

Mercy Corps Indonesia

Scope of Work

Project/Consultancy Title: Market System Development Assessment for Milkfish and Horticulture

Project Location(s): Indonesia – Pekalongan, Central Java

Finance Department Code: Zurich Flood Resilience Alliance (ZFRA) - 20123

Background:

The ‘Zurich Flood Resilience Alliance’ (ZFRA) is an alliance of ten organisations including international NGOs, private sector and research institutions that joined forces to support the Zurich Foundation in driving policy and good practice to reduce the negative impacts of flooding on the ability of individuals and communities to cope. The Alliance has been in operation for six years and is now in the third phase (Alliance 2.0) of its work programme. Within the Alliance, Mercy Corps plays a leading role in the advocacy component, including shaping the strategy for partnering and working with policy makers and disseminating the advocacy agenda, as well as coordinating the policy component.

BACKGROUND

Following on from the results of the pilot project implemented from 2022 to 2023, the Resilient Livelihood (RL) initiative under ZFRA project will endeavor to develop Resilient Business Models (RBM) by introducing more innovative and resilient business activities to support the livelihoods of communities most affected by flood risk in the coastal and upstream area. As part of the investment strategy, Mercy Corps Indonesia through the ZFRA programme is expected to intervene in market system development (MSD) with the Closed Loop approach in building the RBM in horticulture and aquaculture sectors. The Closed-loop agriculture principle focusing in fostering partnership to build a sustainable and integrated upstream to downstream agriculture ecosystem that in the end could create a resilient agriculture practice with improved productivity, that subsequently will be able to propel local income from the agriculture sector. The similar approaches and principles should also be contextually adopted for our aquaculture context.

CONTRIBUTION TO MC AND ZFRA PROGRAM

The climate-resilient livelihood practice across watersheds is intended to enhance communities’ climate adaptive capacity, reduce loss and damage, and reduce flood risks from better ecosystem management; which will subsequently increase community’s resilience to climate change. The implementation of Closed Loop business model is expected to ensure that the farmer will have improved capacity to implement climate-smart cultivation practice, availability of quality products that meets the market needs, reduce supply and price uncertainty, and improve the welfare of farmers and consumers. Closed-loop business model can only be successful and sustainable if the roles played by the involved actors within the system are tied to their actual business process. So that the system would not only support the farmers by improving their productivity, but also serve the business value propositions of each actor involved. Thus searching for actors that are interested to play these roles in the system and work towards a sustainable closed-loop agriculture system is of important for ZFRA. A successfully implemented closed loop business model will create an evidence for farmers on the economic benefit of the model and subsequently drive them to continue the implementation, while at the same time guarantee the availability of market off-takers and private sector involvement for current and future implementation.

The results of this assessment can provide detailed information on how market systems in milkfish (including its fishery product) and carrots value chains currently work, and identify needs, constraints, and gaps of the two sectors (milkfish and carrots). It can also provide solutions that can be used by the ZFRA programme to strengthen the performance of these sectors, especially in the development of closed loop schemes for the milkfish value chain (providing specific recommendations for downstream businesses related to fresh milkfish or pressure-cooked milkfish businesses) and carrots value chain to ensure the sustainability of climate resilient livelihood models, including the inclusion of conservation principles-

Purpose / Project Description:

The Close-loop business model requires the involved actors to take up specific roles and responsibilities within the closed-loop system, where there are 6 (six) main roles within the system: a) Coordination and facilitation of network of actors; b) Technical advisory service in Good Agriculture Practice; c) Market provider including offtaker; d) Financial services provider; e) Agriculture input provider; and f) Digital tools provider.

Mercy Corps Indonesia

Scope of Work

With the provision of bundled service scheme that combines financial access to the engaged financial institution as well as technical advisory service and production input access (for both agriculture and aquaculture activities) from private sectors and universities, the project enables the farmers and fishfarmers to strengthen their technical and financial capacity to improve their business. Added with our market network improvement that opens up an access to new and larger market with higher potential (compared to the current traditional market channel with minimal economic reward), the project will serve the community with modality to be self-sufficient in running a long-term business once the project is completed; and simultaneously provides an avenue for other actors to replicate the resilient livelihood scheme.

