**ALBANIA**

**Climate Resilience and Agriculture Development Project**

**Terms of Reference**

**Consulting Services**

***for***

**“Support the establishment and medium-term operation of the two clusters, branding of the selected products and placing the products in the market, etc. (olive oil cluster)” in the region of Berat**

**Reference: AL-MARD-389908-CS-QCBS**

# BACKGROUND

The Government of Albania (GoA) has received financing in the total amount of US$ 70 million equivalents from the World Bank (the Bank) towards the cost of the Climate Resilience and Agriculture Development Project (CRAD).

The Ministry of Agriculture and Rural Development (MoARD) is the implementing agency of the CRAD Project. MoARD intends to apply a portion of the proceeds of this Loan to Consultancy Services for “Support the establishment and medium-term operation of the two clusters, branding of the selected products and placing the products in the market, etc. (olive oil cluster)” in the region of Berat.

## **The Agriculture Sector of Albania**

**Agriculture is a key sector in the Albanian economy, contributing 19 percent to GDP and 36 percent to total employment in 2020[[1]](#footnote-2)**. Forty-one percent of the population live in rural areas of which the majority is engaged in agriculture. The wider agri-food system, including food-related services, processing and manufacturing, is directly or indirectly the source for almost half of the economy-wide jobs[[2]](#footnote-3) Between the 1990s and the early 2000s, Albania went on a path of rapid transition towards reduced contribution of primary agriculture to GDP and employment, but this progress has slowed significantly since the mid-2000s. Public expenditures for agriculture have been low compared to other sectors and regional peers. Between 2010 and 2017, agriculture spending represented 1.9 percent of total government spending and grew only by about one third of the growth in total public spending. Total budgetary transfers to agriculture averaged 0.27 percent of national GDP between 2010 and 2017, compared to 1.27 percent of GDP in North Macedonia, 0.72 percent of GDP in the EU-28, and 0.51 percent of GDP in Bosnia and Herzegovina. 3. Forty-one percent of the population live in rural areas of which the majority is engaged in agriculture. The wider agri-food system, including food-related services, processing and manufacturing, is directly or indirectly the source for almost half of the economy-wide jobs.

**Agriculture production, in particular production of fruits and vegetables, has become increasingly competitive in the last decade because of increased cultivation area (including greenhouses), increased yields and improved technologies**. The number of collection points and aggregators for trade, especially for the export of fruits and vegetables, has increased. Despite limitations in food safety management, Albania has achieved a considerable increase in agri-food exports as a proportion of total exports (14 percent in 2020[[3]](#footnote-4)). The main exported food categories are edible vegetables; oilseeds; vegetables, fruits, and nut preparations; and edible fruits and nuts. The EU is Albania’s most important trade partner for both exports and imports of agri-food commodities (67 percent of total agri-food exports and 62 percent of imports during 2019)[[4]](#footnote-5). Albeit these developments, Albania remains a net importer of agri-food products**.**

**Established agri-food businesses that can absorb greater quantities of products are often insufficiently supplied with the required quantity and quality of products by smallholder farmers.** Fragmented production (350,000 small farms with an average size of one hectare), low productivity (the lowest in the Western Balkan region), and low compliance of production with quality standards and certification are all limiting factors. Without a strong supply, agri-food businesses are unable to compete effectively. Exports mainly concentrate on a small number of products in a few markets and for a limited time of the year (March-May), while the processing industry is facing strong competition from imports. To enhance access to domestic markets and improve export competitiveness, it is crucial to leverage private sector investments into green and effective value chain development and build productive partnerships between producers and agri-businesses.

**Local food systems and short supply chains that connect farmers and small-scale food producers in rural areas with buyers or consumers through direct marketing have yet to be developed** to achieve a wide range of economic, social and environmental benefits, which can be also attractive to young farmers, rural youth and women. Short supply chains are more beneficial if they increase regional added value by contributing to stimulating local economic development cycles by linking agriculture with other sectors, e.g., agritourism and rural tourism, development of local markets and local fairs, and integrating them into local development initiatives. The Albanian government in its Strategy for Agriculture, Rural Development and Fisheries (SARDF) 2021-2027 foresees the building of trading platforms for agricultural products, which aim not only at trading agricultural products in optimal conditions, but at the same time to also strengthening the farmers’ position in the value chain.

