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Delegation of the European Commission to Ukraine

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**Partner Country**  
*UKRAINE*

**Area of Co-operation**  
*Private Sector and Economic Development*

**ANNEX II : TERMS OF REFERENCE**

*Title of Project*

**Improvement of logistics services and marketing channels for SMEs in agriculture**

Contract budget: € 2.5 million

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### 1. BACKGROUND INFORMATION

#### 1.1. Beneficiary country

Ukraine

#### 1.2. Contracting authority

The European Community, represented by the Commission of the European Communities, for and on behalf of the Government of Ukraine.

#### 1.3. Relevant country background

Following a period of dramatic decline in GDP since independence, conditions within Ukraine have stabilised. In 2000 Ukraine experienced its first year of economic growth with Gross Domestic Product (GDP) rising by approximately 6% to 221m UAH<sup>1</sup>. Since then it has risen by an average annual growth of 7% per annum. Inflation is low at around 6%<sup>2</sup>, exchange rates are stable and interest rates on loans have fallen to 20% in 2003 from levels of 80% in 2000.

The population, 48m, decreasing till 2003 is forecast to continue to reduce yet further. The rural population accounts for some 33% of total population and is also declining. Unemployment will increase steadily to around 5.5% by 2006. However, average incomes are said to be growing<sup>3</sup>.

For continued long term growth, it is recognised that Ukraine will require further economic reforms to improve its business environment, particularly in business liberalisation, improvements in the legal framework and in public and corporate finance. While the government has expressed a willingness to accelerate reform in these areas its record of implementation remains poor.

The Ukrainian tax system has been undergoing change ever since independence in 1991. It provides little incentive to foreign investors capable of contributing to the agro-food sector while providing large privileges to certain sectors of the economy. Tax legislation can be unclear and often contradicts itself. While there has been talk of a new tax code none has materialised. The legal system is in a constant state of fluctuation as federal, regional and local governments attempt to establish and carry out reforms as they see fit. A significant portion of the economy remains in government hands including public transportation, communications and key commodities such as grain.

#### 1.4. Current state of affairs in the relevant sector

Following a period of dramatic decline agricultural production has increased by 33% in recent years. In 2002 output from agriculture accounted for 13.5% of Ukrainian GDP. Such growth has been attributed to an increase in horticultural production and to the productive contributions of individual household producers to the extent that this sector now accounts for 60% of agricultural production.

The amount of the operable agriculture machinery continues to contract and investment in equipment represents less than 1% of overall need. The situation in the processing industry is not much better, particularly in the SME sector. There is little foreign investment and in many instances production facilities and practice falls outside EU standards for food safety.

Agrarian reform in 1990 initiated the transfer of land plots to some individual farmers. This was followed in 1994 by a second tranche of reforms to transform kolkhozes into collective agricultural

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<sup>1</sup> State Statistics Committee of Ukraine

<sup>2</sup> Idem

<sup>3</sup> Economist Intelligence Unit

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enterprises ('KSPs'). Land property was broken down into share certificates and ascribed to former KSP employees, able to be "sold, donated, transmitted in heritage, exchanged, leased", but usually kept - if ever evidenced by a certified land title - within the KSPs. In 1999 a further wave of agrarian reform caused the dissolution of KSPs and their transformation into private enterprises. This led to the distribution of 6.5 million land certificates covering 27.5 million ha of land to former KSPs or individual farmers.

By 2001, following a further wave of reform, 65% of the land was placed into the hands of 15,000 huge private farms, companies and 'production co-operatives' cultivating large territories from 1,000 to 2,500 ha; 12% by 350 000 private small and medium farmers cultivating from 10 to around 70 ha); and the remaining 13% was put into the hands of several million of small household farms (plot holders / *datchniks*) operating from 1 to 7 ha. Thus the land redistribution process envisages full privatisation under the Land Code. The right to sell agricultural land once all state property is privatised, should be effective from 2005. A number of transitional provisions account for need to set out authoritative rights attached to land value (land prices) and the undeveloped land market (market regulation, mortgage rules and mechanisms) is causing the delay.

Following Presidential Decree No. 767 of 6<sup>th</sup> June 2000 on Measures to Ensure the Formation and Operation of Infrastructure in Agriculture, the Ministry of Agrarian Policy has since directed its efforts towards establishing a market infrastructure, marketing channels and logistics services to support agricultural producers.

In noting these points the project team should be aware of the characteristics of these segments. Household farming is important and politically sensitive and SME farming important for 'tomorrow's winners'. These businesses are restrained for want of clearly defined market opportunities and routes to market. Output is varied in quality, consistency and volume. The small household farm accounts for some 70% of all fresh food production; milk, vegetables and meat. However, producers themselves consume most of this. Very little is in fact marketed; up to 15% for fresh produce, milk and meat and 50% of potatoes. The productivity of these small household enterprises remains low.

SME enterprises farms of 50ha or more comprise a mix of categories and competencies. Some beset with organisational problems are unable to take advantage of natural economies of scale, achieve focus and establish routes to market. SMEs are blocked for want of markets, marketing channels, organisation and logistics as well - of course - credit and cash flow.

The results of privatisation, have, therefore, given rise to a huge rise in the number of private enterprises and family firms and a decline in agricultural production co-operatives. This trend towards fragmentation and 'individualisation' has boosted individual confidence and entrepreneurship in the sector 4. But it has also unleashed an uncomfortable problem; and this concerns the dilemma associated with finding means to rejuvenate a much-changed rural economy.

### *Key developments*

The positive trend towards entrepreneurial activity in agriculture highlights a number of problems. Even though the small household farm accounts for some 60% of all fresh food production: milk, vegetables and meat, producers themselves consume most of this. Very little is in fact marketed.

Following a Presidential Decree on measures to ensure formation and operation of infrastructure of the agricultural market the Ministry of Agrarian Policy has since directed its efforts to establish an agricultural market and provide appropriate conditions for sufficient support for production and marketing of agricultural products.

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<sup>4</sup> Institute for Economic Research and Policy Consulting in Ukraine

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Despite efforts to improve the situation there is a real absence of agricultural logistics. Producers at household and SME levels as well as processors lack marketing channels as well as knowledge and experience in procurement, production/processing, distribution, sales and customer service. A major obstacle for the new agriculture producer lies in the absence of transparent conditions for trade and accessible market places. But new markets are emerging. Almost 80% of food products introduced to the market place are sold in open markets that are often poorly regulated. Of the remaining 20% local and foreign supermarkets account for under 40% of food purchases throughout Ukraine and 55% in Kyiv. In recent years supermarket sales have almost quadrupled. A feature of local retailing is that most local retailers take a short-term view, go for quick wins i.e. products that sell quickly and are quick to exit the sector.

