

TERMS OF REFERENCE
FACILITATING MARKET ACCESS FOR PEPPERCORN FROM VIET NAM, CAMBODIA AND
LAO PDR BY IMPROVING FOOD SAFETY AND PEST MANAGEMENT
STDF PROJECT PREPARATION GRANT (STDF/PPG/619)

1 KEY SPS CHALLENGES

1.1. Peppercorn is an important agricultural product for livelihoods in Viet Nam, Cambodia, and Lao PDR. Viet Nam already holds a 39% share of global production and is the world's largest exporter (95% of its output). Cambodia, the world's 6th largest producer and 4th largest exporter, produces the internationally renowned Kampot pepper to which the European Union has granted a Protected Geographical Indication. Pepper exports from Lao PDR are at present low in volume but there is interest to increase production and exports, especially to Viet Nam. Peppercorn is cultivated largely by smallholders, and hence an improvement in production and market conditions would directly contribute to poverty reduction. Furthermore, global consumer demand for pepper has been steadily increasing during the last years, providing economic opportunities to actors along the value chain.

1.2. These three countries share long borders. Most peppercorn produced in Cambodia and Lao PDR is exported to Viet Nam, which then re-exports it to other markets. For the most part, peppercorn from Cambodia and Lao PDR enters Viet Nam through provinces Kon Tum, Gia Lai, and Dak Lak, located in the region of central highlands.

1.3. The peppercorn value chain faces several food safety and phytosanitary challenges that vary in the three different countries and regions but overall, encompass the following:

1.4. Microbiological contamination: Contamination by bacteria such as salmonella can occur at any stage of the value chain, and a lack of good production and hygiene practices present a risk to the region's peppercorn exports. The presence of salmonella is the main reason for peppercorn import rejections by the European market.¹

1.5. Pesticide residues: A large share of the crops in the region and especially in Viet Nam does not comply with pesticide Maximum Residue Levels (by way of example, according to the PPG application, some traders state that 75% of the Vietnamese peppercorn production does not meet the EU's required pesticide levels). Farmers in the region have limited knowledge of export market requirements and Good Agricultural Practices (GAP) with regard to the application of pesticides. In addition, peppercorn is often grown in intensive monoculture systems, making crops susceptible to pests and diseases.

1.6. Mycotoxin contamination: Mycotoxins (aflatoxins, ochratoxins and others) create serious challenges for the region's peppercorn exports, as a tropical climate and improper crop storage conditions are conducive to their formation.

1.7. Other food safety issues, including adulteration such as seeds of other plants with similar appearance, or the presence of extraneous matter, are also present.

1.8. Phytosanitary problems: Plant diseases, most commonly quick wilt (*Phytophthora capsici* Leonian) and slow wilt (mainly caused by nematodes), affect peppercorn production in the countries as farmers have limited knowledge of diseases and integrated pest management (IPM) systems. Besides resulting in crop losses, this compounds the problem of excessive fungicide use and inability to comply with pesticide MRLs, described above.

1.9. Furthermore, traceability and accountability are challenging because the supply chain involves numerous intermediaries and at times illegally traded products across the three countries.

¹ See "Exporting pepper to Europe", CBI, the Centre for the Promotion of Imports from Developing Countries of the Dutch Embassy. Available at <https://www.cbi.eu/market-information/spices-herbs/pepper/>

2 BACKGROUND TO PPG

2.1. The purpose of this Project Preparation Grant is to develop a regional project to address food safety and phytosanitary issues in the peppercorn value chain in Viet Nam, Cambodia and Lao PDR. This PPG was requested by the Western Highlands Agriculture and Forestry Science Institute (WASI) of Viet Nam. The PPG application is also formally supported by the Ministry of Agriculture and Rural Development, Viet Nam; the General Directorate of Agriculture, Cambodia; the Department of Agriculture, Lao PDR; private companies and business associations, and CABI International. The PPG was approved by the STDF Working Group in October 2017.

2.2. This document sets out the Terms of Reference (ToRs) for the International Consultant contracted by the STDF to implement this PPG in close collaboration with WASI and other relevant public and private sector stakeholders involved in the peppercorn value chain. WASI will be responsible for providing necessary local logistical support (coordinating field work, meetings etc.) as required under the PPG.

3 DESCRIPTION OF TASKS

3.1. The main tasks of the International Consultant are detailed below. The tasks shall be carried out under the overall supervision of the STDF Secretariat, and in close collaboration with WASI and other relevant stakeholders.

