



ASIAN PRODUCTIVITY ORGANIZATION

## PROJECT NOTIFICATION

4 September 2014

1. **Project Code** 14-AG-31-GE-WSP-B
2. **Title** Workshop on Integrating Small Farmers into Regional and Global Value Chains through Contract Farming
3. **Timing and Duration** 3–7 November 2014 (five days)
4. **Venue** Hanoi, Vietnam
5. **Implementing Organization** Vietnam National Productivity Institute  
8 Hoang Quoc Viet, Cau Giay  
Hanoi, Vietnam  
Phone: 84-4-37561501  
Fax: 84-4-37561502  
e-Mail: vpc@vpc.vn
6. **Cosponsor** Food and Agriculture Organization of the United Nations (FAO)
7. **Number of Overseas Participants** Up to 18 qualified participants from Bangladesh, Cambodia, Republic of China, Fiji, India, Indonesia, IR Iran, Lao PDR, Malaysia, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, and Vietnam.  
(see 13. Qualifications of Participants). Other member countries with particular interest in this project may nominate candidates upon consultation with the Secretariat.
8. **Number of Local Participants** Up to six qualified participants
9. **Closing Date for Nominations** 10 October 2014
10. **Objectives**
  - a. To enhance participants' understanding of the value chain approach in agribusiness and its importance for small farmers to increase their productivity and incomes; and
  - b. To develop their ability to train and facilitate setting up contract farming operations involving small farmers, purchasing firms, and agribusinesses under the value chain approach.

## 11. Background

Globalization and the liberalization of trade in agriculture and food products have been reshaping the organization of markets and relationships of the players. Traditional supply-driven, open marketing systems for agrifood products are being replaced by market-driven, closed, coordinated value chains. This trend could leave many unorganized small farmers at a great disadvantage with no bargaining power in markets and unable to compete with well-connected players. They also have to bear all the risks associated with crop failures due to climate change, physical damage due to poor postharvest handling, and depressed market prices, among others. One way of enabling farmers to reduce their exposure to various risks and have a guaranteed market outlet for their products is through contract farming. The scheme offers great potential to be mutually beneficial to small farmers and purchasing firms. Although the contract farming concept was introduced several years ago, many small farmers are still unable to benefit from such schemes, and some of those who have participated in a scheme faced many issues due to their lack of knowledge and the absence of enabling environments and effective facilitators. There is a huge demand for information and technical support on contract farming practices and issues in various countries, especially in the Asian region.

The Food and Agriculture Organization of the United Nations (FAO) has been responding to this growing demand by disseminating knowledge and publications on the conceptual, operational, and legal aspects of contract farming. To complement FAO's efforts, the APO has integrated the subject into a few workshops conducted in its member countries in the past. This project follows such initiatives and will be implemented with the cooperation of the FAO for greater synergy.

## 12. Scope and Methodology

The tentative topics to be covered are:

- a. Value chain and supply chain basics;
- b. Enabling environment for farmers' involvement in value chains;
- c. Contract farming concepts and principles;
- d. Planning and setting up contracting operations;
- e. Legal aspects of contract design and enforcement; and
- f. Case studies on contract farming models for selected commodities.

The workshop will consist of interactive sessions on theme presentations, sharing of country experiences, cases studies, group exercises, and field visits.

The tentative schedule is:

Date/Time	Activity
Sun., 2 November 2014	Arrival of participants in Hanoi
Mon., 3 November	Opening session Presentation of resource papers
Tues., 4 November	Presentation of resource papers Presentation of country case studies
Wed., 5 November	Field visits to relevant farms, companies, or organizations

Thurs., 6 November	Presentation of country case studies Group workshop
Fri., 7 November	Presentation of workshop group discussion output Program evaluation by participants, resource persons, and implementing organization Summing-up session Closing session
Sat., 8 November	Departure of participants

### **13. Qualifications of Candidates**

The participants are expected to possess the following qualifications:

Present Position	Officers of government and NGOs, academics involved in training and extension work promoting agribusiness development, or officials of agribusiness companies and farmers' cooperatives/associations engaged in contract farming.
Experience	At least three years of experience in the position described above.
Education	University degree or equivalent qualification from a recognized university/institution.
Language	All proceedings of the project are conducted in English, and participants are frequently required to make oral and written presentations. They must therefore be proficient in spoken and written English. Those who are not proficient in English will not be accepted.
Health	Physically and mentally fit to attend an intensive project requiring participants to complete a number of individual and group activities and strenuous fieldwork. It is therefore recommended that member countries do not nominate candidates likely to suffer from physical and mental stress.
Age	Candidates who fit the above profile are typically between 30 and 50 years of age.
APO Certificate	Participants are required to attend the entire program to receive the APO certificate of attendance.