### *Agricultural market developments*

Ukrainian consumers give preference to fresh foods. Long shelf life products (such as UHT milk) are associated with chemicals and are not trusted. But the paradox is that short shelf life product is produced in unhygienic conditions. Much of lightly processed product (meat, milk and produce) would fail to reach acceptable standards for food safety in the EU. But it's cheap and this is what the majority of the population can afford. There is evidence though that Ukrainian consumers are segmenting into those whose criterion for product selection is price and a small but growing group of consumers that demand and can afford higher quality and differentiated product.

Even though markets are underdeveloped, most producers are unable to effectively market their production because they are unaware of consumer needs and do not understand the principles of value added and quality assurance. Producers are poorly linked to other stakeholders in the food supply chain and collaborative activity is limited. Few producers have been trained in farm business management, have the technical expertise to improve quality and market their produce. Many have grasped the need to market but are too small and poorly equipped to find and develop relevant markets. Most suffer for want of market intelligence. They are unable to identify markets and if they do cannot find the channels to achieve the return required. For this reason most farmers trade through a myriad of intermediaries.

In livestock marketing something like 31% of livestock is handled by intermediaries, 28% by processing plants and a further 23% is sold by the producers/intermediaries on the fresh meat markets. The remainder goes towards land lease payments and salaries. Savings in the order of 10% could be achieved given more direct forms of marketing. Such a disadvantageous price situation is partly the result of small-scale production and partly the result of disorganised channels of distribution dominated by unscrupulous intermediaries. A mechanism for balanced and transparent buyer and seller relationships is an imperative in livestock – and indeed all forms of fresh and lightly processed food marketing.

Thus the formation of livestock marketing groups capable of aggregating supplies of stock for processors would achieve considerable efficiencies for both producers and meat plants. Moreover, the formation of a network of livestock markets through out the country would serve to create a fair and transparent method of marketing both fat and breeding stock. A newly formed livestock market is achieving such standards in Cherkassy Oblast. Producers appear to be travelling within a radius of 400 km to sell and buy stock and have been achieving premiums of around 0.80 UAHr/kilo.

The pre-requisites for effective and efficient fruit and vegetable marketing are also not clearly understood. Almost 46% of fresh produce is sold via intermediaries and 54% at the open markets. Produce processing (freezing and canning) is non-existent. This situation for fruit is similar although 12% of production goes into processing. Buyers appear unable to get consistent volumes and quality when required.

Southern producers that benefit from longer production seasons are attractive to retailers seeking extended programmes of supply. It may be worthwhile attempting to create alliances between

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southern producers and those in other parts of the country to establish a producer driven round-the-year marketing programme. There are also decisions to make on product specialisation. For buyers seeking a widening range of produce it will be necessary for some producers to pursue range. For others other specialisation may be preferred. In these cases a full width of outlets including fresh, frozen and canned may be more appropriate. Such conclusions require careful market and supply chain needs assessment.

The feasibility of fruit and vegetable wholesale markets is questionable. While such instruments seem to have declined in significance in modern supply chains they should be considered. Open fruit and vegetable markets can be found in most cities and towns and are used by private and commercial producers and suppliers to sell produce to the general public. The issue is for farmers operating in marketing groups to bring produce to capture sales in these markets and to forge direct linkages with retailers, canners and freezing processors.

Some processors have made improvements to milk/meat quality. These have been driven by demands from supermarkets and have recognised the opportunities for growth in market share. Where retailers and others demand improved quality and differentiation, there is some evidence of processors rewarding producers for quality. Some processors are able to invest in food safety, productivity and customer service. In these instances what is required is knowledge transfer in such areas as cool chain, storage and transport. However, the produce, livestock and grain sectors lack replicable supply chain models.

### *The character of agricultural market development*

However, any supply chain development requires finance and investment. Even though the rural sector needs for finance are so large and pressing funding for infrastructure and equipment fall outside the scope of this project. All available means must be made to help secure grant and lines of credit and where possible. The International Finance Corporation's (IFC) Agribusiness development project has achieved some notable results in this area and Tacis project "Establishment of Mechanisms for Financing Agriculture and Rural Development" may also provide financial support and prompt strengthened and new structures to serve uncovered credit needs.

A further factor of importance concerns the expectation that investment in supply chain development will solve the problem. On its own of course it will not. For the moment at least it would appear that there is little foreign interest in investment in produce and livestock. What is required is a pull approach that enables farmers to "see and learn" the essentials of supply chain practice. It is in a sense about introducing resources and capabilities to enable the actors' involved scope to continue to build competencies that go with key factors for success. This means going back to basics and setting up simple chains with the right partners to achieve the benefits of market orientation.

### **1.5. Related programmes and other donor activities**

The present projects directly complements other donor, EU programmes and initiatives:

- The Tacis "Establishment of an agricultural standards certification and control mechanism in line with WTO-SPS requirements" project is concerned with giving impetus Ukraine's membership of WTO. Membership would commit Ukraine to policy reform in agriculture and ultimately a more stable and transparent agricultural policy.
- The Tacis project "Establishment of financing mechanism in agriculture and rural development" is much concerned with improving instruments and mechanisms for credit provision. This facility could be of enormous support to the project in question.
- The Tacis project "Improvement of Risk Management Capacity of SMEs in Agriculture" is on the point of starting. This project is concerned with managing different agricultural risks and improvement of the agro-insurance services provision.

