



## **TERMS OF REFERENCE**

### **VIABILITY ASSESSMENT OF THE CASHEW PROGRAM IN GORONGOSA NATIONAL PARK BUFFER ZONE**

#### **1. Description of the Project**

The Gorongosa Restoration Project's (GRP) vision is located in the thriving biodiversity-rich greater Gorongosa conservation landscape, which supports Sofala Province as an engine for resilient and sustainable development, enabling nature experiences, supporting the well-being of its people, and enriching all of Mozambique and the world. GRP aims to advance an integrated multi-partner approach to conservation and people-centred development. GRP protects the Park's biodiversity and ecosystem services and unlocks its economic potential for the community inhabitants of the Gorongosa National Park, Buffer Zone, Sofala Province, Mozambique and further afield.

The GNP covers 408,600 hectares in central Mozambique south of the Zambezi River. The Buffer Zone around the Park covers another 533,300 hectares and is surrounded by six districts of the Province, namely Gorongosa, Cheringoma, Muanza, Nhamatanda, Dondo and Maringué. With approximately 200,000 people living on subsistence agriculture, the buffer zone is predominated by the Dry Tropical climate, with average annual temperatures of 24°C and an average rainfall of 1,600 mm, with relative humidity above 75%. The region has two climatic seasons, the Hot and Rainy (November to April) and the Cool and Dry (May to October), which gives it great agricultural potential. However, the leading cause of food insecurity comprises the shortage of rainfall or irregular rainfall, extreme events (floods and cyclones), and rising food prices.

#### **2. Livelihood**

The sectoral theory of change rests on the assumption that: Providing farmers with access to inputs, market and weather information, and training them in agricultural practices and financial literacy, enables them to achieve higher productivity. Increasing yields and engaging farming as a business helps small farmers improve their access to more extensive, structured markets (beyond local markets), turning agriculture into a sustainable source of income.

#### **3. The Cashew sector context in Mozambique**

Cashew (*Anacardium occidentale*) is an important agroforestry crop for primary production in many African countries, including Mozambique. Due to a complicated history and questionable political decisions, the cashew industry in Mozambique has collapsed, although much efforts are conducted in the Country with purpose to reopen the production and productivity, but Mozambique has the lowest quality fresh cashew nut production in Africa due to its old cultivated area and recurrent disease outbreaks contributing to low economic returns. Given the cashew tree's high tolerance to external conditions and moderate demand for soil characteristics, the crop can be planted on poor soils to prevent erosion and restore the fertility of land degraded by annual crops and fire. Cashew is also suitable for agroforestry systems and can be intercropped, contributing to increased income in alternate seasons, diversification, soil improvement (beans), food security and nutrition.

### **3.1 Background of the cashew project since 2017**

According to the internal evaluation (August 2018) and NORAD evaluation mission (September 2018), Mozambique's cashew value chain is developing. Still, much more experimental work is needed in the Park's Buffer Zone to find the best approach for developing this agribusiness on a large scale. Nevertheless, the first very promising experiments were acquired in the pilot phase's Year 1, 2020. In this context, a Memorandum of Understanding was signed with the Mozambique Almond Institute-IAM (December 2020), which among other objectives, aims to an installation and operation of nurseries for the production of seedlings and polyclonal seed production orchards using genetic material developed by Research at IAM, IP, as well as locally selected material.

Currently, the Cashew program has established six cashew nurseries in the Buffer Zone, which can produce 420,000 seedlings per year to distribute to farmers in six districts, namely; Dondo, Maringue, Nhamatanda, Gorongosa, Muanza and Cheringoma. In addition to seedlings, the project distributed green chemicals (pesticides and fungicides), seeds of food crops for intercropping 3800 cashew farmers, fertilisers, spraying, and training in good agricultural practices to improve production and productivity.

### **3.2 Latest harvest and quality**

In the 2021/22 season, the farmers harvested 2,5 tons of raw cashew, of which 0,8 tons was of poor quality. In the 2022/23 season, 10 tons were harvested, and out turn (lbs) conducted resulted in 42,79 against 38 from the previous season, which shows that the quality of the cashew have improved regarding with the minimum required internationally.

### **3.3 Project Outputs and Indicators**

The project outputs intends integration of farmers into cashew value chains, developing a cashew nut value chain and expand agroforestry potential in Buffer Zone. The project indicators aims to target 4,500 smallholder farmers from within the Buffer Zone to benefit from cashew as a new and additional cash crop, and the household income of the best-performing cashew growers is increased by at least USD 1,000 p.a. until the end of the Project in 2025.

