

Terms of Reference for Potential Study Agreement

This document serves to provide an overview of the underlying project pursued by the Subnational Climate Fund (SCF), relevant context on data availability and goals of the mandate, as well as an estimated scope of work requested from the consultant. Final details of the mandate should be covered by the subsequent proposal submitted by the consultant.

1. The Subnational Climate Fund

The SCF is a blended finance impact fund formed to pursue attractive risk-adjusted returns for private investors while generating measurable and certified environmental and social impacts. The Fund is focused exclusively on pursuing investments in mid-size climate infrastructure and nature-based solutions in various developing countries across Latin America and the Caribbean, Africa, the Mediterranean, and Asia. The Fund is managed by Pegasus Capital Advisors, a commercial Private Equity impact fund manager and further benefits from a separate, grant-funded Technical Assistance facility managed by The International Union for the Conservation of Nature (IUCN) and implemented by R20, IUCN, and Gold Standard.

2. Context of the Potential Study Agreement

Agriculture is a vital sector in Morocco through its contribution to the gross domestic product (13%) and workforce (30%). However, the sector faces significant sustainability challenges due to Morocco's dependence on rain-fed crops for 90% of the production and its vulnerability to climate change. Moreover, Morocco has lost a third of its oases in the last century and their disappearance comes at heavy environmental, economic, social and cultural costs.

The SCF is currently in conversations with a project developer who intends to develop an agroforestry project in Morocco, in the south of the Atlas Mountains. The 600-ha plantation will combine organic olive, date and possibly other plants, a smallholder sourcing scheme and a state-of-the-art processing centre. An investment from the SCF in the project would accelerate the development of distribution channels, whilst delivering meaningful social and environmental impact by developing a complementary smallholder producer sourcing scheme, providing technical assistance and market access to smallholder market participants. The key goal of a smallholder sourcing scheme would be to create a production cluster of mutual benefit between large-scale central farms and the various associations of smallholder farmers of the oasis communities in the project region.

The plantation is using innovative technology for wells, pumps, storage and drip irrigation connected to water reservoirs filled with the groundwater. The project aims to improve soil conservation and biodiversity in oasis ecosystems, sensitize populations, generate income, promote the cultural and environmental heritage of the sites, to develop local products and ecotourism, and to conduct national community development plans, such as watershed management.

The SCF's Technical Assistance facility will provide technical assistance to support the project sponsor in making the project technically and economically feasible, and environmentally and socially acceptable. This technical assistance has the following objectives:

- Facilitate access to commercial markets for smallholder farmer production, and to improve the quality of dates produced by these smallholders by introducing modern agricultural practices and valuable commercial varieties such as Medjool and Bou-Feggousin traditional date-palm groves.
- Enhance oasis agro-biodiversity and sustainable production, allowing farmers to participate in value chains for portfolios of products from diversified farming systems rather than focusing on single value chain by including sustainable purchase agreements for traditional date varieties and other products from the oasis agroecosystem like olives, pomegranates, figs, and almonds.
- Capture premium for small producers who can demonstrate sustainable management practices and strengthen cooperatives by helping them to achieve certifications.

3. Scope of Work

To achieve these objectives, the consultant(s) are expected to provide the following work:

1. Obtain an overview and the intelligence of the value-chain of smallholder farmer products, from production, to logistics, product varieties, and potential off-takers.
2. Design the smallholder farmers engagement program, accordingly, including the business case and social and environmental impacts.
3. Explore the technologies and value-add of a processing centre that may produce add-on products from by-products.

More precisely, the work can be grouped into the following six activities:

1. Moroccan smallholder producer landscape

- Identify relevant clusters of farmers and oasis production models, production, and potential sourcing volumes for different key crops
- Production quality analysis, and identify potential for quality improvements from improved agricultural management practices and the introduction of new commercial varieties
- Identification of technical assistance needs and the design of the program

2. Value chain analysis and logistics needs

- Overview of qualifying producer organizations (incl. individual farms)
- Design strategic sourcing scheme with product specifications
- Analysis of logistics requirements for high-quality export of dates and other oasis production
- Identification of ideal locations to establish a modern processing centre able to serve both smallholders and central farming projects production

3. Product market analysis

- Analysis of global dates market intelligence and 2-3 associated relevant crops to be produced systematically in a biodiverse agroforestry concept
- Aggregation of interviews with key market participants regarding price potential for Moroccan qualities and categories
- Identification of 5-7 target clients for smallholder dates and other crop production in domestic and international markets

4. Processing technology needs and sustainability

- Commercial analysis of potential by-products from dates and other oasis agricultural production
- Overview of latest technological innovations

5. Business case and investment requirements

- Financial analysis of smallholder sourcing concept, considering volumes, price potential, technical assistance, processing & logistics investments
- Design of value chain

6. Analysis of social impact and climate mitigation strategy in oasis smallholder production (focus on date production)

- Closely linked to TA program design, representative GHG footprint of smallholder production and overall value chain incl. emissions reduction potential
- Focus on gender aspects and rural emigration

The timeframe for this study is three months.

4. Timeline, Reporting and Deliverables

Work is expected to commence immediately after the consultant is appointed. **The work should be completed within three months.** The final deliverable will be a written feasibility report, summarizing the results and analysis from the activities outlined in chapter 3. The delivery of services and reporting timeframes are anticipated to be as follows:

	Jan '23	Feb '23	March '23
1. Map Moroccan smallholder producer landscape	[Activity]		
2. Value chain analysis and logistics needs	[Activity]		
3. Product market analysis	[Activity]		
4. Processing technology needs and sustainability		[Activity]	
5. Business case and investment requirements		[Activity]	
6. Analysis of social impact and climate mitigation strategy		[Activity]	
Final Feasibility report			[Activity]

5. Form of Proposal and Budget

Please prepare a brief proposal for the performance of this work, including the scope of work, project team and qualifications, estimated costs and confirmation of the absence of conflict of interest. Travel cost for field visit will be covered by the SCF separately from the consultancy fee. The proposal for the work should contain the sections listed below:

1) Scope of Work:

The scope of work should include a description of the specific activities that will be performed in order to accomplish the required tasks identified in Section 3. This should include any proposed site visits/reconnaissance, documents to be reviewed, interviews, etc. If the Consultant feels that additional tasks or components within a required task are suggested or warranted, these should be stated and delineated as “Optional Tasks”.

2) Project team and qualifications:

This should include the name of the principal staff members and any sub-contractors, and a brief description of their role within the project team. Qualifications of staff should include relevant technical capabilities, full CVs, specific previous project experience similar to this Project, and specific in-country experience.

3) Estimated costs:

A total time and expenses cost estimate, in US Dollars, must be provided for the required scope of work. A breakdown of the estimated costs by task must also be presented in tabular format and should include Direct Labour Costs (number of hours or days per staff and their associated unit costs) and Indirect Labour Costs (i.e. travel, per diem, sub-contractors, etc.). If necessary, the final project costs may be revised and agreed following initial discussions with the Company and finalisation of the scope of work; however, any assumptions related to the estimated costs presented in the fee proposal must be clearly stated.

4) Conflicts of interest:

As part of the proposal, the Consultant shall also confirm that they do not have a conflict of interest and that they are able in a position to provide an adequate, accurate and objective review.

6. Submission

Please return your proposal by **December 12** by sending it to project@regions20.org.