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- The Tacis project “Ukrainian – European Policy and Legal Advice Centre” (UEPLAC). This project assists Ukraine to pass legislation in line with WTO requirements and EU legislation. This project can be seen as a concrete EU contribution to Ukraine efforts to achieve a legal approximation. This project could be of great help to the proposed project, in particular in regards to legislation development in line with EU practices and WTO requirements.
- EBRD provides new loan for micro-finance lending. Expansion of the MicroFinance Bank (recently renamed in Procredit) is an important way to provide hard-to-find credit to local entrepreneurs across Ukraine. Loans are disbursed in hryvna, dollars and euros. The Ukraine Microlending Programme works in 15 regions through six partner banks, plus the MFB. It has disbursed 5,250 loans for a total of US\$ 63 million.
- The current USAID Agricultural Marketing Development programme almost mirrors the project in question. It offers support to rural and agro-business in six oblasts: Zakarpattia, Lviv, Odessa, Poltava, Cherkassy and Crimea. It is a four-year project with a budget of \$6m. The project has implemented an MIS in co-operation with APK-Inform, and agro-market research and publishing company. It is a four-year project with a budget of \$6m. The project has implemented an MIS in co-operation with APK-Inform, and agro-market research and publishing company. The Canadian cooperation support programme (CIDA) announced in March 2003, will provide technical assistance over the next five years in the framework of a governmental twinning programme aimed at the policy advice and the promotion of sustainable agriculture.
- The ongoing British DFID programme aimed at a socio-economic facilitation project at grass-root level in selected oblasts, operating in Kyiv, Lugansk and Donetsk providing advisory and co-operative/business development services for household and SME farmers together with a small complementary financial component. *Kyiv Oblast Rural Advisory Service (KORAS)*-progressive and commercially oriented NGO was established by the British-Ukrainian Rural Livelihoods programme (DFID). Its aim and work is to provide marketing, credit, co-operative and business development advice to rural and SME business in Kyiv oblast. KORAS has been instrumental in guiding farmers in their efforts to develop service and marketing co-operatives.
- The ongoing USAID “Land Titling Initiative” and eventual World Bank loans for agricultural development land titling, would be essential in developing land market infrastructure.
- The ongoing IFC Agro-Business Development Project has as objective to facilitate the development of a free agricultural market and private agricultural production. The project is mainly focused on Kherson Oblast. In the area of rural micro-finance, the project works effectively with commercial banks, credit unions, and insurance companies. The Agribusiness Development Project is carrying out a wide range of tasks some of which reflect the type of work that the project in question will achieve.

As far as possible, liaison and operational co-ordination with the above-mentioned projects will be of utmost importance. Moreover it is expected that the all Tacis projects will operate closely together and where possible create synergies.

## 2. CONTRACT OBJECTIVES & EXPECTED RESULTS

### 2.1. Overall objectives

The overall objectives of the project are as follows:

- To increase incomes to household producers and agro-food producers SMEs to improve the social and economic welfare of the rural population.
- To contribute to privatisation process in agriculture, promote the rationalisation of marketing channels and achieve balancing of interests of market participants

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### 2.2. Specific objectives

- To improve access for household and SME agro-food producers to improved and new logistics and marketing channels.
- To develop new – and optimise existing – channels for agricultural product marketing.
- To build and improve skills in marketing and supply chain management.
- To create market transparency and balance the interests of all participants in marketing channels.
- To raise competitiveness of agricultural production enterprise in terms of delivery, product quality and cost.
- To assist in the development of procurement and marketing strategies tailored to the particular needs of small farms and cooperative-type of organizations.
- To assist the Ministry of Agrarian Policy with drafting legislation and normative acts to implement improvements in agricultural marketing, in line with EU practice and experience and international standards.

### 2.3 Targets to be achieved by the Consultant

The Consultant will achieve results in fresh fruit and vegetables and meat and livestock sectors. These will include the following:

- Target 1:* Farmer owned fruit, vegetable procurement and marketing structures are established on a pilot basis within selected rural communities and among agro-food SMEs.
- Target 2:* Approaches to extend marketing through longer production periods and storage systems are implemented. Mechanisms for pooling product and financing extended marketing activity are implemented.
- Target 3:* Market opportunities and provisions for supply chain services are identified and proposals for logistics services and marketing channels are developed.
- Target 4:* A pilot fresh produce supply chain and a pilot livestock wholesale market are implemented and proposals for a wider adoption of such facilities are adopted.
- Target 5:* Project management to improve productivity, quality management and marketing with selected processors is implemented.
- Target 6:* Incomes to households and agro-food SMEs are improved.
- Target 7:* A management information system is implemented.
- Target 8:* Seminars, outward and inward missions to demonstrate best practice in modern supply chain management are carried out. In-service training, mentoring and operational support for staff and managers in functional, marketing and supply chain management is devised and implemented.
- Target 9:* Wide awareness of the potential gains from supply chain management is achieved.
- Target 10:* Strategies for grant and credit for agricultural and supply chain development are agreed with the government, credit unions, and external credit lines. Applications to public bodies, banks and credit unions for grant and credit by agro-food SMEs, producer groups and processors are improved
- Target 11:* Improved existing regulatory framework for supply chain in line with EU practice and international standards
- Target 12:* Capacity of relevant government institutions for agricultural and rural policy and strategy development is enhanced. Government support and recognition for quality management in line with EU experience and WTO standards.

## 3. ASSUMPTIONS AND RISKS

### 3.1. Assumptions underlying the project intervention

#### 3.1.1. General Assumptions

- Pursuit of macro-economic stabilisation and co-operation with international institutions.
- No international or domestic economic crisis leading to a durable paralysis of current economic recovery.



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- Pursuit of agrarian reform measures expected to improve rural economic conditions, meaning that the land reform and implementation of Land Code will be effectively implemented over the next two years as is widely expected today, and the law "On households enterprises" encouraging the creation of small units (20 ha on average) is adopted.
- Improved legal framework for SME in agriculture.

### 3.1.2. Assumptions Regarding Rural Sector Enterprises (Servicing and Processing Units)

Rationalisation (closure and mergers) and restructuring of enterprises throughout the sector. Increase of the share of small and medium enterprises in total production of the sector due to the more-than-proportional development of the service sector (garages, machine maintenance, transportation, storage, packaging, etc.)

### 3.1.3. Assumptions Regarding the Development of Pilot Supply Chains

- The willingness of relevant farming, processor, transport and buying companies to participate in supply chain development.
- The availability of credit lines from state and private sources as well as the new Tacis project "Mechanisms for financing agriculture and rural development" against appropriate applications and business plans.
- Ongoing market and retail development.

## 3.2. Risks

There are numerous risks inherent to the assumptions made for this project and to its successful implementation. These include but are not limited to:

- *Political risks*  
The next Presidential Elections in 2004 might turn out to be more conservative in terms of agrarian policy than the present one. It might try and hinder the full implementation of the related legislation. In the name of social appeasement the executive power might also lower its stance on implementing those acts.
- *Economic risks*  
Plans for economic reform to improve the business environment, particularly in business liberalisation, improvements in the legal framework will not continue to take place. The Ministry of Agrarian Policy will not continue its support to ensure the formation and operation of infrastructure in the agricultural market.
- *Operational risks*  
That sufficient "pull" and "push" mechanisms can be implemented to generate effective channels of distribution and effective marketing.