Further, cooperation scheme between financial service providers and the local government (in the form of rules, standard procedures and other potential enablers) will enable continuation of the business model. The link with technical service providers that are also part of the market value chain will also provide a sustained improvement for the community farmer and fisherman group to meet the certain criteria and standard quality from the market

Consultant Objectives:

The objective of this activity is to conduct market analysis of carrot value chain and milkfish value chain in the form of a literature study and report on the concept of closed loop business model and innovative financing practices in the context of agriculture and aquaculture, emphasizing smallholder business systems, including a review of relevant national and local policies with the following steps:

- Extract detailed information on how market systems in carrot value chain and milkfish value chain (including post-harvest and processing) currently work and identify opportunities, needs, constraints, and gaps.
- Identify actors and extract information related to agri-inputs and technical guidance/advisory services relevant to the milkfish value chain and carrot value chain, and identify needs, constraints, and gaps in smallholder farmers in accessing these resources.
- Identify innovative financing practices in milkfish value chain and carrot value chain applied by stakeholders at the farmer/farmer level in Pekalongan City and District as well as in Central Java in particular and in Indonesia in general.
- Identify existing products used and providers, needs, constraints, and gaps of carrot smallholder farmers, milkfish farmers, and milkfish micro and small processor to improve access to formal financial service providers, including providing recommendations on mechanisms and best practices for successful financing schemes.
- Recommend innovative financing models that are appropriate to the conditions of carrot smallholder farmers, milkfish farmers, and milkfish micro and small processor based on literature studies, expert experience and discussions with groups/communities assisted by the ZFRA programme.

MCI is therefore seeking a consultant to draft a paper on recommendations to apply market systems in the closed loop business model for carrot value chain and milkfish value chain (include post-harvest and processing) in the ZFRA programme intervention areas. The specific objectives of these works are:

- A detailed information report on how the market systems in the carrot value chain and milkfish value chain (including post-harvest and processing) are currently operating and the results of identifying opportunities, needs, constraints and gaps.
- Providing a map of actors and detailed information on agricultural inputs and technical guidance/assistance services relevant to the milkfish value chain and carrot value chain, as well as data on the identified needs, constraints and gaps of farmers in accessing these resources.
- Identified innovative financing practices in the milkfish value chain and carrot value chain applied by stakeholders at the farmer/farmer level in Pekalongan City and District, as well as in Central Java in particular, and Indonesia in general.
- Products used and service providers, needs, constraints, and gaps of carrot farmers, milkfish farmers, and milkfish micro and small processors to improve access to formal financial service providers were identified, including recommendations on mechanisms and best practices for successful financing schemes.

Consultant Activities:

The consultant is expected to produce market systems analysis report to apply the closed loop business model for carrot value chain and milkfish value chain (include post-harvest and processing), with specific activities as follow:

Mercy Corps Indonesia

Scope of Work

- The consultant will identify the market systems in the carrot value chain and milkfish value chain (including post-harvest and processing) currently in operation and identify opportunities, needs, constraints, and gaps, including intensification, extensification, business diversification, marketing and supply chain management, partnerships and institutions, technology adoption, risk management, and finance;
- The consultant will map the actors (farmers, private sector, microfinance institutions, relevant government agencies) that support the establishment of a good market ecosystem and gather detailed information on agricultural inputs and technical assistance services relevant to the milkfish value chain and carrot value chain, as well as data on the identified needs, constraints, and gaps of farmers in accessing these resources. This includes identification of appropriate constraints and incentives for (potentially) involved parties, including for integrated conservation principles in the horticulture sector.
- The consultant will identify and inventory innovative financing practices in the milkfish value chain and carrot value chain applied by stakeholders at the farmer/ farmer level in Pekalongan City and Regency, as well as in Central Java Province in particular, and in Indonesia in general. The identification process was conducted through focus group discussions (FGDs) with various stakeholders, including farmers, fish farmers, women's groups (specifically for presto milkfish), and relevant market players for each commodity.
- identify products used and service providers, needs, constraints, and gaps of carrot farmers, milkfish farmers, and milkfish micro and small processors to improve access to formal financial service providers, including identification of recommended mechanisms and inventory of best practices for successful financing schemes including opportunities and challenges to create or improve the enabling environment.

