

## DRAFT

### Term of Reference

#### Consultancy on the Sub-sector Development/Market Analysis Initiative in Lautem & Manufahi Districts, East Timor

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Period	:	6 months
Working days	:	132 days

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#### Background and Rationale

The Democratic Republic of Timor Leste (RDTL) is part of the South East Asian archipelago, with Indonesia and Australia as its closest neighbors. Timor Leste occupies an area of 18,989 sq km, characterized by a rugged mountain range running east to west. Roughly 80% of its almost 1 million population lives in rural areas. Approximately 48% of this population is below 17 years of age. At least 25 languages are spoken around the country with Tetun as the national language, Bahasa Indonesia spoken by a large proportion of the population and Portuguese as the country's official language.

Timor Leste is divided into four (4) regions, 13 districts, 65 sub-districts, 443 sukus (villages) and 2,336 aldeias (sub-villages or hamlets). Dili, the capital, followed by Baucau are two urban areas of the country with a population of more than 100,000 each. The country is governed by a democratic system of checks and balances with a President as head of the State. The National Parliament provides legislative oversight functions while the executive power is exercised by the Government, considered the single most powerful State institution. The judiciary is currently the weakest of the three institutions although vested with clear constitutional powers. An election is scheduled for 2007, the first which will elect the complete parliament. Government is currently centralised with discussions ongoing to finalise a model for a degree of administrative decentralisation; an outcome is anticipated by the end of 2006. Suku council elections were completed in 2005 to choose representatives for these local bodies which include village and hamlet chiefs, women's and youth representatives and traditional leaders.

The country annual growth rate for fiscal year 2005/2006 is predicted to be 6%(1) however this growth comes primarily from oil revenues. In 2005, Timor Leste consolidated the instruments and treaties which will be vital for proper management of oil revenues over the long term. An agreement is expected with Australia over the oil and gas reserves in the Timor Sea whereby Timor Leste which could mean as much as \$14.5 billion over the next 20 years. The Petroleum Fund Act will provide a transparent mechanism for the management of revenues. One of the challenges for RDTL will be ensuring ordinary Timorese get the benefits from this increase in revenue and one of their key strategies is through increases in government expenditure. The non-oil economy is weaker with a growth of only 2.5% during 2005(2) however agriculture is expected to grow and coffee exports have shown signs of growth, rising by nearly 15% year on year.

Development in Timor Leste is guided by a National Development Plan, to be reviewed in 2007 which was formulated in 2002 through a Countrywide Consultation process that involved 38,000 Timorese citizens around the country. Box 1 is a summary of Timor Leste's

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<sup>1</sup> Banking and Payments Authority Annual Report, 2005

<sup>2</sup> Economist Intelligence Unit East Timor Overview 2005

Vision 2020(3). Donors overall seem happy with the government's implementation of the National Development Plan while recognising that weak capacity within Ministries creates problems with budget implementation and have committed to continued funding in the short to medium term. The government of Timor Leste has also signed up to achieving the Millennium Development Goals.

The incidence of poverty in Timor Leste continues to be one of the highest in Asia and in the world with a Human Development Index rank of 1404. Despite progress on many fronts since the restoration of independence in 2002, macro-economic management, a high 41% of Timor Leste's population (estimated at 925,000) live below the poverty line(5). Poverty indicators and trends discussed below have not shown a marked improvement in the years since restoration of independence and there are ongoing problems with environmental degradation, food insecurity, inefficient service delivery, damaged or poorly maintained infrastructure and poor health and nutrition.