## **Climate Resilience and Agriculture Development Project (CRAD)**

The World Bank Group, through a loan of 64,6 Million euro, is supporting the Government of Albania to implement the Climate Resilience and Agriculture Development Project (CRAD) with the purpose to increase competitiveness and climate resilience of priority agri-food value chains.

The CRAD has three main components:

* **Component 1: Promoting Climate Smart Agriculture and Access to Markets.** This component aims at supporting resilient and climate smart agriculture, productivity and quality improvements and improving market access through investments to shorten value chains, strengthen resilience of food supply, introduce digital technology, and develop a modern and reliable irrigation delivery services and drainage network for high-value agricultural production.
* **Component 2: Enhancing Compliance with Food Safety and Quality Standards.** Activities under this component aim at addressing weak compliance and control mechanisms related to food safety, veterinary and phytosanitary standards which currently impede competitiveness and create market access inequalities both in the local and export markets.
* **Component 3: Strengthening Evidence-based Analysis Capacity of MARD and Municipalities.** This component aims at establishing a sustainable and effective monitoring and evaluation (M&E) system for agricultural and rural development policy in Albania. Support will be provided to build the monitoring capacity of the MARD and municipalities to increase their ability to measure and analyze agricultural policy impacts to support evidence-based policymaking.

Within the framework of Component 1, the **Sub-Component 1.1 Promoting Climate Smart and Resilient Value Chains aims at** supporting a resilient food distribution system and promote value addition of agriculture production to support the sharp increase of rural tourism which serves as a catalyst for rural development and amplifies the demand for local food products from national and international visitors. One key activity of this sub-component is the promotion of typical food products and value addition to enhance rural development through better integration of the different value chain actors and the development of value-added products. This entails the development of two clusters: one on olive oil in Berat region and one on fruits and vegetables in Debra region. For both value chains, the project will support: (i) technical assistance to build a consortium of producers, develop their technical and marketing capacities, and promote quality, branding and commercialization, and (ii) the construction of processing units to increase value-added of local products. The facilities will be owned by the State and given under subsidized concession agreement to a consortium of producers.

## **Clusters objectives and expected benefits**

The project will support the development of two typical food product clusters in the regions of Berat and Dibra. The principle of a cluster is to bring together companies, researchers, trainers, and other partners all working within the same sector to combine their efforts in terms of research and development, promotion, or training to benefit from the synergies and economies of scale. The main priorities of the clusters will be to create the enabling environment for the valorization of typical food products (olive oil and table olive) through the **aggregation of producers** (consortium), and the **improvement of quality and market access** with the **development of their technical and marketing capacit**y. The clusters will support and ensure increased and meaningful participation of women and integrate them into olive oil and table olive value chains and markets, such as through creation of women’s groups.

# OVERALL OBJECTIVE OF THE ASSIGNMENT

Around the world, olive oil consortia are renowned for playing a pivotal role in assisting farmers by providing essential support and resources throughout the olive oil production process. These consortia serve as vital platforms for farmers. They offer guidance, technical expertise, and access to shared resources such as processing facilities and marketing channels. Key examples include the Consorzio Olivicolo Italiano (COI), Consejo Oleícola Internacional (COI), Andalusian Association of Olive Oil Producers (Asociación de Productores de Aceite de Oliva de Andalucía).

The objective of the assignment is to offer technical assistance for the establishment of an olive oil consortium in the Berat region. The primary goals of this consortium are to unite producers and processors into a single entity responsible for olive oil production, processing, marketing, branding activities, and interaction with certification bodies. **Establishing an olive oil consortium** in Albania is deemed crucial for enhancing market access and product differentiation.

The Consultant will in particular, based on the achievement of a preliminary assessment of olive oil value chain in Berat region, build a consortium of olive oil producers (a minimum of 50 producers with a minimum of 30% of women), develop their technical and marketing capacities and promote quality, branding and commercialization.

# SCOPE OF WORK

The Scope of Work for this Assignment is divided in phases.