## 4. SCOPE OF THE WORK

### 4.1. General

#### 4.1.1. Project description

Given the analysis provided in Section 3 above, the project includes six components. All are interrelated and are important to achieve the specific objectives of the whole project.

#### **Component One:** Farmer procurement and marketing groups

The essence of this component is to raise the marketing capacity of livestock, fruit, vegetable and grain. In particular it is essential to establish and organise local procurement structures linked to strategically positioned co-operatively owned marketing structures capable of marketing the outputs of small household and larger SME enterprises. It is important to orientate all producers to the marketing concept with pre-selected opportunities and initiate systems to develop such initiatives.

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Theses should include payment mechanisms and appropriate facilities for storage and collection to achieve an extended periods of supply.

### **Component Two:** Supply chain development

This component represents the focal point for the entire project. This is the component capable of achieving income growth for households and agro-food SMEs. It will start with an opportunity analysis. This work will identify market opportunities and establish existing supply chain provisions so that proposals for logistics services and marketing channels are developed and implemented.

It is envisaged that pilot supply chains for fruit, vegetables and grain marketing are implemented. In the livestock sectors it is expected that a pilot(s) for a livestock wholesale market be established together with co-operatively based livestock procurement systems. Proposals for a wider adoption of effective marketing practice and supply chain improvements may then be prepared for wider adoption.

An important corollary is the improvement of links within the supply chain particularly at processor and service levels such as transport, requisite supplies. Project management should be undertaken to improve productivity, quality management and marketing orientation of selected enterprises operating in selected channels.

A further outcome from the project is need for it to contribute to the wider adoption and expansion of supply chain management.

### **Component Three:** Management Support

The main purpose of this component is to improve management quality and decision-making. Therefore, a programme of in-service training, mentoring and operational support for staff and managers in supply chain management, particularly marketing and customer service management will be devised and implemented. This will be accompanied by seminars, outward and inward missions to define and demonstrate best practice in modern supply chain management.

A further pre-requisite for decision-making is the need for transparent price and marketing information. The project team should devise and implement such a programme so that it reaches all the players involved. Full account should be taken of USAID's efforts to introduce just such a scheme and where possible make use of this and where possible add value. Proposals to stimulate a wider awareness and adoption of the potential gains from improved supply chain management given the introduction of such practices may then be prepared.

### **Component Four:** Legislation and Administrative Regulations

A wider requirement of the project is to assist evolve the right macro conditions for supply chain development. As such the project team is expected to suggest and initiate changes in legislation that would support improved conditions in the trading environment, identify legislative and normative acts required for implementing improvements in the aforementioned fields in line with EU practice and international standards and suggest solutions for improvement of administrative practices regulating the supply chain and marketing channels. This should include such issues as food safety and quality management in the supply chain as well as fair competition in line with EU experience and WTO standards This level of change will necessitate government support and recognition dialogue with the government. However, it will be necessary to work closely with officials at raion and oblast levels to ensure effective change.

### **Component Five:** Credit provision & grant

The project team should work closely with the Tacis project "Establishment of Mechanisms for Financing Agriculture and Rural Development." This project should offer considerable "pump-priming" finance for funding capital projects in pilot supply chains. Strategies to introduce grant and credit from a wider pool of finance should, where possible, be agreed with government, credit unions, banks and external credit lines to further support supply chain development. Suitable provision should

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be made to assist applicants prepare appropriate applications and business plans to acquire outside finance.

### *4.1.2. Geographical area to be covered*

The main project office will be located in Kyiv. Regional activities will be focused on two pilot oblasts. The first activity is to select the pilot oblasts and obtain support for this by the Ministry of Agrarian Policy. An important criterion for pilot oblast selection is the need to choose oblasts that obviate any duplication of resources and effort. Thus the project team should avoid oblasts where other donor organisations are active in supply chain development but where synergies with the Tacis project Financing Agriculture and Rural Development, access to entrepreneurial private householders, SMEs and active credit unions may be achieved. A final decision should be taken during the inception phase of the project, as the appropriate pilot oblast selection is key to developing effective models for marketing channels.

### *4.1.3. Target groups*

The Ministry of Agrarian Policy is the main beneficiary. It will benefit from assistance in improved logistics and marketing channels. It will profit from additional chain models, trained executives and advisors, as well as records on related conceptual and practical information useful to logistics and marketing. It will also acquire recommendations with which to improve the marketing practice and the environment for fresh and lightly processed food marketing.

The key target groups are:

- *Rural household and agro-food SMEs* (producing, processing and servicing units), which the project should assist with pilot supply chain models in livestock, fruit and vegetables to raise income and stimulate sustainable development.
- *Professional associations*, such as the Credit Unions, the Farmers' Association (AFU), the League of Rural Entrepreneurs, the National Association of Agricultural Advisory Services of Ukraine, Dorada, the Association of Land Owners and Lessees, and others as may be deemed necessary, KORAS and the Union of Co-operatives (UkrKoop-Spika) and the Ukrainian Cooperative Association.
- *Government organisations and agencies* wherever necessary, such as the Ministries of Finance, of Economy, and of Justice, the Tax Administration, etc)
- *Research institutions* (the Agrarian Economics Institute and other research institutes)
- *Local and regional authorities of the pilot oblasts*, including oblast and rayon administrations, village, town and city councils, departments of agriculture and economics, all of which should take some ownership of the issues in question and should benefit from improved awareness and information concerning supply chain development.

It is expected that a wide consultation process will take place and that all relevant stakeholders will be involved.

### *Counterpart institutions*

Counterpart organisations will be selected and decided by the Consultant.

## **4.2. Specific activities**

During the inception period the Consultant will prepare a detailed programme of activities and milestones. The Consultant will also identify qualitative and quantitative indicators in discussion with key project partners. The outcomes of this work will form an integral element of the inception report and may suggest changes in the Logical framework.

- *Analysis of markets and identify market opportunities*  
Implement a full audit of market opportunities should be carried out at the start of the project to identify development targets. These should be both strategic and tactical by nature and point to long term and

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sustainable routes to market. It is envisaged that this work be focussed on fruit vegetables, grain and livestock and be conducted periodically to monitor developments and identify new opportunities.

