agricultural productivity, poverty reduction, trade, climate change, etc.). This analysis and evidence will form the basis for a national strategy to strengthen SPS capacity and promote trade. It can also help to leverage additional resources for SPS capacity building and to enhance coordination across agriculture and trade policy making.

### ***Expected Role of the Ministry of Agriculture and Livestock***

15. To support the work under the PPG, the Ministry of Agriculture and Livestock is expected to:

- Provide copies of the PCE and PVS reports to the international consultant for his/her information.
- Identify and provide copies of any other relevant reports, assessments, studies, project documents, etc. focused on agricultural development, value chains, trade which may be useful for the P-IMA work.
- Identify and make available a small group of key government officials (including officials with responsibility for food safety, animal and plant health and trade) to work with the International Consultant and actively support the data collection and analysis process for P-IMA.
- Liaison with relevant national stakeholders about the PPG and work to prioritize SPS investment options, including government authorities (Ministry of Trade, Finance, EIF National Implementation Unit, CAADP Coordinator, etc.), private sector, academia, donors, development partners, etc.
- Support for the organization of P-IMA stakeholder workshops and other meetings.
- Technical review and provision of feedback on the draft P-IMA report.

### ***Role of the International Consultant***

16. The International Consultant will lead and facilitate the use of the P-IMA framework in close collaboration with a small team of national officials, and in cooperation with all the other concerned stakeholders (including relevant government authorities, the private sector, academia/policy institutes, development partners, donors, etc.).

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<sup>7</sup> See: [www.standardsfacility.org/p-ima](http://www.standardsfacility.org/p-ima)

17. The International Consultant will carry out the following activities:
- i. Compile and review relevant documents, assessments and reports that may inform the P-IMA analysis. These will include the PCE and PVS evaluations, the DTIS update (2015), as well as documents on recent/ongoing/planned projects related to SPS capacity building, agri-food value chains and/or trade.
  - ii. Discuss the use and potential benefits of the P-IMA framework with relevant stakeholders including:
    - Government authorities: Comité National SPS, le Ministère en charge de l'agriculture et de l'Élevage (MPAE) y comprise la Direction des Services vétérinaires, le Ministère des ressources halieutiques et de la pêche y compris l'autorité sanitaire halieutique, les autorités compétentes en charge des questions SPS, Ministry of Trade, EIF NIU, Ministry of Finance, Planning, etc.
    - Private sector stakeholders with an interest in the production and export of agricultural products including syndicat des industries de Madagascar (SIM), le Consortium des laboratoires agroalimentaires de Madagascar (CLAM), le Plateforme Nationale de la Vanille, Groupement des exportateurs de girofle de Madagascar, etc.
    - Representatives of relevant international organizations, development partners and donors with an interest in SPS capacity building, agricultural development, value chains and/or trade including AfDB, EU, FAO, IFC, ITC, World Bank, France, USAID, etc.
    - Any other concerned stakeholders from civil society, academia and research including Groupe d' Action et de Réflexion pour la Défense des Usagers et des Consommateurs (Garduc), etc.
  - iii. Train a core group of government officials and other relevant stakeholders on use of the P-IMA framework and D-Sight computer software to enable them to use and re-apply the P-IMA framework independently in the future.
  - iv. Facilitate a one-day stakeholder workshop (involving relevant public and private sector stakeholders, academic/research, STDF partners, donors, other concerned stakeholders, etc.) to present the P-IMA framework and identify possible SPS investment options in export-oriented value chains to be included in the analysis, discuss and identify decision criteria and weights to be used for the prioritization. In setting out the scope of the prioritization decision, and the investment options to be included, take care to engage appropriate expertise from national government agencies, as well as relevant STDF partners (including FAO, World Bank), to ensure that the most appropriate expertise is available to support the work to be carried out.
  - v. Support and guide the local team to collect, review and compile data for information sheets for each of the SPS capacity investment options included in the P-IMA analysis, and to use the D-Sight computer software to prioritize SPS investment options.
  - vi. In compiling information sheets, take account of the role of women (and other vulnerable groups) in different value chains (as producers, processors, employees of SMEs, etc.) and how they could be expected to benefit from SPS investments targeted

at market access, as well as the potential impact on the environment of SPS investments.