Poverty in Timor Leste has many causes but indicators in general show a trend of increasing poverty from East to West, Lowland to Highland and Urban to Rural (86% of poor people live in rural areas). By region, rural areas in the Central region have the greatest concentration of poor people at 49% living below the poverty line, followed closely by the West region at 47% and the East region at 32%. Annually, 90% of the population suffers food shortages for at least one month, with the majority suffering the shortages for 3 to 5 months (November - March). There is a clear gender dimension to poverty in Timor Leste, the health and nutrition status of women and children in Timor Leste is very poor with infant mortality rates at 82 per 1,000 live births and the maternal mortality rate is 830 per 100,000 pregnancies(6), one of the highest in the world. Overall, adult literacy is 58% although this figure is much lower for women. The use of firewood as fuel in all areas is approximately 98%, contributing to increasing deforestation rate.

A vast majority of Timorese are engaged in subsistence agriculture with maize, rice and cassava as the principal crops. Unsustainable farming practices have contributed to the uncontrolled degradation of natural resources, resulting in highly fragile ecosystems. Local populations harbor annual cycles of drought, flash flooding, soil erosion, pests and diseases which contribute to further impoverishment.

Concern has been working in Timor Leste since 1999 and during this time the organisational strategy has moved from emergency relief through rehabilitation and to longer term development. Concern's strategy in Timor Leste has been based on building capacity in local communities and creating synergy with local institutions and organisations, including local government.

The organisation has made a commitment to Timor Leste to at least 2010. The current Country Strategic Plan outlines a commitment to having an impact on poverty, working in partnership, building human resources within the organisation and advocacy on issues which have a significant impact on livelihood security. A Poverty Reduction Options and Strategies for the Poorest in Timor Leste Programme (PROSPER-Timor Leste) have been established to contribute to the achievement of Timor Leste's Vision 2020 to increase the opportunities for rural households to achieve secure and sustainable livelihoods by 2010.

**One of the main components of the PROSPER is to increase the community' interaction with the market, to provide a more comprehensive market situational analysis and to develop a strategy on how the market works for the poor at the district**

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<sup>3</sup> Timor-Leste's Vision is taken from the introduction to the National Development Plan, adopted officially by the National Parliament as the basis for the nation's development.

<sup>4</sup> Human Development Report 2005, UNDP

<sup>5</sup> Human Development Report 2004, UNDP

<sup>6</sup> Timor Leste Demographic and General Health Survey, Ministry of Health, December 2003

**level. To achieve this, several potential sub-sectors should be assessed and market development approach interventions developed for the PROSPER programme.**

### **Objectives of the Consultancy:**

The objectives are mainly two fold. One is to strengthen the capacity of local staff of CONCERN's Lautem & Manufahi District offices in **market development approach** and the other is to **assist the staff** in the **assessment of several potential sub-sectors, intervention identification, design and implementation strategy**. The specific objectives of the consultancy are:

- ✓ Assist the Income generating/Market Access component staff of CONCERN's Lautem & Manufahi District Offices understand the basics of market development approach
- ✓ Selection of the three potential sub-sectors of the district (Lautem & Manufahi)
- ✓ Conduct the sub-sector/value chain analysis of the selected (three) potential sub-sectors of the district (Lautem & Manufahi);
- ✓ Formulating a comprehensive strategy for CONCERN for the development and implementation of the selected sub-sectors.

### **Methodology/Process:**

The consultant will work together with the local staff, more so there will be two main activities included in the consultancy service: (i) training of the local staff (and the possibility to involve other stakeholders, like government, local NGO, etc) (ii) followed by a participatory approach in the selection of the potential sub-sectors in the Lautem & Manufahi Districts (minimum three sub-sectors), sub-sector analysis and the formulation of comprehensive strategy for CONCERN to develop the market system of the selected sub-sectors.

Field trips will be organized in accordance with the market development approach (sub-sector) analysis in the district and national level to conduct the assessment in all range.

Final discussions will be made with the findings of the field work to produce the expected outputs. The consultant will be reporting his/her work to the Country Director (CD)

The above methodology will be further fine-tuned in consultation with the Country Management of the CONCERN TL. The consultant shall provide detailed plan of the activities inline with this methodology and will coordinate the supporting requirements/logistics to the Programme Manager.