### **14. Financial Arrangements**

#### **To be borne by participants or participating countries**

- a. Participants' insurance premiums: All participants should be fully insured against accident and illness (including hospitalization and death) for a principal sum equivalent to US\$10,000.00 for the entire duration of the project and travel, and must submit to the APO Secretariat a copy of the comprehensive travel insurance certificate before participation. Such insurance should be valid in the host country. This insurance requirement is in addition to existing government insurance coverage in some member countries. If any participant is unable to insure himself/herself as stipulated above, he/she should secure this insurance in the host country at the commencement of the project and

pay the premium himself/herself, if necessary, from the per diem allowance provided. Neither the APO nor the implementing organizations will be responsible for any eventuality arising from accident or illness.

- b. All expenses related to visa fees and airport taxes.
- c. Any expenses incurred by participants for stopovers on the way to and from the project venue as well as for extra stay at the project venue before and/or after the official project period because of early arrival or late departure, for example, due to either limited available flights or any other reason.

#### **To be borne by the host country (Vietnam)**

- a. Staff costs related to coordination and management of the event.

#### **To be borne by the FAO**

- a. All assignment costs for one FAO staff who will serve as one of the overseas resource persons.
- b. Staff costs related to planning and joint coordination of the event.

#### **To be borne by the APO**

- a. All assignment costs of overseas resource persons.
- b. Round-trip economy-class international airfare by the most direct route between the international airport nearest to the participants' place of work and Hanoi. As far as practicable, all participants should purchase discount tickets. Please note that the arrangements for the purchase of air tickets should follow the "Guide on Purchases of Air Tickets for APO Participants," which will be sent to the selected participants. It is also available on the APO website and from APO Liaison Officers in member countries.
- c. Per diem allowances and hotel accommodation for up to 18 overseas participants for up to six days at the rate to be specified later.
- d. All other local implementation costs.

#### **15. Actions by Member Countries**

- a. Each participating country is requested to nominate three or more candidates in the order of preference. Please ensure that candidates nominated meet the qualifications specified under section 12 above.
- b. No form of self-nomination will be accepted. All nominations must be endorsed and submitted by an APO Director, Alternative Director, Liaison Officer, or their designated officer.
- c. Please note that nomination of a candidate does not necessarily guarantee that he/she will be selected. Selection is at the discretion of the APO Secretariat. A basic criterion for selection is the homogeneity of the participants in terms of qualifications and work experience. Nonselection therefore does not mean that the candidates concerned are not competent enough. Sometimes candidates are not selected because they are overqualified for a project.

- d. Each nomination should be accompanied by the necessary documents. A nomination lacking any of these documents may not be considered: two copies of the candidate's biodata on the APO biodata form together with a passport-sized photograph. The biodata form can be downloaded from the APO website ([www.apo-tokyo.org](http://www.apo-tokyo.org)). We encourage submitting the biodata form to the APO Secretariat in electronic form as an attachment to a cover e-mail message from the APO Director, Alternate Director, or Liaison Officer. The nomination documents should be sent to the Agriculture Department, APO Secretariat (e-mail: [agr@apo-tokyo.org](mailto:agr@apo-tokyo.org), fax: 81-3-5840-5324).
- e. The APO Medical and Insurance Declaration/Certification Form. Every candidate must complete and submit a copy of the APO Medical and Insurance Declaration/Certification Form with his/her biodata at the time of nomination. Please note that self-declaration is sufficient for candidates without any of health conditions or illnesses listed on the reverse side of the medical form. However, for all others, medical certification by a licensed physician on the reverse side of the medical form is required.
- f. Necessary documents are to be submitted electronically. In that case, there is no need to send a hard copy by postal mail. However, if the documents are submitted by fax, member countries are requested to mail the originals of the documents to the APO Secretariat as well. If a digital photograph of a nominee is not attached to the electronic biodata form, a hard-copy photograph should be sent to the APO Secretariat by postal mail. Please give the candidate's name and the project code on the reverse side of the photograph.
- g. Member countries are requested to adhere to the nomination deadline given on page 1. The APO Secretariat may not consider late nominations as they have in the past resulted in considerable difficulties to the implementing organization in its preparatory work for the project.
- h. For member countries where nominations are required to be approved by higher government authorities and require a longer time, the APO Liaison Officers/NPOs are urged to send the names of nominees on or before the deadline, indicating that government approval will follow.
- i. If a selected participant becomes unable to attend, he/she should inform the APO Liaison Officer/NPO in his/her country immediately and give the reason for withdrawal. The NPO concerned is requested to transmit that information to the APO Secretariat and the host country promptly.
- j. NPOs are requested to inform the selected participants that they are not to bring family members or to engage in any private business activities during the entire duration of the project.
- k. Each selected participant should be informed to arrive at the venue one day before the start of the official project. Also, he/she is expected to return home upon completion of the official project because he/she is visiting the host country for the specific purpose of attending this APO workshop.
- l. NPOs should inform participants that they must attend all five days of the project to qualify for the certificate of attendance.