**Phase I: Establishing olive oil consortium**

***Note: To enhance efficiency and effectiveness, multiple activities within this Phase will be conducted simultaneously.***

***Specific objective***

The specific objective of this phase is to establish a sustainable consortium of olive oil producers to produce quality olive oil and table olive under a common brand and commercialize it in high-end outlets (e.g., Hotel Restaurant and Catering sector) while promoting the specificity of the local territory. The consortium will support all stakeholders across the olive oil value chain in continuously improving the quality of the olive oil placed on the market. Additionally, it will provide training on best practices to develop and maintain the highest possible quality standards and improve marketability of olive oil.

***Specific Scope of work***

Under this phase, the Consultant will define the olive oil consortium objectives, participants and operational functioning.

**Activity 1: Market study and value chain analysis**

The Consultant will prepare a market study and a value chain analysis for the olive oil and table olive sector centered on Berat region to identify key bottlenecks in the production, post-harvest, processing and commercialization activities to design several scenarios of development for the future consortium.

The value chain analysis will be key for :

* Understanding the sector main value chain stakeholders, productivity, value chain competitiveness, market share, female participation, challenges for growth
* Developing a SWOT analysis of the olive oil sector in Berat region
* Identify the specificities of the territory
* Identify key technical, qualitative, marketing and branding improvement to better commercialize the olive oil and lable oil in the region and meet high-end outlets standards
* Identify processing units capacity, efficiency and need for upgrading or additional equipment for quality olive oil production
* Orientate consortium objectives, define consortium strategy, and identify potential facilities/equipment need for olive oil production purposes
* Propose a specific technical assistance package for future participants to the consortium (including e.g. training programs, capacity building workshops, certification assitance, laboratory testing services, technical advisory services including on-site consultations)

The market study will be key to:

* Capture market trends in terms of olive oil taste and certifications
* Have an overview of key outlets for olive oil according to its quality (virgin, extra virgin, certified)
* Identify key potential buyers first in HoReCa sector in Albania and on international markets
* Identify key competitors on local market and the characteristics of their positioning.

The Consultant will also produce a benchmarking of olive oil sector established locally or internationally to identify key success factors and best practices to be used for consortium development.

The Consultant will also assess the interest of local producers in participating in the consortium while exploring main potential outlets for premium olive oil from the region.

**Activity 2: Development of a strategy and business plan**

Based on the previous activities, the Consultant will introduce a conceptual scenario with draft project goals and strategy, concept, key activities, with first estimation of costs, functionalities, and management based.

The tasks to be delivered under this activity include, but are not limited to the following:

* Proposing and designing a concept under several scenarios in accordance with the market study and value chain analysis (for example scenario 1: consortium with key market outlet retail chains, scenario 2: consortium targetting HoReCa sector. Scenario 3: orientation towards olive oil certification);
* Identification of key challenges and equipment needs for quality olive oil production in Berat region
* Estimation of costs and profitability of each scenario;
* Identifying potential management/governance model of the consortium. Several options of management models for the future consortiums will be studied. They will be based on the local context, considering the main stakeholders and gender ratio to be associated in the management and operations of future consortium to ensure its financial sustainability
* Preparation of an operation plan

The different scenarios will be introduced during a workshop to public authorities and olive oil sectors main actors.

**Activity 3: Support to consortium members selection**

The Consultant will support local authorities in selecting the future participatants to the technical assistance program leading to the creation of an olive oil consortium in Berat.

* Organization and facilitation of a local workshop with local communities to introduce consortium objectives and process of participation to the technical assistance program
* Develop a call for participation to the technical assistance program under the governance of Ministry of Agriculture and Rural Development (MARD) and local municipalities;
* Support local authorities in the design of selection criteria (e.g. technical, inclusive criteria) for the future members of the consortium taking into consideration of encouraging female producers to actively participate.

**Phase II: Capacity building activities for consortium members**

***Specific objectives***

Under this Phase, the Consultant will be responsible for supporting the establishment and development of the consortium through the monitoring and the deliverance of technical trainings. The Consultant will also provide support with officially registering and getting the license of the consortium through the MARD.

