



## Terms of Reference

<b>Project Title:</b>	Coconut Industry Development for the Caribbean
<b>Assignment title:</b>	Access to finance consultant
<b>Place of work:</b>	Preferably based in the Caribbean
<b>Travel:</b>	Possible regional travel
<b>Contract type:</b>	Lump sum valid until 31/12/2016

### **Background**

The International Trade Centre (ITC) is a joint agency of the United Nations and the World Trade Organization for trade-related technical cooperation in developing countries.

The Office for Latin America and the Caribbean (OLAC), as a geographical section of the Division of Country Programmes (DCP), is responsible for defining the ITC strategy in the region, either for individual countries or at the sub-regional and regional levels. OLAC is also responsible for coordinating all ITC interventions, including the work of ITC technical sections in the region.

The Sector competitiveness Unit is responsible for developing and disseminating sector level expertise and methodologies in ITC.

The European Union (EU) funded project "Coconut industry development for the Caribbean" aims at increasing food availability and reinforcing incomes of small scale farmers. Specifically, the project focuses to enhance the competitiveness of small scale coconut producers through better regional integration and improved production performance. In order to achieve this objective, the project has been designed to address four key issues that are preventing the coconut sector from achieving its full potential, namely to: i) improve coordination and cooperation across the region and ACP coconut countries; ii) increase production volume of the right quality of coconuts; iii) improve access of small producers to advisory services and finance; and iv) improve risk planning and access to risk management tools for small producers.

In the context of this project, ITC is primarily responsible for the overall project implementation and for the delivery of two out of four project outcomes. CARDI, the Caribbean Agricultural Research and Development Institute, is the main ITC regional partner for project implementation and will lead the delivery of the other two project outcomes. The two outcomes that are ITC's main responsibility include Outcome 1: Market opportunities identified, value chain development plans agreed. Synergies and continuity developed with existing regional and national programmes to enhance regional integration of markets; and Outcome 3: Access to information and advisory services on finance, trade, agriculture, management and markets facilitated for small producers.

This project has established National Stakeholder Platforms (NSP) in nine countries across the region. Moreover, the project is establishing commercially driven local Value Chain Alliances in Jamaica, Guyana and the Dominican Republic. These Value Chain Alliances constitute a network of sector stakeholders including representatives from private sector enterprises, smallholder producers, producer associations, traders, multinational companies, key Ministries, and research institutions engaged in the coconut sector.

In the Caribbean, farmers' access to credit provided by banks or special rural credit institutions are underdeveloped. On the demand side, farmers are exposed to a high degree of weather-related risks that severely affect crop yields and destabilizes their farm-based income. Moreover, smallholder farmers in this region have limited options to manage crop risks because of severely underdeveloped insurance markets. As a result, many risk averse poor farming households, dependent on variable cash income flows, are unwilling to pursue credit options needed to grow their businesses on account of the financial risk associated with loan non-repayment.

On the supply side, the administrative burden associated with providing credit to farmers hampers the incentives for financial institutions to provide credit schemes to the agricultural sector in the Caribbean. Many farming

households fall below the threshold at which banks are willing to engage in a transaction. Moreover, the extremely poor collection efficiency of various credit lines has created a culture of non-repayment by farmers and this has become a major obstacle to commercial lending. An additional constraint on such lending is the limited amount of collateral to securitize the repayment of the loan. Most poor people have few assets that can be secured by a bank as collateral. Credit provision to agriculture has always been hampered by the large variations in revenues in farming, thus making it less (commercially) attractive to lend to this sector.

To support growth and expansion of the farming production and agro- processors in the coconut sector in the Caribbean innovative financing schemes that are tailored to the demand and supply needs of the sector are required to support development of the industry and increase farmer income.

### **Scope of Work**

The purpose of this consultancy is to prepare a study that reviews the financial mechanisms that currently exist across the Caribbean region and assess their relevance in relation to the specific demand-side needs of farmers and processors in the coconut sector, and supply-side needs of the financial sector.

The outcomes of this study are to then be used to develop a proposal to adapt and improve existing financial mechanisms in the region. The proposal should contemplate the possibility of development and investment funds mechanism (private sector led) including support services. Potential financial service providers interested in working with the Alliance in Jamaica, Guyana and the Dominican Republic should be identified.

### **Description of Duties/Responsibilities**

The Consultant will work under the direct supervision of ITC's Adviser on Access to Finance and the overall guidance of the Project Manager and Senior Officer for Manufactured Products.

In the undertaking of all activities the consultant should facilitate a participatory approach to enable inclusive stakeholder decision making.

#### **Task 1: Review and assess existing agri-business related financial mechanisms**

This study should identify and evaluate existing financial mechanisms within the region in the context of the supply and demand needs for financing and risk management in the coconut sector in the Caribbean. This should involve primary and secondary research to review existing agri-business related financial mechanisms with particular reference to the coconut sector. The study should integrate findings from the regional value chain analysis report already completed as part of the project. It should include an assessment of supply and demand for financial services, risks faced by producers in the sector, as well as the risks inherent along the whole value chain.

The completed study will include:

- A desk review of existing products, institutions, key findings from the literature and current financial service offerings in line with preferred product and target markets as indicated by the NSPs;
- Provide a demand side assessment of the financial needs, size of operations, financing constraints, and risk exposure of the farmers and enterprises in line with preferred product and target markets in order to have a full picture of the financial constraints and opportunities in the Caribbean coconut sector;
- Identify and assess existing financial mechanisms in respect to the specific needs of the coconut sector from across the region including relevant guarantee funds, tripartite agreements (Banks/industries/farmers), trade and structured finance, revolving funds, price financing mechanisms and insurance and saving and credit groups at community level and other mechanisms for securing funds for the sector at the community level;
- Identify other relevant projects ongoing in the region such as Government initiatives that support financing the agricultural sector; and,
- Undertake a gap analysis for the financing of farmers and small scale processors in the coconut sector.

**Task 2: Provide a proposal for improving, adapting and synergising with existing financial mechanisms in the region**

On the basis of this assessment, a proposal for improving and building on existing financial mechanisms in the region or in Jamaica, Guyana or the Dominican Republic should be presented. The proposal should be validated and discussed with ITC and with regional stakeholders including banks, producers, industries and other potential funding agencies.

The proposal should:

- Detail a proposed private-sector led innovative financial scheme that is customised to the sector which adapts and improves access to finance and leverages synergies with existing financial mechanisms in the region;
- Propose key support services useful to support the effectiveness of the proposed financial mechanism;
- Identify possible financial service providers (e.g. CDB) in Jamaica, Guyana, the Dominican Republic as well as regional providers who want to work in support of the Alliance.

**Skills**

- Knowledge of the financial services offerings for the agriculture sector in the Caribbean
- Ability to work in a team;
- Initiative and resourcefulness.

**Education**

Undergraduate degree (BA/BSC in business administration, economics, agriculture or related field )

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**Experience**

At least 10 years of extensive working experience in financial institutions and rural development in the in the Caribbean.

**Languages**

Advanced knowledge of English. Working knowledge of Spanish would be an advantage.

**Contact:**

Please send your CV to [alliances@intracen.org](mailto:alliances@intracen.org)

Selected candidates must submit their application to the Consultants Roster:  
<http://www.intracen.org/itc/about/working-with-itc/itc-careers/current-job-openings/>