## **16. Actions by the APO Secretariat**

- a. Under normal circumstances, candidates who are selected will be informed of their acceptance at least four weeks prior to the start of the project.
- b. If some candidates fail to qualify or be unable to participate after selection, or if some

member countries fail to nominate any candidate, their slots may be filled by alternates from the same or another member country on a merit basis.

### **17. Project Preparation**

All participants are required to prepare a paper prior to departure for the project venue. In preparing the paper, they are expected to follow the attached "Guidelines for the Preparation of Papers."

### **18. Postproject Actions**

All participants are required to prepare action plans and share the plans with their NPOs. The APO will also request participants to submit progress reports six months after completion of the workshop.

### **19. Evaluation of Participants**

If the conduct/attendance/performance of a participant is not satisfactory, these will be reported to the APO director concerned.

### **20. Guide for Participants**

Other conditions for participation are given in the APO Guide for Participants, which is available from APO Liaison Officers/NPOs in member countries and on the APO website ([www.apo-tokyo.org](http://www.apo-tokyo.org)).



Mari Amano  
Secretary-General



14-AG-31-GE-WSP-B

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Farming  
3–7 November 2014

**Guidelines for Preparation of Country Papers**

Each selected participant is required to submit a paper keeping in mind the scope and objectives of the workshop and topical outline provided below. The paper may be written in the personal capacity of the participant but must be substantiated and should reflect an accurate account of the current status of contract farming development and adoption in their countries. It must be supported by statistical data/information wherever appropriate.

The paper should be typewritten, single-spaced, on standard A4-size paper, and be between 5 and 8 pages in length, excluding tables/figures. A soft copy of the paper should reach the APO and VNPI no later than **20 October 2014**.

Participants are encouraged to provide in their papers as much relevant, useful information as possible but they must avoid including unnecessary general information on agriculture as well as the profile of their country.

Participants are also required to prepare a summary of their papers not exceeding 300 words. It should contain only the salient points of the paper. The summary will be used to prepare the highlights of the workshop.

The following topical outline is suggested as a guide. It is not meant to restrict the preparation of the paper but rather to encourage the inclusion of other equally relevant information to make it more substantial and meaningful.

**Tentative Topical Outline**

1. Please provide a brief overview of contract farming in your country, including the major corporate players and commodities covered. Please cite the names of firms involved and indicate whether they are local or multinational. Also indicate whether the commodities under contract growing schemes are for domestic or export markets.
2. Please describe the role of the government (citing specific agencies involved) in promoting contract farming in your country. Please highlight specific government programs, policy measures adopted, and support services and incentives provided to promote contract farming, if any.
3. Please select at least two examples of contract farming (for any specific crop or livestock) in your country and describe the companies involved, commodities under contract, and key features of the contractual arrangement (e.g., the role and obligations of the company and the farmer). Please discuss the issues and challenges faced by both the companies and farmers involved. Please cite the factors for the success or failure of the two examples.
4. Please assess the prospects of contract farming schemes in your country in the future. Will there be opportunities for wider adoption? Please explain.