***Scope of work***

The Consultant will be engaged to develop the capacity of the consortium members for two/three years in order to improve production techniques, olive oil quality, processing techniques, food hygiene and safety, marketing, commercialization and branding of the olive oil consortium. The Consultant will provide international and local experts to support the activity of the consortium until it reaches its operational capacity. The collaboration between all the different experts will be key to achieve the ambition to build a branded quality olive oil for Berat region.

**Activity 4: Improve production and post-harvest techniques**

The Consultant will strengthen the capacity of consortium members in olive cultivation and post-harvest technics to improve final quality of olive oil produced and support sustainable management practices (water use, pesticides). The Consultant will provide one expert (agronomist) responsible for organizing on-field trainings and monitoring of the production for two/three years. The expert will be responsible for producing the training program and materials based on phase I preliminary assessment.

The expert will prepare and deliver a clear training package based on the value chain analysis and the identified gaps at the production and post-harvest stages. He/she will be responsible for providing on-demand advices to consortium members (online and in-person, male and female) for two/three years and will monitor monthly the evolution of the production and participate to harvesting while providing post-harvest recommendations.

He/she will need to produce a record of the trainings at the end of the year to keep track of the type of assistance needed by producers and maintain a memory of the sector’s development.

**Activity 5: Develop olive oil quality**

The Consultant will support consortium members in developing unique quality olive oil connected to the specificities of Berat territory and olive production. The Consultant will provide a quality expert who will develop a training package, theoretical and practical, about quality improvement in olive oil processing. He/she will in particular focus on:

Theory:

* Organoleptic evaluation of virgin olive oils
* Chemical and physical characteristics of olive oils
* Olive growing and the effects on the quality of olive oils
* Influence of technology on the quality of olive oils
* The classification, the community, and international legislation of olive oils
* Olive oils and fats in the diet: healthy and physiological aspects
* Production and consumption in the world

Practical

* Tasting technique and organoleptic evaluation sheet
* Recognition of negative and positive attributes
* HACCP Standards for handling olives and olive oil as well as good hygiene and manufacturing practices).
* Different packaging techniques for olives and olive oil.
* Standards of labeling the olives and olive oil.
* Quality of olives and olive oils and how to produce high-quality products (PDO and PGI certifications processes)

Based on the preliminary assessment achieved in phase 1 and in collaboration with the agronomist and the consortium members, the expert will oversee the development of a characteristic olive oil from Berat region. This olive oil will meet the best international practices in terms of technics and final quality tasting while being characteristics of local olive production and the territory. The expert will provide and work in close collaboration with a marketing and branding expert to reflect in the future brand the specificity of Berat olive oil.

The expert will be responsible for producing the training program based on phase I preliminary assessment and the training material. He/she will guide consortium members in the obtention of quality certifications.

He/she will need to produce a record of the trainings at the end of the year to keep track of the type of assistance needed by producers and maintain a memory of the sector’s development

**Activity 6: marketing, promotion and branding development**

The marketing and branding expert from the Consultant will deliver specific trainings to consortium members to improve access to market of local olive oil on high-end markets (HoReCa, export) through a marketing and communication strategy, the development of a specific branding linked to the olive oil characteristics and territory and several BtoB promotional events. The experts will be responsible for producing the training program based on phase I preliminary assessment and the training material.

The expert will support consortium members, in coordination with olive oil quality experts and based on market study, by delivering specific technical trainings in particular on: marketing strategy development strategic promotion approaches implementation, narrative development for product promotion, integration of products with HoReCa sector.

The expert will be in charge, in consultation with consortiums members, of the development of a specific brand with its logo, packaging and full promotional package.

The expert will also be responsible for the organization of several (minimum two) Business to Business (B to B) meetings to promote consortium’s olive oil in collaboration with local authorities. Target audience will be local HoReCa and potentially international buyers.

He/she will need to produce a record of the trainings at the end of the year to keep track of the type of assistance needed by producers and maintain a memory of the sector’s development.

**Activity 7: organize a study tour**

The Consultant will be in charge of organizing a study tour in one of the main olive oil producer’s countries in the Mediterranean region (e.g., Italy or Spain) for the consortium management staff or representatives (10 persons). The study tour will represent an opportunity to share best practices in olive oil production and inspire the consortium in its approach to market and the promotion of olive oil.