Project development

- a. Familiarise him/herself with the activities proposed in the PPG application.²
- b. Building on previous studies by WASI, the Viet Nam Academy of Agricultural Sciences (VAAS), and other relevant organizations, make a preliminary analysis of trade in peppercorn between Viet Nam, Cambodia, and Lao PDR, as well as map out the different SPS challenges affecting the three countries, respectively, along the value chain. This preliminary analysis should be based on desk study, as well as information gathered through field visits, interviews etc. It should give a birds-eye view of the situation from a trade perspective, and reveal the principal food safety and phytosanitary challenges ("what and where") that impede market access. Ideally, the analysis will also lay groundwork for knowledge sharing, and disseminating solutions and good practices among the region. It will also shape the remainder of the work under the PPG, including clarification of the roles and responsibilities of the different stakeholders (such as food safety authorities, NPPOs in their national pest surveillance function etc.) in addressing the challenges faced in the peppercorn value chain.
- c. Further investigate and analyse key SPS issues and challenges affecting the peppercorn value chain in order to understand where possible solutions to strengthen SPS capacity can make a difference and add value. This analysis should provide accurate and up-to-date information on what is currently known about the magnitude and extent of key problems in the value chain. It should also examine specific SPS-related requirements in current and potential export markets for peppercorn, and the current capacity of relevant stakeholders in Viet Nam, Cambodia and Lao PDR to meet these requirements.
- d. Conduct broad consultations with relevant public and private stakeholders in Viet Nam, Cambodia and Lao PDR in order to incorporate their views, experiences and insights into the PPG where appropriate, to ensure that the resulting project is fully aligned with national development priorities, and to ensure ownership for the resulting project. In particular the following stakeholders should be consulted:
 - The private sector, including farmers, processors, exporters, industry associations (such as the Viet Nam Peppercorn Association (www.peppervietnam.com) and any relevant associations active in Cambodia and Lao PDR, to be identified).
 - Government departments and agencies charged with the implementation of food safety and phyto controls related to pepper value chain and certification (food safety) and

² A copy of the application (STDF/PPG/619) will be made available to the consultant

involved in agricultural development and trade more generally (food safety and phytosanitary issues), including the Ministry of Agriculture and Rural Development of Viet Nam; the General Directorate of Agriculture of Cambodia; and the Department of Agriculture, Lao PDR.

- Research institutes and academics working in the spice sector in Viet Nam, Cambodia and Lao PDR (such as the Viet Nam Academy of Agricultural Sciences, an umbrella organisation comprising 18 research institutes and the country's NPPO, the Plant Protection Department under the Ministry of Agriculture and Rural Development).
 - Intergovernmental organisations such as the International Pepper Community (based in Indonesia, <http://www.ipcnet.org/n/>) (note that at the time of drafting the ToRs (April 2018), the IPC was yet to provide a formal letter of support for the project).
- e. Explore potential synergies with other STDF activities (STDF Secretariat can provide further information where needed), including STDF/PPG/517 "Ensuring food safety, spicing up trade" (India)³, STDF/PPG/593 "Penja pepper" (Cameroon), and STDF/PG/343 "Enhancing Capacity in the Cinnamon Value Chain"⁴, and ensure lessons/experiences are taken aboard where relevant. Take stock of other on-going and future projects supporting the peppercorn value chain, or touching on spices/food safety/phytosanitary issues as relevant, and hold in-depth discussions with the relevant development partners to avoid duplication and to identify critical gaps, SPS capacity building needs, and possible synergies. Some (not all) of these projects are:
- World Bank Group projects in the region (the World Bank highlighted at the STDF Working Group meeting in October 2017 possible complementarity to a planned advisory and lending programme in Viet Nam).
 - FAO project on capacity building and policy reform for pesticide risk reduction in Viet Nam (UNJP/VIE/041/UNJ), which delivered farmer training programmes on GAP and IPM.
 - FAO project on food safety information, education and communication (UNJP/VIE/043/UNJ), under which relevant FAO/WHO/other guidelines and training materials will be translated and distributed. FAO project on capacity building for the food inspection system in Viet Nam (UNJP/VIE/042/UNJ), which provides training and other support to strengthen and streamline the country's food inspection system.
 - FAO project on pesticide risk reduction in Southeast Asia (GCP/RAS/229/SWE), which provides capacity building for proper management and use of agricultural and industrial chemicals.
 - CABI's Plantwise initiative, which instituted plant health clinics that provide phytosanitary advice to smallholder farmers. Recently, CABI has started working with the Vietnam Pepper Association and other national stakeholders to establish a network of plant clinics specifically for the peppercorn industry.
 - Asian Development Bank's project "Trade Facilitation: Improved Sanitary and Phytosanitary Handling in I sub-region"⁵, which includes support to Viet Nam on food safety management.
 - Codex-related activities, including on-going work in the Codex Committee on Spices and Culinary Herbs (CCSCH), the Codex Committee on Contaminants in Food, or any other relevant committees. Take due account of any relevant recent accomplishments in Codex work, such as the adoption of standards on certain spices and culinary herbs, including black, white and green pepper at the 40th Session of the Codex Alimentarius Commission in 2017.⁶

³ www.standardsfacility.org/PPG-517

⁴ www.standardsfacility.org/PG-343

⁵ <https://www.adb.org/projects/documents/trade-facilitation-improved-sanitary-and-phytosanitary-handling-gms-trade-project-rrp>

