



TERMS OF REFERENCE

International value chain engagement and market transformation for sustainable avocado production in the Aconcagua valley, Chile.

Date: 20 July 2023

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1. INTRODUCTION

Through the Netherlands International Water Ambition (NIWA), the Netherlands government aims to increase water security and water safety in the world of humans, plants and animals, and to optimize the Dutch contribution to this. Under the NIWA, several ministries are involved: Foreign Affairs (BZ), Agriculture, Nature and Food Quality (LNV), Economic Affairs and Climate (EZK) and Infrastructure and Water Management (I&W).

This assignment is financed through the Partners for Water Program, one of the main instruments under the NIWA. The Partners for Water Program is commissioned by the Ministry of Infrastructure and Water Management on behalf of the Interdepartmental Water Cluster. The Partners for Water program is executed by the Netherlands Enterprise Agency (RVO), part of the Netherlands Ministry of Economic Affairs and Climate.

Through the Thematic Approach pillar of the program, Partners for Water is able to support projects in the nexus of Water, Biodiversity and Food amongst others in Chile. Under the previous Partners for Water program, a coalition has been developed in the Aconcagua valley in Chile.

Water and Agriculture in Chile

The Netherlands and Chile are closely linked through international fruit trade. 52% of Chilean avocados currently go to the Netherlands. A considerable amount is re-exported to other parts of Europe, as the Netherlands specializes in the logistical process, including quality control, ripening, and packaging. In 2020, 13% of the avocados imported into the Netherlands came from Chile, down from 18% in 2019. This decrease is due to lower yields related to persistent drought. The avocado is associated with a large water footprint. In Europe, the demand for sustainable agricultural products is increasing, as is the focus on preserving natural ecosystems.

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Chile is taking steps towards more sustainable agriculture, for example by improving irrigation systems and water productivity. The drought over the past decade has had a major impact on water availability and better catchment management is imperative to safeguard Chilean agriculture and preservation of river basin ecosystems.

The impact of recent drought has been very tangible in the Aconcagua valley, a priority fruit growing area in Central Chile, approximately 65km North of the capital Santiago. Large-scale fruit cultivation (49,000 hectares) combined with climate change impact (less rain) has put water availability in the catchment under pressure.

Chilean-Dutch collaboration

The governments of Chile and the Netherlands have a bilateral agreement on water cooperation with sustainable catchment and water resource management at its core. In this context, multiple Chilean and Dutch partners have come together to address the growing concerns related to agriculture and water stress in Aconcagua. This resulted in the creation of an Alliance integrated by The Dutch Partners for Water program, the Dutch Embassy in Chile, Nature's Pride (a Dutch importer of avocados, one of the biggest in Europe) and a wide range of Chilean partners, including water authorities, environmental organizations, universities and farmers' organizations for small, medium and large farmers, created an Alliance.

The Alliance has organized multiple activities to raise awareness and to prepare for collective water stewardship action in the valley. These included webinar series about sustainable water use in agricultural catchments, pilots with innovative technologies and approaches (Irriwatch, Salt Doctors), and multiple collective and individual stakeholder meetings in Aconcagua.

More information about the Alliance can be found [here](#).

Information about the webinars can be found [here](#).

A written report about the activities of the Alliance is available upon request.

In a next phase, RVO and the Nature's Pride Foundation (Nature's Pride's non-profit branch) hired water experts Good Stuff International to elaborate The Aconcagua Catchment Passport©. This document outlines in detail the current situation of the catchment, the challenges, and future outlook. The Passport also includes a sketch for a roadmap for action.

For more information about the Catchment Passport© Methodology please see [here](#) and [here](#). The detailed Aconcagua Catchment Passport is available upon request.