The study tour will visit olive production areas, processing units and leading consortiums in quality olive oil production. Several exchanges with the local producers and local authorities will be set up to understand the process of development of the consortium, the processes applied to increase quality, the marketing strategy according to current olive oil demand and as well as branding strategy developed.

# TEAM COMPOSITION & QUALIFICATION REQUIREMENTS OF THE EXPERTS

## **Consultant Qualification**

*Firm Qualifications*

The Consultant shall be a firm or group of firms with the following minimum qualifications:

* The Consultant should be a reputable consultancy firm with demonstrable knowledge and experience of at least 7 years with agronomy, marketing of agriculture products and training program for similar projects preferably related to olive oil sector;
* At least 3 similar contracts achieved during the last 5 (five) years in the development of agriculture clusters or consortiums of producers (in olive oil sector);
* Experience in working in the Balkan region would be considered an asset.

The credibility of mentioned experience shall be presented in a list of the required similar project/contracts as required above, including description of services provided (including information on contract value, contracting entity/client, project location/country, duration, assignment budget, percentage carried out by consultant in case of association of firms or subcontracting and main activities) and accompanied by certificates/confirmation of orderly fulfilment of the contracts verified by other party from such contracts. It is required to provide examples of assignments of similar nature.

The Consultant may associate with other Consultants in the form of a joint venture or of a sub-consultancy agreement to complement their respective areas of expertise, strengthen their technical responsiveness of their proposals, make available bigger pool of experts, provide better approaches and methodologies.

The applicants will be assessed in order to determine a shortlist comprising the most qualified firms. The criteria to be used for shortlisting will be the following:

* Core business and years in business – 30 points
* Past experience in similar assignments – 60 points
* Availability of qualified staff among the firm to perform the assignment – 10 points

The CVs of Key experts will not be evaluated during the shortlisting process.

The shortlisting criteria are:

|  |  |
| --- | --- |
| Evaluated Grid | Points |
| Core business and years in business | 30 |
| Experience in similar assignments | 60 |
| Firms’ organization and staffing | 10 |
| Total | 100 |

### **Key Experts**

The Consultant shall provide a concise list of key experts (about 51 person/months) that would be best suited to carry out the scope of works and deliver on the assignment. The Consultant shall submit a project-resourcing plan and clearly illustrate a strategy to deliver on the various work streams. It is expected that the Consultant’s core team shall consist of following key experts:

* *Team leader – food consortium specialist (international)*
* Master’s Degree in agriculture/agribusiness or a related field
* 10 years of continuous professional experience in designing and implementing agriculture/food consortiums/clusters (large, medium, small scale)
* Knowledge of and experience in olive oil sector and Balkan region are highly preferred.
* *Olive oil Value Chain and Market Study Specialist (international)*
* At least a Master’s Degree in Agriculture/Agribusiness/Horticulture/Food Technology or related disciplines,
* 7 years working experience with agriculture development/trade, market study projects in Albania and Balkan region.
* Familiarity with current agricultural trade situation and olive oil value chain of Albania is highly preferred.
* *Agronomist*
  + Degree in agriculture, agriculture science, or a related field
  + At least 7 years’ related experience in sustainable olive oil production and processing practices
  + At least 7 years’ in designing and conducting training programs with professionals
  + Experience in Balkan or comparable markets is highly preferred
* *Quality and food safety expert*
  + Degree in chemistry or food technology, agriculture science, or a related field
  + At least 7 years’ related experience in olive oil quality, origin, food safety and traceability
  + At least 7 years’ in designing and conducting training programs with olive and olive oil processing, storage, technical and technologic process, HACCP, etc.
  + Experience in Balkan or comparable markets is highly preferred
* *Marketing and branding expert (international)*
* Master's Degree in marketing
  + At least 7 years of experience in the definition and deployment of a communication and branding strategy as part of the labeling of products internationally
  + At least 7 years’ in designing and conducting training programs with certifications, geographic identifications branding, etc.
* Experience in marketing activities in agri-food sector is desirable

In addition to the required key experts, the candidate firms should also include in their technical proposal, in the personnel work plan and financial proposal all other “non-key experts“ required in accordance with their proposed approach and methodology.