- *Assess provisions for supply chain services and marketing channels*

Carried out either separately or in conjunction with Activity 1, survey work should pinpoint supply chain development needs and brought together with the opportunity analysis to ensure that key success factors are matched with suitable resource and capabilities for effective supply chain development.

- *Determine appropriate pilot producer organisations, rural communities and processors for all components*

Special attention must be paid to identifying appropriate organisations. It would be useful to communicate the results of the opportunity analysis and thereby identify appropriate pilot projects. It is suggested that criterion should be established to help determine appropriate supply chain partners.

- *Review their capacities, structure and financing.*

This activity will identify the development potentials of relevant partners. It will assist identify improvement needs and pinpoint, resource, financing management and training needs and thereby define much of the role and functions of the project.

- *Develop appropriate programmes and initiatives for supply chain development*

This activity will bring about pilot supply chains in produce, meat and livestock and grain. It will set out the objectives, strategies and ultimately linkages between producers and processors/manufacturers and/or retailers, transport companies and other relevant service suppliers to enable the Consultant to establish the chains required by the project.

A necessary aspect of planning will be the need to consider and organise supply chains to enable farmers to reach the end user - whether a manufacturer or a retailer. For fresh produce this will necessitate the use of centralised facilities for grading, packing storage, refrigeration and transport. Improvements in livestock marketing call for approaches to stock selection, holding and transport to move livestock direct to processing plants or auction markets. In grain marketing the Consultant will devise and organise systems for central storage, grading and transport direct to millers, malsters and feed compounders.

It is expected that the Consultant will devise and implement appropriate systems for effective supply chain management. This will include such issues as location, size and character of resources, quality control, recording, methods of payment, management and staffing. The Consultant will identify key partners to work with work with them to bring where necessary to introduce modern supply chain practices that offer benefits to all the stakeholders involved.

- *Build relevant producer procurement and marketing structures.*

A necessary activity is the need to organise supply and thereby aggregate material in sufficient volumes of appropriate quality. This could be achieved by creating a mix of procurement and marketing co-operatives. Procurement groups may be established around the villages and these linked to regional - or inter-regional - groups responsible for preparation and marketing work. While the focus for this activity should be strategic, it is important to avoid structures that add tiers of bureaucracy and cost at different points in the supply chain.

- *Develop and implement marketing and logistics training programmes.*

This activity will focus on pilot project staff connected with and staff related to supply chain management at central and off site areas. It should bridge the gap in knowledge and experience and what is required to manage and run market oriented supply chains. Training will focus on supply chain activity such as; operations, quality management, grading, storage and stock management,

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materials handling distribution, procurement, marketing sales and customer service and management mechanisms and competencies.

- *Assess barriers to all components.*

The Consultant must clearly demonstrate what is realistic to achieve identify the risks and difficulties associated with the delivery of the projects components. The Consultant' proposals will also clearly identify the resources and capabilities required to deliver pilot supply chains and thereby assist the beneficiary and Kyiv EU Delegation to achieve the indented aims of the project.

- *Implement pilot programmes in the regions.*

The project should focus on evolving pilot supply chains. It may be necessary to select two regions in order to do this. An alternative is for the Consultant to identify emergent supply chains and work with these to establish successful and replicable pilots required of the project.

- *Implement study-tours and exchanges.*

It is suggested that up to four study tours will be planned. These should offer supply chain operatives and managers exposure to modern supply chain practice. They should also be used to provide government and local officials with opportunities to examine the political and economic environments in which modern supply chains operate and derive case insights into legislative imperatives required to improve and support logistics and marketing channels in Ukraine.

- *Establish an Management Information System (MIS)*

Work should be undertaken to develop or add to the efforts of other MIS to promote transparency in markets and marketing. An imperative is to ensure both useful and regular time based flows of information down to producer and processor levels.

- *Enhance capabilities for national policy to support supply chain development*

Special attention must be paid to preparing improvements to the existing legal framework with the beneficiary. The Consultant should identify and provide appropriate conceptual and practical information and draft legislative and normative acts required for implementing improvements in supply chain activity.

- *Improve existing regulatory framework for supply chain in line with EU practice and international standards*

The Consultant should identify legislative and normative acts required for implementing improvements in the aforementioned fields and to be implemented in line with EU practice and international standards

- *Review the results and elaborate the proposals for dissemination.*

The Consultant should prepare and disseminate the results of all opportunity analyses, pilot supply chains, training materials and documentation. It should be expected that a wide consultation process would take place with a wide range of relevant stakeholders.

- *Implement national awareness campaign.*

The Consultant should launch an integrated communications programme to provide awareness of the successful development of the supply chains that it has evolved. This should include the benefits to producers and the practices and technologies required to raise revenue and competitiveness.

In order to achieve the specific objectives set out by these terms of reference the tendering Consultant may propose complementary activities to those identified in this section, where it can provide clear justifications.

The Consultant must in addition observe the latest EU Visibility Guidelines concerning acknowledgement of EU financing of the project.

### 4.3. Project management

#### 4.3.1. Responsible body

The Tacis Operations Section of the Delegation of the European Commission in Ukraine represented by the EC Project Manager, identified in the article 8 of the Special Conditions, that will govern the implementation of this contract, is responsible for managing this contract.

The project partner is the Ministry of Agrarian Policy of Ukraine.

#### 4.3.2. Management structure

The Delegations Operations Section will be responsible for supervising the implementation of the project. The Consultant will be responsible for day-to-day management of the project and mobilisation of all experts and training. Plans for mobilisation of short term expertise will be subject to the project work plan established by the Consultants and approved by the Contracting Authority and project partners.

The Consultant is required to set up a Steering Committee to guide project implementation. It shall have the following composition:

- Ministry of Agrarian Policy;
- Representative of other relevant policy makers;
- Team Leader, Consultant;
- Delegation of the European Commission, Kyiv;
- Representatives of pilot Oblast Administrations.

Ad hoc members such as representatives from supply chain companies and relevant trade associations might be invited on a case to case basis and with the approval of the permanent Steering Committee members. The inception report and the proposed implementation workplan contained within it is subject to approval of the first Steering Committee Meeting. The project Steering Committee will meet at least three times per year to discuss the progress and implementation of the project in relation to the objectives set.

The Project Partner will chair the meetings, while the Consultant is responsible for the practical organisation of Steering Committee meetings (e.g. writing minutes, preparing agenda).

#### 4.3.3. Contribution to be provided by the Contracting Authority and/or other parties

The Ministry of Agrarian Policy and local partners in pilot oblast will provide the Consultant and his experts with the resources outlined below:

Basic office accommodation (see p.6.2)

The necessary laws and administrative regulations, draft laws and documentation required to achieve project results.