Building on the work done by the Alliance, the Nature's Pride Foundation subsequently hired Chilean consultancy firm Greenticket to further organize local

stakeholders in a network and create the conditions for the first step towards collective action. Greenticket further engaged public and private sector actors, organized multiple collective and individual meetings in Aconcagua, established the identity of the Aconcagua Network and outlined its strategic focus. Thanks to this work, the Alliance that was started three years ago is now gradually transitioning towards becoming an official territorial network, the Aconcagua Network. The Aconcagua Network has been created to become the official, inclusive and multi-stakeholder entity to coordinate activities in the valley.

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While RVO proceeds with international contracting under this tender, Nature's Pride Foundation has committed to contracting Greenticket for a second assignment in order to formalize the Aconcagua Network (legal entity, website etc.) and create its first official work plan that will guide water stewardship action in the valley following identified strategic priorities.

The institutional presentation of the Aconcagua Network is available upon request.

2. SPECIFICATIONS

The aim of this tender is to obtain a comprehensive strategy and implementation plan to involve international stakeholders in the collective action work in Aconcagua.

Partners for Water wants to build a robust business case for sustainable avocado production in Aconcagua, based on the water-food-biodiversity nexus. In this context, the international value chain –the buyers from Europe– play a pivotal role since it determines the commercial and financial conditions for purchasing fruit.

The suggested strategy for international engagement should also link with international initiatives like the Valuing Water Initiative.

Description

Much work has been done by RVO, the Netherlands Embassy, Nature's Pride, Greenticket with local and global stakeholders to prepare for collective action in Aconcagua. This assignment will bring together, complement and structure the work done so far to **deliver a comprehensive strategy and implementation plan that links local collective action to market transformation**. It will also **develop and work towards the organizational and financial structure needed to implement this strategy**. Concretely, this assignment consists of four parts:

1. Building an international coalition - traders, buyers, value chain partners, donors - to work on transforming the market for sustainable avocado, and to support the local network in Aconcagua in collective action, including through financial support
2. Providing strategic advice to Greenticket on governance of the local network and on matching local collective action with the international (market) coalition for maximum impact
3. Technical advice on optimising local water and biodiversity impacts of local action, plus monitoring and evaluation thereof, in line with international standards. The impact achieved on the ground should be very clear for the international community to engage.
4. Advise on potential upscaling of the current Chilean sustainable avocado coalition to other regions in Latin America.

By creating clear and supportive framework conditions, this assignment enables and empowers the local network of stakeholders, led by Greenticket, to take collective action towards a sound business case in the international market for sustainable avocado production in Aconcagua.

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Scope and activities

The scope of work and proposed activities are:

- a. International coalition for market transformation. Contact and invite traders, buyers and value chain partners to form a sustainable Aconcagua avocado coalition. Formalize and structure this coalition, including roles, responsibilities and contributions of members in a 'pact' or agreement. With this coalition co-design a common proposition and demand interventions that strengthen the position of sustainable avocado in the market. Identify and plan/implement opportunities for the coalition to contribute to the Aconcagua network through PR/communication, sharing knowledge, expertise etc.
- b. Finance. Develop a sound budget and financial plan for implementation of the strategy. Reach out to international partners, financial institutions and other potential donors for formal commitment to financing – parts of – the implementation of the strategy. Develop a dynamic overview of financial coverage of costs.
- c. Sustainable impact. Reviewing and complementing the proposed activities and measures with an eye to strengthening their impact on sustainable water management of the Aconcagua basin and biodiversity in Aconcagua. Develop a framework for integrating and monitoring and reporting on sustainable water management and biodiversity impacts of projects and pilots.
- d. Strategy. Revise available information on the current situation in Aconcagua, and the work done with the local network around defining the common goal and proposed actions for moving towards the goal. Strengthen or complement the work done, specifically on market transformation and sustainable water management – biodiversity at watershed level. Develop a comprehensive strategy that firmly embeds meaningful, effective, local collective action in a broadly supported market transformation approach.
- e. Implementation. Development of an implementation plan, including a results framework (M&E) and proposal for governance and organizational structure and financing of the local network.