## **4. Assessment purpose and objectives**

As mentioned, the Project planned to set up and operate a medium-scale cashew nut processing facility and start processing nuts from the buffer zone and beyond. However, due to the small scale of cashew trees in production and the quality of the cashew nuts obtained from the existing trees, the project team think that the supply still needs to be higher to justify the installation of the processing facility. Therefore, the program has distributed cashew trees and planted them in the Buffer Zone, which will start production in the coming years.

Therefore, the livelihood sector would like to hire a consultant to conduct a thorough assessment of the viability of installing a medium-scale processing unit at Mapombwe (Gorongosa), considering the current low level of nut production and quality in the buffer zone and recommend the GRP on the viability of installation of the medium scale processing unit.

### **4.1 The key research questions to be addressed**

1. What is the raw material for processing in the short, medium and long term?
2. To be economically viable, what minimum scale does GRP need for a cashew processing plant?
3. How much is the investment in a cashew plant?

4. What is the market for Gorongosa cashew?
  - Is there a market willing to pay more for the Gorongosa story?
  - Should GRP export to the EU or South Africa?
  - What volumes are necessary to make marketing feasible?
5. Does it make sense to invest in cashew processing, and if so, from what scale should it be?
6. Given the above, what is the best strategy for the next ten years, and when do we move from selling to exporters to processing ourselves?

## 4.2 Role and responsibilities of the consultant.

The consultant is expected to:

- Undertake an in-depth technical assessment of the structure, the current and future status of the cashew nuts production and productivity, consumption patterns, input suppliers, and processors (at various value chain stages).
- Undertake market analysis to establish marketing arrangements, significant processors, significant consumers and the level of national competition in the market;
- Undertake an analysis of standards and quality to meet local and international market demand and requirements.
- Undertake an in-depth analysis that will reveal potential business opportunities based on existing and potential comparative and competitive advantages in medium-scale cashew processing;
- Conduct an in-depth assessment that would highlight factors that will contribute to the successful establishment of a medium-scale cashew processing plant in the region and identify challenges currently faced, including interventions for enhancing competitiveness;
- Analyse and recommend potential strategies and benefits of setting up and linking smallholder cashew growers with the medium-scale processing plant. Recommend that the processing plant be backed up with its plantations.
- Undertake a detailed value chain analysis to identify investment opportunities and challenges, taking into account the regulatory environment (at domestic, regional and international levels) and propose interventions for exploiting the business opportunities;
- Propose regional networks be developed and exploited to facilitate the development of business linkages, complementarities and synergies and thus improve the competitiveness and sustainability of the cashew plant.

## 5. Deliverables

The list of deliverables consists of the following outputs:

- Provided the market analysis for local processing units and commercialisation.
  - Solutions for processing units based on the scale of production.
- Developed a simple business case to inform if the cashew business plan would be feasible.
  - A financial model (with a PowerPoint presentation) that describes the business case
- Developed a complete and comprehensive business plan based on the results.
- Viability of the cashew value chain based on the existing cashew nuts.
- Shared the recommendations about the assessment conducted under cashew nut value chains linked with the establishment of a **cashew processing unit**.

## 6. Timeline and Payment

The consultant's total effort (LoE) for this assignment is 20 days. The implementation of the project will start on May 20<sup>th</sup>, 2023 and is expected to take about three weeks. The consultant will receive

20% of the total budget as an upfront payment; the remaining 80% will be paid maximum 30 days after submitting the final deliverable.

## **7. Submission of Proposals/Bids**

To be considered for this cashew nut viability assessment, the consultant is expected to submit technical and financial proposals comprising of the following:

*a. Cover letter*

*b. The technical proposal should include;*

- Consultants' interpretation of the terms of reference.
- Research Methodology: describing the overall approach including, data collection and analysis approaches, tools, and data quality assurance measures.
- Consultant' profile and capacity statement describing the technical capacity and relevant experience.
- Profile background (Include CV as annex).
- Testimonials and sample reports of similar/relevant assignments undertaken in the last 5 years.
- A clear and elaborate work plan.
- Contact details of at least three independent references/organisations who can verify the quality of the consultants' work on similar assignments.
- The documents should be submitted in English language.

*c. Financial proposal / Budget*

The financial proposal shall include:

- Details of all envisaged costs of the assignment, broken down with justification.

The proposal shall be submitted by e-mail: [grpconcurso@gorongosa.net](mailto:grpconcurso@gorongosa.net) until May 10th, 2023

ENVIRONMENTAL  
SUSTAINABILITY