The Project Partner shall further appoint a senior member of its staff to liaise with the Consultant, and shall ensure that staff of the appropriate level is made available to work alongside the staff of the Consultant.

The Project Partner will provide such assistance to the Consultant as necessary to arrange visas for expatriate personnel of the Consultant, and customs clearance and inland transport (from border point to final destination) for the Consultant's imported equipment.

The Project Partner should also provide all possible assistance to solve unforeseen problems that the Consultant may face. The possible failure to solve some of the Consultant's problems encountered locally will not free the Consultant from meeting its contractual obligations vis-à-vis the Contracting Authority.

## 5. LOGISTICS AND TIMING

### 5.1. Location

The operational base of the project will be located in Kyiv, Ukraine. Two regional offices will be established in selected pilot oblasts. The pilot regions where regional level activities are to take place will be determined within the project's inception phase.

### 5.2. Commencement date and period of execution

The intended commencement date is September 2004 and period of execution of the contract will be 24 months from this date. Please refer to Articles 4 and 5 of the Special Conditions for the actual commencement date and period of execution.

## 6. REQUIREMENTS

Tenderers should structure their proposals in such a way that their proposed approach and their preliminary work plan does not exceed 30 pages of text exclusive of any charts (e.g. Logical Framework Matrix, estimated working days per month table, project timetable etc.).

Tenderers are required to provide a Logical Framework Matrix reflecting their proposed approach in accordance with Annex A to these Terms of Reference.

The Tenderer shall propose a flexible team of international and local experts. International and local experts will have the nationality of EU Member States or of the recipient countries of the Phare and Tacis programme and be in accordance with the specific requirements of these Terms of Reference.

For the purposes of this contract, international experts are considered to be those whose permanent residence is outside the beneficiary country while local experts are considered to be those whose permanent residence is in the beneficiary country.

The distinction between senior and junior expert is made on the basis of the years of documented relevant experience. Experts having more than 10 years of relevant experience will be categorised as senior expert, experts having more than 5 years and less than 10 years of relevant experience will be categorised as junior experts, notwithstanding the duration of their assignment for this specific project.

Tenderers are required to indicate on every key expert CV included in the proposal the position proposed and the expert categorisation (whether, short term or long term, international or local, senior or junior).

A significant presence in Ukraine during the entire project duration is considered essential for the success of this project. The minimum percentage of expertise time to be spent in Ukraine is 80%.

Tenderers are reminded that they are required to provide the exact number of working days for each category of expert (key and non-key; international and local; junior and senior; long term and short term) for each month during the period of execution of the contract using the MS Excel spreadsheet "Estimated Working Days per month".

The Tenderers should have a broad experience in the fields of:

- Policy and strategy for supply chain development;
- Supply chain development promotion and support of household and SME development in rural areas including procurement, processing, logistics and marketing ;
- All round experience in livestock, fruit, vegetables and grain marketing;
- Cooperative development;
- Strengthening of SME applications for grant and financial support;

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- Business plan development ;
- Development of manuals and training materials and training in supply chain services and management;
- Effective dissemination of information towards stakeholders;
- Working with governmental organisations to introduce legislation and normative acts to support the evolution of the rural household and SME sector

The tendering Consultants will include in the technical proposal evidence of the successful completion of similar projects in transition/CIS countries and satisfactory evidence of sufficient in-house capacity and experience considered necessary for the successful implementation of this project.

### 6.1. Personnel

#### 6.1.1. Key experts

All experts who have a crucial role in implementing the contract are referred to as key experts. The profiles of the key experts for this contract are as follows.

#### **Key expert 1: Team Leader**

The project Team Leader will have responsibility for the day- to- day management of the project. He/she will be responsible for the co-ordination and organisation of project activities and will be based in the Kyiv office of the project. In practical terms this will involve the following tasks to implement:

- Liaison with the Kyiv EC Delegation;
- Co-ordination with the Ministry of Agrarian Policy, relevant organizations and other donor organisations;
- Co-ordinating the expert team in all daily activities;
- Timely delivery of reports;
- Briefing and de-briefing of the experts;
- Hiring and managing local staff (e.g. experts, translators, interpreters, office work);
- Organising and overseeing administrative and logistic project support.

#### *Qualifications and skills*

- Ability to manage a team composed of expatriate and local technical specialists;
- Ability to advise, work and negotiate at the most senior levels;
- Good knowledge of Eastern Europe in general and (preferably) on Ukraine.
- Good command of the English language, written as well as spoken.
- Command of Russian/ Ukrainian language will be a definite advantage although this is not a pre-requisite.

#### *General professional experience:*

- University degree in agricultural economics or similar discipline.
- At least ten years of relevant general experience.

#### *Specific professional experience:*

- A minimum of five years experience in transition countries (including a track record) in managing and co-ordinating projects dealing with the development of marketing and supply chain programmes.
- Proven understanding of the key issues in supply chain management and strategies for implementing supply chains.
- Proven knowledge of technical aspects of product management across a number of products.
- Ability to design, organise and implement **Component 1, 2 and 3.**

#### **Key expert 2: Marketing Specialist:**

The marketing expert will be mainly involved in **Component 1 and 2**, his/her main tasks will be:



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- Evaluation of existing systems for livestock and agricultural products marketing;
- Advise on improving procurement and marketing structures;
- Advising on and implementing a livestock and agricultural products market structure with working rules and practices;
- Organising pilot activities in the project's chosen pilot areas;

### *Qualifications and skills*

- Excellent communication skills and ability to work in a team
- Good command of the English language, written as well as spoken.
- Good knowledge of Eastern Europe in general and (preferably) on Ukraine.
- Command of Russian/ Ukrainian language will be a definite advantage although is not a pre-requisite.

### *General professional experience:*

- University degree in agrarian economics or relevant discipline;
- At least 10 years of general professional experience

### *Specific professional experience:*

- Relevant experience in procurement, processing and marketing.
- Proven knowledge of operational procedures at auction marketing;
- Experience in organising and running workshops and seminars will be an advantage

### **Key expert 3: Agribusiness Specialist (Components 3,4,5)**

The marketing expert will be mainly involved in **Component 3,4 and 5**, his/her main tasks will be:

- Development of strategic documents;
- Drawing lessons from pilot field work and other field observations with a view to assist the team leader in elaborating policy advice;
- Review of the relevant market regulations and advise on its improvement;
- Assistance to farmers in development of the business plans to acquire outside finance for supply chain projects;
- Development training materials and active participation in staff training and dissemination programmes.