- vii. Prepare a draft report that prioritizes SPS investment options for export-oriented value chains in Madagascar. In this report, also give consideration to prioritize the SPS investments by category (i.e. separate prioritization of all the investments focused on food safety, plant health and animal health). Facilitate a stakeholder workshop to present and discuss the initial findings of the P-IMA analysis with key stakeholders (government, private sector, development partners, donors, academia, etc.), obtain feedback, respond to questions or concerns, and validate the analysis and draft report.
- viii. Carry out analytical work to review national frameworks and planning documents related to agriculture, trade, environment, etc. against the top priorities emerging from the P-IMA analysis to identify financing gaps and map out options to mainstream SPS priorities within national policy and investment frameworks.
- ix. Provide practical assistance to the national SPS coordinator and national SPS Committee on how to use the outputs of the P-IMA work as the basis for the development of a national SPS action plan.
- x. Meetings with high-level government officials in ministries of agriculture (including the national CAADP Coordinator), trade (including the EIF NIU), finance, development partners and donors, as well as national SPS Committee, to discuss how the SPS prioritization generated through the P-IMA analysis can be used in practice to inform planning and decision-making, including on mainstreaming SPS investments into broader planning and financing frameworks focused on agriculture, trade, environment and climate change, and the allocation of resources. These discussions should address the following aspects and be well documented to facilitate follow-up:
  - i. Options to mainstream SPS priorities identified into national policy / planning frameworks for agricultural development (including CAADP, the National Agriculture Investment Plan), as well as any broader programming and financial frameworks for trade, environment / climate change, etc.;
  - ii. Linkages to the DTIS Update, including opportunities to use the findings of the P-IMA analysis to prioritize SPS investments in the DTIS (based on the recommendation of the STDF/EIF Briefing on strengthening the SPS components of DTISs).
  - iii. Use of the findings of the P-IMA analysis to develop a national SPS strategy and targeted project proposals focused on some of the identified SPS priorities.
  - iv. Options to use the P-IMA analysis to inform resource allocation decisions by government and/or to leverage additional resources from donors.
- xi. Participate in debriefing meetings with the Ministry of Agriculture and Livestock, the national SPS Committee and the Ministry of Trade to discuss and review the P-IMA report, as well as how to: (i) use the information generated to feed into the development of a strategic action plan for SPS implementation in Madagascar that will enable relevant government agencies to effectively deliver their mandate and meet the needs of the private sector in terms of trade facilitation and SPS compliance; (ii) inform the allocation of resources by the Government, as well as donors and

development partners; and (iii) replicate and "institutionalize" the P-IMA approach within decision-making processes in government.

- xii. Review and finalize report documenting use of the P-IMA framework in Madagascar.
- xiii. Prepare a short case story (1-2 pages) highlighting the process, experiences, challenges, results, etc. of using the P-IMA framework in Madagascar, including how the analysis and findings will be utilized including to inform planning under other related national frameworks for agriculture, trade, etc.
- xiv. Systematically compile all relevant information (in English and/or French), including assessments, project reports, evaluations, value chain studies, etc., which were identified during implementation of the PPG implementation for inclusion in the STDF Virtual Library.
- xv. Prepare a short report describing the overall work carried out under the PPG, including the outputs delivered, results, any issues or challenges encountered, lessons and experiences.
- xvi. During the course of the PPG, update the STDF Secretariat regularly on progress.

18. The International Consultant may contract a national consultant with expertise in economics and data analysis, as required, to support the P-IMA analysis (see Terms of Reference in Appendix 1).

***Timeframe***

19. The planned starting date is 20 November 2017 with an expected completion date of end June 2018.

## **Appendix 1: Profile for International Consultant**

### **Qualifications/Requirements**

- Degree in agricultural economics, international trade, or a related subject.
- Approximately seven years of experience working in the SPS area in developing countries, including knowledge and expertise in what is required to meet SPS requirements to gain and maintain market access.
- Knowledge or experience in the use of economic analysis methodologies to inform decision-making processes, ideally in the area of agricultural / trade policy.
- Interest and motivation to learn how to use the P-IMA Framework (Prioritizing SPS Investments for Market Access), and to apply this framework in Madagascar.
- Knowledge and experience in working with public and private sector stakeholders involved in projects to enhance SPS capacity, agricultural / value chain development and promote trade.
- Ability to work with diverse private and public sector stakeholders in a multicultural setting and to provide inputs under time pressure.
- Excellent analytical and communication skills (including report writing skills).
- Facilitation skills including prior experience in facilitating multi-stakeholder workshops would be advantageous.
- Working knowledge of English and French.



### **Terms of Reference for National Consultant**

A national consultant may be sub-contracted to support implementation of work carried out under this PPG.

The national consultant would be expected to:

- Provide support to identify, compile and review relevant documents, assessments and reports that may inform the P-IMA analysis. These will include the PCE and PVS evaluations, the DTIS update (20156), as well as any other documents related to recent/ongoing/planned projects focused on SPS capacity building, agri-food value chains, agriculture and/or trade.
- Inform stakeholders from the government, private sector, research and academia about the P-IMA analysis and schedule meetings for the STDF Consultant to brief them on the planned work and seek their engagement and inputs.
- Provide support to organize and report on a one-day stakeholder workshop (public/private sector, academic/research, donors, etc.) to present the P-IMA framework and identify possible SPS investment options in export-oriented value chains, discuss decision criteria and weights, etc.
- Assist the local team with data and information collection and analysis (including use of the D-Sight computer software), to compile the draft information sheets for the capacity building options included in the analysis, etc.
- Provide support to carry out analytical work to review national frameworks and planning documents related to agriculture, trade, environment, etc. against the top priorities emerging from the P-IMA analysis.
- Assist and provide any other assistance to the STDF Consultant.

### **Qualifications/Requirements**

- Degree in agricultural economics, statistics or a related subject.
- Approximately five years of relevant experience, including work on quantitative / data analysis,
- Knowledge and experience in working with public and private sector stakeholders involved in capacity building projects covering agriculture and / or trade. Interest and motivation to learn how to use the P-IMA Framework (Prioritizing SPS Investments for Market Access), and to help apply this framework in Madagascar.
- Excellent analytical and communication skills.
- Working knowledge of English and French.