⁶ http://www.who.int/foodsafety/areas_work/food-standard/CAC/en/index1.html

- f. Actively consult international organizations, development partners and donors with an interest in value chain development and trade in the three beneficiary countries (including the World Bank, FAO, the Global Food Safety Partnership, Asian Development Bank, APEC, ASEAN etc.) to explore opportunities to leverage funds to implement all or part of the project to be developed through this PPG. Based on the outcomes of these discussions, and the likelihood to secure donor funding, the project proposal produced may also be written in the format/template of one of these potential donors (rather than the STDF project template, which is available at <http://www.standardsfacility.org/project-grants>).
- g. On the basis of the preliminary analysis described in paragraph b., discussions held and information obtained, consider the most feasible, cost-effective and sustainable approach to strengthen SPS capacity in the peppercorn value chain as regards food safety and pest management, taking into account the production patterns and trade flows in the region, the distinct nature of the challenges faced by the different countries, different possible causes and remedial actions, and geographic differences in production areas.
- h. Develop a comprehensive project proposal to address the identified SPS capacity building needs in the supply chain (production, post-harvest, processing and trade) to promote export growth. The proposal should:
- Clearly identify the specific causes of the different SPS challenges facing the value chain, and consider the feasibility of various approaches or solutions to address the problems faced (e.g. rolling out training on GAPs, pest management, improving food safety in processing).
 - Clearly identify and map out linkages, synergies and complementarities to related activities and projects, supported by the government, donors and development partners in Viet Nam, Cambodia and Lao PDR.
 - Take account of, and build on, what has worked in SPS capacity building interventions in the peppercorn value chain to date, and learn from other relevant experiences.
 - Clearly elaborate the purpose, expected outcomes, outputs and activities of the proposed project, based on a coherent logical framework. The logical framework should include indicators to measure performance, sources of verification and any key assumptions.
 - Clearly identify the roles and responsibilities of all concerned public and private stakeholders, and outline a practical mechanism for project implementation and management.
 - Include a detailed estimate of the budget required to implement the proposed project and, where possible, identify possible donors and/or private sector investors.
 - Consider cross-cutting issues related to gender and environmental aspects affecting the particular value chain.
 - Include a detailed work plan and timetable for project implementation.
 - Identify and assess the possible risks and challenges faced in the proposed project, as well as risk mitigation strategies to ensure its success and sustainability.
- i. Discuss the draft project proposal with relevant public and private sector stakeholders in the three countries, any relevant regional/international stakeholders (such as the International Pepper Community), as well as concerned development partners and donors. On the basis of comments and suggestions received, revise the proposal as necessary.
- ii. Present the draft project proposal to relevant stakeholders and the STDF Secretariat, and make any further revisions necessary. Several rounds of comments can be expected.
- iii. Finalize the project proposal for the peppercorn value chain in the three countries, on the basis of all comments received on successive versions of the documents.

Logistics

- iv. Together with WASI and relevant national stakeholders, make logistical arrangements for field research, stakeholder workshops and other meetings (including meetings with development partners and donors) organized under this PPG.
- v. With the support of WASI and relevant national stakeholders, take a lead in meetings and other activities during implementation of the PPG. Prepare all necessary documentation, including meeting agendas and summaries etc.
- vi. Coordinate letters of support where needed for the proposed project from key public and private stakeholders. These letters should include a clear expression of support for the proposed project, and demonstrate clear commitment to take actions needed to ensure the success and sustainability of the project.
- vii. Keep detailed financial records of funds disbursed under this PPG and provide a final invoice of disbursements to the STDF Secretariat.
- viii. Provide to the STDF Secretariat electronic copies of relevant documents produced under the PPG for inclusion in the STDF Virtual Library.

4 DELIVERABLES

4.1. The international consultant shall deliver the following key outputs:

- a. A preliminary study as described in sub-paragraph b. under the International Consultant's tasks (p. 2).
- b. A complete project proposal to improve the capacity of relevant public and private stakeholders in the peppercorn value chain in the three countries, to ensure the safety of the product for export, based on relevant international food safety standards.
- c. A brief report of work carried out under the PPG, including the key activities, a bibliography of the documents consulted (with web links and/or electronic copies, where available), stakeholders met and consulted together their e-mail addresses etc. The PPG implementation report should be provided within one month from completion.

5 TIMEFRAME

The PPG will be implemented over a period of 9 months.

6 QUALIFICATIONS

The International Consultant is expected to possess the following qualifications and skills:

- Advanced degree in food science, food technology, agriculture, plant health or a related subject.
- At least 5 years of experience working with developing countries on activities to strengthen SPS capacity and enhance market access. Experience in the spice value chains would be an asset.
- Knowledge about food safety and other challenges / requirements related to the export of spices.

Experience in designing SPS value chain projects in developing countries, to enhance market access, including experience in developing public-private partnership approaches. Experience in Southeast Asian countries would be an asset.
- Excellent communication skills and proven ability to work effectively with diverse stakeholders / experts in developing countries.