### *Qualifications and skills*

- Excellent communication skills and ability to work in a team
- Good command of the English language, written as well as spoken.
- Command of Russian/ Ukrainian language will be a definite advantage although this is not a pre-requisite.

### *General professional experience:*

- University degree in agribusiness development or relevant discipline;
- At least 10 years experience in management within the agro-food business sector with proven knowledge of co-operative and/or supply chain management

### *Specific professional experience:*

- Proven knowledge of operational procedures for supply chain development;
- Proven knowledge of strategy for rural credit and development of cooperative marketing credit schemes;
- Proven knowledge of financial and business planning;
- Experience in organising and running workshops and seminars.

### *6.1.2. Other experts*

CVs for experts other than the key experts are not examined prior to the signature of the contract. They should not have been included in tenders.

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The Consultant shall select and hire other experts as required according to the profiles identified in the Organisation & Methodology and these Terms of Reference. These profiles must indicate whether they are to be regarded, as long-term/short-term, international/local and senior/junior so that it is clear which fee rate in the budget breakdown will apply to each profile. For the purposes of this contract, international experts are considered to be those whose permanent residence is outside the beneficiary country while local experts are considered to be those whose permanent residence is in the beneficiary country.

The Consultant should pay attention to the need to ensure the active participation of local professional skills where available, and a suitable mix of international and local staff in the project teams. All experts must be independent and free from conflicts of interest in the responsibilities accorded to them.

The selection procedures used by the Consultant to select these other experts shall be transparent, and shall be based on pre-defined criteria, including professional qualifications, language skills and work experience. The findings of the selection panel shall be recorded. The selection of experts shall be subject to approval by the Contracting Authority.

Note that civil servants and other staff of public administrations of the beneficiary country cannot be recruited as experts.<sup>1</sup>

### *6.1.3. Support staff & backstopping*

Backstopping costs are considered to be included in the fee rates of international experts.

### **6.2. Office accommodation**

Office accommodation of a reasonable standard and of approximately 10 square metres for each expert working on the contract is to be provided by the Ministry of Agrarian Policy and the respective Oblast Administrations in the pilot regions.

### **6.3. Facilities to be provided by the Consultant**

The Consultant will make certain that experts are adequately supported and equipped. In particular it will ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities. It must also transfer funds as necessary to support its activities under the contract and to ensure that its employees are paid regularly and in a timely fashion. This includes equipment for the offices to be set up by the project, such as computer equipment, furniture, telephones, Internet connections, printers, faxes, photocopiers etc. Sufficient provision must be made for these costs in the Consultant's fee rates.

If the Consultant is a consortium, the arrangements should allow for maximum flexibility in project implementation. Arrangements offering each consortium partner a fixed percentage of the work to be undertaken under the contract should be avoided.

### **6.4. Equipment**

No equipment is to be purchased on behalf of the Contracting Authority / beneficiary country as part of this service contract or transferred to the Contracting Authority / beneficiary country at the end of this contract. Any equipment related to this contract, which is to be acquired by the beneficiary country, must be purchased by means of a separate supply tender procedure.

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<sup>1</sup> For Ukrainian experts, the definition of civil servants and public administrations shall be the one set up by the Ukrainian law

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### 6.5. Incidental expenditure

The Provision for incidental expenditure covers the eligible incidental expenditure incurred under this contract. It cannot be used for costs that should be covered by the Consultant as part of its fee rates, as defined in these Terms of Reference. The provisions in the General Conditions and the notes in Annex V of the contract govern its use. It covers:

- a) Travel costs and subsistence allowances for missions to be undertaken as part of this contract from the base of operations in the beneficiary country;
- b) Promotion and dissemination activities;
- c) Study tours;
- d) outsourced interpretation, translation;

The Consultant will need prior written approval from the Contracting Authority before spending the funds related to components b) and c), within the Incidental Expenditure.

Written approvals from the Contracting Authority will not be required for spending funds related to a) and d) , however all supporting documents must be kept by the Consultant as indicated in article 25 of the General Conditions for service contracts financed by the EC.

During the implementation of the contract the Consultant may request the Contracting Authority for a transfer of funds from Fees to Incidental Expenditures. Such a change will require prior written approval from the Contracting Authority. **Transfer of funds from Incidental Expenditure to Fees will not be possible.**

The Provision for incidental expenditure for this contract is EUR 250,000.00

These amounts must be included **without modification** in the Budget breakdown

Any subsistence allowances to be paid for missions undertaken as part of this contract from the base of operations in the beneficiary country must not exceed the per diem rates published on the Web site [http://europa.eu.int/comm/europeaid/index\\_en.htm](http://europa.eu.int/comm/europeaid/index_en.htm) at the start of each such mission.

## 7. REPORTS

### 7.1. Reporting requirements

The Consultant should refer to Article 26 of the General Conditions.

There must be a final progress report and final invoice at the end of the period of execution. The draft final progress report must be submitted at least one month before the end of the period of execution of the contract. Note that these interim and final progress reports are additional to any required in Section 4.2 of these Terms of Reference.

In addition, an updated financial report must be submitted with each of the above progress reports. The updated financial report must contain details of the time inputs of the experts and of the incidental expenditure. The final progress report must be accompanied by the final invoice and an audit certificate (as defined in Article 30 of the General Conditions and in accordance with the template in Annex VI of the contract) confirming the final certified value of the contract.

The Consultant will in particular provide the EC Project Manager with copies of all technical reports (including assessment studies, reports for dissemination etc.) and publications produced under the contract in the quantity requested. In addition, before the end of the contract, the Consultant will provide the Contracting Authority with a CD ROM containing all the documents/report/publications produced during the implementation of the project.

An Inception Report will be submitted within 3 months after the signature of the contract.

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Subsequently, progress reports must be prepared every three months during the period of execution of the contract unless otherwise agreed with the Project Manager.

Progress reports should respect the format approved by the European Commission (available upon request from the EC Project Manager) and must be accompanied by a corresponding invoice at six monthly intervals.

No report or document shall be distributed to third parties prior to the approval by the Contracting Authority. The Consultant will pay particular attention to the confidentiality of data. Reports, as well as press statements, etc, made by the Consultant will make clear that any opinions expressed therein remain those of the Consultant and do not represent the opinion of the European Commission.