NB1. Convening and building of the local network, dialogue, implementation of projects and pilots, communication with the local network, agreement on local common standards, contacts with local authorities fall outside the scope of this assignment, since these are the primary responsibility of Greenticket. Ref. 2nd assignment Greenticket.

NB2. This assignment requires limited travel to Aconcagua, Chili, principally in relation to the sustainable water management and biodiversity aspects of the assignment, as well as coordination with Greenticket. However, the center of gravity for this assignment lies in market transformation and embedding local collective action in the international value chain and market.

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- Cooperation agreement with coalition of relevant international stakeholders to work to transform the market for sustainable avocado and to finance, participate, and share expertise to support collective action by the network in Aconcagua.
- A broadly supported, well structured and detailed strategy, implementation plan and budget and proposal for financial coverage.
- A proposal and groundwork for an organizational and governance structure for the local network to facilitate the implementation of the strategy.
- Short advice on potential upscaling of approach to other avocado production regions in Latin America.

3. KEY COUNTERPART ORGANISATIONS

A broader set of counterpart organisations is supporting and/or connected to this assignment:

Organisation	Type of involvement and responsibility
RVO – Partners for Water	Contracting authority for this assignment.
Embassy of the Kingdom of the Netherlands – LAN Santiago	Support of the implementation of the activities within this assignment whenever necessary to advance the activities.
Nature's Pride Foundation	Dutch importer of avocado from Aconcagua. Nature's Pride Foundation actively supports this project to improve the resilience of the Aconcagua catchment area.
Greenticket	Chilean consultancy firm contracted to further develop the local network and a road map for concrete collective action.
Perfruts	Strategic program for sustainable fruit production in Valparaiso, the region of which Aconcagua is a part. Strategic project partner, network relations in the local avocado sector, especially with small and medium-sized avocado farms.

4. PLANNING

The assignment should be finished by the end June 2024. Progress reporting + presentation of intermediate milestone results is expected twice during assignment period – suggested dates end of November 2023 and end of February 2024.

5. REQUESTED COMPETENCES

Contractors may decide on roles and division of responsibilities, but at least the following qualifications, experience and backgrounds need to be incorporated in the team composition – if needed, an additional project partner can be brought on board for a specific work package:

- Knowledge of and proven experience with market transformation in international (agricultural) value chains.
- Proven practical experience with building international partnerships, with emphasis on the demand side of the chain, as well as financial institutions
- Sector Transformation taking into account the different values of water.
- Experience with coalition building for collective action.
- Proven project experience with sustainable water management techniques and strengthening of biodiversity in river basins.
- Eco-system expertise, to ensure projects and pilots have optimal biodiversity and water impact.
- It is required that at least the team leader and preferably all international and local experts are able to speak and write in Spanish (fluently);

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6. BUDGET

The maximum total price does not exceed 135.000,- excl. Netherlands VAT;

7. REQUESTED WORK PLAN AND CONTRACTING

Offer and work plan

The work plan should at least include the following elements:

- Overview of the proposed expert team members, including internal role/task division between team leader(s), international experts and local experts, connected to relevant expertise and project experiences related to the tasks described in the terms of reference.
- Approach for this project, divided in work packages, connected to expert deployment and a planning for the activities, including progress reporting – specify expected milestone results for November 2023 and January 2024
- Overview of relevant projects executed by the proposed team members and associated organisations, comparable to the scope and activities within the scope of the project described in the terms of reference.
- Communication and project management strategy (with all key counterpart organisations and a strategy for external communication)

The work plan may not exceed 20 pages, font Verdana 9pt (or comparable), excluding the front page, table of contents, budget overview and other attachments such as CVs. The work plan will be shared with a selection of key counterpart organisations in order to incorporate their feedback in the formal evaluation process. Therefore, the work plan, CVs and budget proposal need to be written in English and delivered as separate PDF-files.