**Backstopping/Home Office Support**

The Consultant should have additional resources available as needed with experience working on similar projects to support the key experts as required throughout the assignment.

# REPORTS

During carrying out of the services under this Consultancy Services, the Consultant will prepare and deliver the reports, in the format and content acceptable to the Client.

The importance of detailed and timely reporting cannot be overemphasised. Set out below are the reports and documents that must be produced, frequency, submission deadline and an outline of their content. These will be dynamic documents subject to amendment to effect improvements or accommodate the needs of the MARD and its clients and the IBRD.

The Consultant shall submit the following reports:

### *Reports Phase 1*

(i) **Market study and value chain report:** presenting in particular the key bottlenecks in olive oil production in Berat region, market analysis, SWOT, regional and international benchmarking.

(ii) **Local workshop report**: presenting participants and main comments from participants to preliminary consortium strategy and objectives

(iii) **Final report:** introducing conceptual scenario with project goals and marketing strategy, consortium members, management, equipment needs, cost estimation.

### *Reports Phase 2*

(iv) **One intermediary training report for each** expert (agronomist, quality, marketing, and branding) with all training materials

(v) **One final training report for each expert** (agronomist, quality, marketing, and branding) with all training materials

#### (vi) **One study tour report**

The Consultant shall provide the deliverables in English language. The final report shall include all the parts/study in electronic version (standard software’s) and one hard copy for the national authorities.

# DELIVERABLES, TIMELINE & PAYMENT SCHEDULE

# The Consultant will have 5 working days to address comments received from the client on each deliverable, if any. Upon satisfaction with the updated deliverable, if necessary, the Client will approve the deliverable within 2 working days.

The budget and payment schedule are expressed by phase.

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| --- | --- | --- | --- | --- |
| **Phase 1 – Design of olive oil consortium** | | | | |
| **D. No.** | **Deliverables** | **Deadline submission** | **Reviewed and Commented by the Client** | **Payment schedule** |
| D1 | Market study and value chain analysis report | 60 days after the signing of the contract | Two weeks after submission | 10% |
| D2 | Local workshop report | 80 days after the signing of the contract | Two weeks after submission | 10% |
| D3 | Final report | 100 days after the signing of the contract | Two weeks after submission | 20% |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Phase 2 – Capacity building activities for consortium’s members** | | | | |
| **D. No.** | **Deliverables** | **Deadline Submission** | **Approval by the Client** | **Payment Schedule** |
| D4 | (4) Intermediary training reports | 365 days after the signing of the contract | Two weeks after submission | 30% |
| D5 | (4) Final training reports | 730 days after the signing of the contract | Two weeks after submission | 20% |
| D6 | Study tour report | 365 days after the signing of the contract | Two weeks after submission | 10% |

Final approval of all deliverables will be provided 2 weeks after the receipt of the version which fully addresses comments by the Client and has been cleared by the Client.

The Consultant will be evaluated on strategy and creativity in achieving the key Project milestones.

# INSTITUTIONAL ARRANGEMENTS

The Project Manager/Team Leader of the Consultant Team will report to the PMT of MARD but has wide functional responsibilities to the MARD.

He/she will liaise with the respective MARD’ directorates, Local Government and other relevant institutions and stakeholders, as required.

# SELECTION

The consulting firm will be selected under the provisions of the World Bank Procurement Regulations for IPF Borrowers “Procurement in Investment Project Financing Goods, Works, Non-Consulting and Consulting Services (July 2016, Revised November 2017, August 2018, November 2020), based on the method of Quality and Cost Based Selection Method, Lump – Sum Contract. The Bank requires that firms or individuals involved in Bank IPF procurement shall not have conflict of interest.

1. Institute of Statistics (INSTAT). Albania in Figures, 2020. [↑](#footnote-ref-2)
2. World Bank. 2017. Agriculture for Jobs and Growth in the Western Balkans: A Regional Report. [↑](#footnote-ref-3)
3. Institute of Statistics (INSTAT). [↑](#footnote-ref-4)
4. Joint Research Centre (European Commission). 2021. Recent agricultural policy developments in the context of the EU approximation process in the pre-accession countries. [↑](#footnote-ref-5)