Copyright on all reports and other material prepared under this contract shall reside with the Contracting Authority.

### 7.2. Submission & approval of reports

The Contractor will submit copies of reports produced in this project to:

The EC Project Manager,	3 copies in English and 2 copies in Ukrainian
The Project Partner	1 copy in English and 2 copies in Ukrainian
The Tacis Monitoring Team	1 copy in English and 1 copy in Ukrainian
The National Coordination Unit	1 copy in English and 1 copy in Ukrainian

The EC Delegation Project Manager is solely responsible for the approval of reports. The Project Partners shall be encouraged to submit comments on the report to the EC Delegation Project Manager. The reports, prepared in English and in Ukrainian/Russian, will follow general Tacis guidelines. The English version of the report prevails.

The reports shall be submitted in hard copy and electronic format (as a single Word file). In addition to the above formal reports, the Contractor shall provide such information on project progress as is reasonably required by the European Commission, and shall regularly inform the Commission of political, economic or institutional developments of relevance to the project.

## 8. MONITORING AND EVALUATION

The project will be monitored according to standard procedures. Project monitoring and evaluation will be based on periodic assessment of progress on delivery of specified project results and towards achievement of project objectives.

### 8.1. Definition of indicators

Suitable performance indicators will be agreed between the Contracting Authority and the Consultant, supported as necessary by the Monitoring Consultant. These may be quantitative: measures of quantity, including statistical statements; or qualitative: judgements and perception derived from subjective analysis. In all cases quantifiable indicators must provide valid, useful, practical and comparable measures of progress towards achieving the expected targets.

The definition of indicators will be based on the outline logical framework. Indicators should consider but be not limited to:

- The development of pilot supply chains in fresh produce, grain and livestock;
- The establishment of pilot livestock auction markets;
- Establishment of procurement infrastructure utilising farmer owned co-operatives-operatives;
- Improvements of the legal environment of supply chain development;
- The use of capital funding in support of supply chain development;
- The production of training materials and their usage;
- The delivery of seminars, forums and workshops held;

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- The number of study tours;
- Lobbying activities, proposals and representations made at central policy level;
- The implementation and performance of actions against the policy and strategy proposed by the project for supply chain development during the project and planning cycle;
- Effective MIS in the target oblasts.

### 8.2. Special requirements

None

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ANNEX A: LOGICAL FRAMEWORK MATRIX

Only the parts specified below are to be completed by Tenderers:

	Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions
<b>Overall objective</b>	To contribute to privatisation process in agriculture, promote the rationalisation of marketing channels and achieve balancing of interests of market participants	Economic, legal and agricultural transition indicators	Local and national press Relevant publications of IFIs/Economic and Sector Reviews	Implementation progress in land reform and land titling; Improved legal framework for SME in agriculture
<b>Project objectives</b>	To increase awareness about existing logistics shortcomings amongst SME in agriculture, assist the development of improvement strategies, promote their implementation and the creation of transparent wholesale market structures for especially small-farm producers, assist the drafting of legislative acts and norms required and implement the project in selected pilot oblasts, with special consideration of small peasant farms and cooperative-type of organisations.	Number of information workshops organised by the project on logistics matters; Number of SME participating in project workshops; Increase in local/regional marketing activities and of market sales of small peasant farms; Number of new marketing channels and sales outlets created by the project; Number of draft laws and/or regulations proposed, discussed in Parliament and approved.	<i>Pilot</i> oblast administrations and regional Chambers of Commerce and Industry Network of Business and Private Farm Support Centres in place Verkhovna Rada, Agriculture Committee Regular Project Monitoring Reports	Preparedness and willingness from SME in agriculture to improve skill level and intensify commercial activities, especially at the level of small peasant farms Facilitation of structural adjustment in agriculture marketing organisation by State Administration of pilot oblasts Commitment of State Administration of pilot oblasts to enforce the provisions of eventual new legal provisions in the field
<b>Results</b>	Farmer owned fruit, vegetable procurement and marketing structures are established on a pilot basis. Approaches to extend marketing through longer production periods and storage systems are implemented. Market opportunities and provisions for supply chain services are identified and proposals for logistics services and marketing channels are developed. Pilot fresh produce and livestock supply chain are achieved and proposals for a	SME-reorganisation and restructuring activities induced by the Project; Application of diversified procurement, production and marketing techniques; Cost reductions achieved in agriculture procurement, production and physical product distribution. Number of company-start-ups in logistics and / or increase of labour opportunities (before/after) "user-feedback" Assessment of technical capacities and	Regular Project Monitoring Reports, market surveys Interviews SWOT analysis of selected SME in agro food Press review	Availability of finance for follow-up investment in logistics tools, - improvements and structures Preparedness of SME in agriculture to explore new commercialisation opportunities and form strategic alliances Availability at regional level of business support structures for start-up training and business opportunity assessment Availability of credit for SME in

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	<b>Intervention logic</b>	<b>Objectively verifiable indicators</b>	<b>Sources of verification</b>	<b>Assumptions</b>
	<p>wider adoption of such facilities are adopted.                      Project management to improve productivity, quality management and marketing with selected processors is implemented.                      Incomes to households and agro-food SMEs are improved.                      MIS system is implemented.                      Seminars, outward and inward missions to demonstrate best practice in modern supply chain management are carried out.                      Wide awareness of the potential gains from supply chain management is achieved.                      Capacity of relevant government institutions for agricultural and rural policy and strategy development is enhanced.                      Strategies for grant and credit for agricultural and supply chain development are agreed with the government, credit unions, and external credit lines.                      Improved access of agricultural producers to financing                      Improved existing regulatory framework for supply chain in line with EU practice and international standards</p>	<p>market shares of SME in agriculture (before/after)                      Newsletters, press releases, special project-related publications</p>		<p>agriculture                      Free information access in companies under review</p>
<b>Activities</b>		<p><b>Specification of inputs</b>                      To be completed by Tenderers                      Tenderers should indicate here the</p>	<p><b>Specification of resources<sup>5</sup></b>                      To be completed by Tenderers</p>	<p>To be completed by Tenderers</p>

<sup>5</sup> Tenderers are reminded that the information required in this matrix is part of the Technical offer and should not contain any financial information

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Intervention logic	Objectively verifiable indicators	Sources of verification	Assumptions
	amount of expertise time in working days per activity proposed indicating the key expert(s) involved.		
		Preconditions:	<i>To be completed by PM</i> 1. 2. 3.