Consultant Deliverables:

- i. Three (3) offline focus group discussions: carrot; milkfish fry and fresh milkfish; and pressure-cooked milkfish
- ii. A contact list of persons or institutions the consultant communicated with and those who are relevant for future interactions
- iii. A total of 2 market value chain analysis documents, one document for each commodity (carrot and milkfish (including the milkfish fry and pressure-cooked milkfish) in Bahasa, that covers recommendations on:
 - full report on the identification of market systems in the carrot value chain and milkfish value chain (including post-harvest and processing) currently in operation and the results of identifying opportunities, needs, constraints, and gaps including intensification, extensification, business diversification, marketing and supply chain management, partnerships and institutions, technology adoption, risk management, and finance;
 - Map of actors (farmers, private sector, microfinance institutions, relevant government agencies) that support the establishment of a good market ecosystem and detailed information on agricultural inputs and technical guidance/assistance services relevant to the milkfish value chain and carrot value chain, as well as a report on the results Identification of constraints and appropriate incentives for (potentially) involved parties, including for integrated conservation principles in the horticulture sector; Please provide contact information of persons or institutions that communicated with the relevant consultants for future interactions.
 - Database of innovative financing practices in the milkfish value chain and carrot value chain applied by stakeholders at the farmer/ farmer level in Pekalongan City and District, as well as in Central Java in particular, and in Indonesia in general.
 - Database of products used and service providers, needs, constraints, and gaps of carrot farmers, milkfish farmers, and milkfish micro and small processors to improve access to formal financial service providers.
- iv. Final presentation that summarize finding and recommendations to ZFRA Program, in English and Bahasa

A general outline will be produced by ZFRA and discussed together with the consultant. A working paper or a peer-reviewed manuscript will be produced from the report where the consultant will be the main author. The consultant will need to check the final version the report and manuscript.

Timeframe / Schedule:

Three (3) months, August-October 2024.

The Consultant will report to:

- ZFRA Indonesia Program Manager

The Consultant will work closely with:

- Resilient Livelihood Coordinator - ZFRA Indonesia

Mercy Corps Indonesia

Scope of Work

- Resilient Livelihood Assistant - ZFRA Indonesia

Required Experience & Skills:

- Minimum 7 years' experience in financial products/agriculture and aquaculture business and excellent understanding in closed loop agriculture approach
- Familiarity in climate resilient livelihood principles and approaches especially in agriculture and/or aquaculture sectors
- Proven experience in coordinating and communicating with stakeholders in national markets; modern and traditional markets especially for the region.
- Experience and understanding of supply chain for milkfish and horticulture in Central Java region, especially in Semarang, Pekalongan, Pemalang, Purwokerto, Magelang, Jogja; as well as Jakarta areas.
- Demonstrated proficiency in writing bilingual report.

How to Apply

Prospective candidates shall email their proposal including price offered and Curriculum Vitae to procurement@id.mercycorps.org before **25 June 2024**. Only shortlisted candidates will be contacted.

Diversity, Equity & Inclusion

Achieving our mission begins with how we build our team and work together. Through our commitment to enriching our organization with people of different origins, beliefs, backgrounds, and ways of thinking, we are better able to leverage the collective power of our teams and solve the world's most complex challenges. We strive for a culture of trust and respect, where everyone contributes their perspectives and authentic selves, reaches their potential as individuals and teams, and collaborates to do the best work of their lives.

We recognize that diversity and inclusion is a journey, and we are committed to learning, listening and evolving to become more diverse, equitable and inclusive than we are today.

Equal Employment Opportunity

We are committed to providing an environment of respect and psychological safety where equal employment opportunities are available to all. We do not engage in or tolerate discrimination on the basis of race, color, gender identity, gender expression, religion, age, sexual orientation, national or ethnic origin, disability (including HIV/AIDS status), marital status, military veteran status or any other protected group in the locations where we work.

Safeguarding & Ethics

Mercy Corps team members are expected to support all efforts toward accountability, specifically to our stakeholders and to international standards guiding international relief and development work, while actively engaging communities as equal partners in the design, monitoring and evaluation of our field projects. Team members are expected to conduct themselves in a professional manner and respect local laws, customs and MC's policies, procedures, and values at all times and in all in-country venues.