### **Expected Outputs:**

The Consultant will deliver the training and the assessment report in line with the objectives of the consultancy to the Country Management Team (CMT) of CONCERN TL upon departure in Timor Leste and the final version latest two weeks after completion of the field mission. Reporting language is English.

There will be 3 different reports, which are:

1. Interim report at 3 months
2. Training report, include: the participants, methodology, recommendations, etc.
3. Assessment report of tree potential sub-sectors in Lautem and Manufahi include:
  - a. Three potential sub-sectors of the district;

- b. The sub-sector/value chain analysis of the selected (three) potential sub-sectors of the district; include:
  - i. The overview of the selected sub-sectors;
  - ii. Market size, structure, potential supply & consumer demand;
  - iii. Employment situation;
  - iv. Actors in the sub-sectors (the functions and the participants; channels; sub-sector/**market map**);
  - v. Sub-sector dynamics;
  - vi. Opportunities and constraints in the sub-sectors; and
  - vii. Probable solution for identified constraints and sustainable strategy for services;
- c. Strategy for CONCERN for the development of the selected sub-sectors, include:
  - i. Market (sub-sector) vision and strategy;
  - ii. Selection of the different types of potential partners for the program (partners for the program intervention, partners for the enabling business environment, and co-facilitator partners);
  - iii. The implementation techniques of different interventions with potential partners, the market logic as well as interventions needed; and
  - iv. The role of CONCERN in those initiatives.

### **Person Specification:**

#### Essential:

- A postgraduate qualification in Agri-Business, Economics, Marketing, or a similar graduate qualification with significant relevant experience.
- Strong Training Skills and proven ability to transfer skills
- Working knowledge of livelihood concepts and frameworks, Sub Sector Development, Local Economic Development (LED), Business Environment, Business Development Services (BDs),
- Experience on Market research & Market data base development

#### Desirable:

- Previous experience in Timor Leste or Indonesia
- Experience in local level planning processes, lobbying/advocacy, partnership development
- Language skills in Bahasa Indonesia, Tetun or Portuguese
- Real interest and proven ability in training and capacity building
- Computer literacy
- A reasonable level of fitness

**Timetable:**

Arrival in Dili	August 1, 2007
Briefing in Dili	August 2, 2007
Desk Review & meeting with nat'l institutions/organization in Dili	August 3-4, 2007
Programme familiarization/field visits to Lautem & Manufahi & conduct needs assessment to the target participants	August 6-18, 2007
Preparation of training design, proposals, training materials, modules, etc	August 20-31, 2007
Pre training meetings with the with staff & or participants	Sept. 2, 2007
Classroom Training on Sub Sector Analysis & market mapping (market development Approach)	Sept. 3-7, 2007
Hands on training (Field works)/coaching the staff & or survey teams	Sept. 10- 30, 2007
Feed backing & data consolidation (includes analysis) & filling in of gaps	Oct. 1-5, 2007
Discussion and development of a comprehensive strategy for CONCERN for the development & implementation of the selected sub-sectors.	Oct. 8-10, 2007
Report writing (draft & semi-final report )	Oct. 11-12, 2007
Coaching & capacity building of the IG component for the implementation of the initial strategies & activities.	Oct. 15, 2007 to January 21, 2008
Debriefing with Concern CD/ACD/Senior Programme staff/component managers	January 22-25,2008
Travel to Denpasar	January 26, 2008
Final report writing & submission	January 27-30, 2008

**Budget:**

<b>Consultant items</b>	<b>Amount US\$</b>
Fees for the Consultant for 132 days @ \$100/day	13,200
Flights Denpasar Dili/vv @ \$300	600
Visas and taxes Timor Leste @ \$30	30
Estimated Flights expenses and back	2,000
Accommodation and transfers Bali	130
Accommodation (team house), food per diem in Timor Leste	2,070
Phone cards during visit @ \$20	120
<b>Total</b>	<b>18,150</b>