

International Coffee Organization Global Living Income Benchmark Accelerator Request for Proposal

December 20, 2021

Summary

This RFP pertains to services required to support the International Coffee Organization (ICO) Coffee Public Private TaskForce (CPPTF) commitments to realize Resolution 465 and the London Declaration towards the long-term vision of prosperity across the sector. This commitment includes the ambitious concept of working towards a prosperous income and defining quantitative milestones on the path to prosperity in the 10 year roadmap. The Living-Prosperous Income Technical Workstream (LPI TWS), created by the ICO CPPTF and facilitated by the Sustainable Food Lab, has a workplan which includes the establishment of Living Income Benchmarks in at least 80% of ICO member producing countries by 2025, and 100% of ICO member producing countries by 2030. The goal is to have national stakeholders and interested members of civil society and industry engage and agree on the desired benchmark(s) of decent standard of living on the pathways to prosperity. These benchmarks are intended to be milestones by which to measure progress and/or challenges to promoting prosperity for the whole coffee sector, but particularly for those most vulnerable such as small farmers and workers.

To ensure these milestones are met, the **LPI TWS is seeking a research organization to produce indicative values of the costs of decent standard of living in key coffee producing regions** in order to accelerate action towards closing income gaps.

Background

The ICO is committed to the sustainable livelihoods of farmers growing coffee around the world and measuring the gaps in key origins to farmers reaching a Living-Prosperous Income. In order to better understand income gaps, it is necessary to have estimates of how much income families need in ICO producing countries for at minimum decent standard of living¹. Living Income is not an end goal but rather a minimum milestone on the pathway to prosperous income and is defined as:

"The net annual income required for a household in a particular place to afford a decent standard of living for all members of that household"

Anker Living Wage and Living Income methodology (Anker and Anker, 2017, Living Wages around the world: Manual for measurement) is recognized by the Living Income Community of Practice (LiCoP) and the Global Living Wage Coalition (GLWC) as the gold standard for measuring Living Income and Living Wage. The methodology originates from decades of work at the International Labor Organization and there is at present a substantial body of work available using the Anker methodology for a number of ICO member countries available from the Global

¹ *As methodologies are reviewed and accepted for defining prosperous income, the LPI TWS will consider these additional, and higher or more comprehensive benchmarks.*

Living Wage Coalition (<https://www.globallivingwage.org/>). While a number of countries have a full Anker Living Income Benchmark, they may not include all coffee growing regions, benchmarks might be outdated or have not been validated by regional and national coffee experts.

Activity Overview

The LPI TWS seeks to engage a global based researcher/research organization(s) to conduct benchmark studies to estimate the costs of a decent standard of living (a living income benchmark) using the Anker methodology in those countries that do not have a full benchmark, or it was not done in coffee growing regions, or does not have a process underway to calculate a benchmark.

1. Create **workplan** with the ICO TWS 1 to sequence research in countries of focus for ICO LPI TWS for each country benchmark status (see below). Those in Tier 1 must be prioritized for a full benchmark report.
2. For those countries with existing benchmarks, provide desk review of their **geographic relevance** for coffee growing regions.
3. For those countries prioritized for a full benchmark study, use the Anker Methodology to complete living income **benchmark reports** on the costs of a decent standard of living in each country, with a focus on the selected regions of coffee production within each country, including detailed narratives on data collected and methodology used.
4. **Present to ICO TWS 1** in two meetings – one design meeting to present the workplan and a second meeting at completion of project to explain the choices made in the research and help build support and acceptance of the results. These meetings will be between 1-2 hours each, with detailed pre-reads shared in advance and adjustments made to accommodate feedback. (This engagement will be supported by the TWS)
5. Compile the resulting values in a **narrative report for each benchmark** and one easy-to-access **database**

The countries below have been prioritized by the TWS, please refer to ICO Country Analysis Companion excel for background data. The remaining ICO countries will likely be contracted for in 2023 for a second phase.

TIER 1: FULL REPORT NEEDED		
PNG	Asia	Reference Value or other Study Exists
Ecuador	South America	Benchmark Exists
Costa Rica	Central America	Benchmark Exists
Mexico	Central America	Benchmark Exists
Uganda	Africa	Benchmark Exists
DRC	Africa	Reference Value or other Study Exists
Honduras	Central America	Reference Value or other Study Exists
Indonesia	Asia	No Benchmark Exists
Ethiopia	Africa	Benchmark Exists
Vietnam	Asia	Benchmark Exists
Cote d'Ivoire	Africa	Benchmark Exists
Tier 1 B: CALCULATED VALUE ACCEPTABLE		
Sierra Leone	Africa	No Benchmark Exists
Angola	Africa	No Benchmark Exists

El Salvador	Central America	Reference Value or other Study Exists
Rwanda	Africa	Benchmark Exists
Togo	Africa	No Benchmark Exists
Panama	Central America	Reference Value or other Study Exists
Cameroon	Africa	Reference Value or other Study Exists

Purpose

The reports and database are primarily to inform the actual income assessments of the ICO CPPTF within ICO exporting member countries that are intended to support development of private-public partnerships to close income gap and develop pathways to prosperity. The reports and database will also be shared by the ICO to enable their use by a range of stakeholders involved in coffee production and by others interested in living income issues in the global coffee sector. All data collected and analyzed, as well as the methodology used and underlying assumptions, must be available for public use.

Methodology

Implementation of the living income methodology needs to occur in a harmonized way to ensure consistency and quality, and therefore, legitimacy among relevant stakeholders. The process criteria below will govern the review and development of the studies. The researcher/research organization(s) will be expected to follow the published Living Wages Around the World: Manual for Measurement that details the Anker Methodology for calculating living wage, within which is included a cost of living assessment methodology that would also apply to living income. The selected researcher/research organization(s) will apply the methodology to complete living income reports for each benchmark and compile the resulting values in an easy-to-access database. Other methodologies will be considered if they meet the principles below.

Process criteria	Explanation
Transparency	The methodology is clearly described and transparent, and the report includes the assumptions behind the living income estimate and the secondary and primary data sources, so that users understand the components of the estimate and are able to compare it to other benchmarks, such as national or international poverty lines.
Normative basis	Study based on normative standards for nutritious food, healthy housing, adequate health care, and education of children through secondary school (eg WHO and UNHabitat)
Time and place-specific estimates	The study should be explicit regarding the geographic region of focus, the extent of the sampling, as well as the time period it is valid for.
International comparability	Benchmark methodology is standardized across countries, so benchmarks can be compared; centralized expert review process for quality control

Comparison with actual incomes	Calculating in such a way to enable a comparison with actual incomes of people within the geographic region of the study, particularly to adjust for different household sizes
Stakeholder Dialogue	Study was developed with input from key stakeholders in the geographic region and/or sector of focus (in this case coffee)
Relevance for Coffee Sector	For the ICO process, the benchmark should have been conducted for the costs of living in coffee growing regions or in regions that are statistically similar to coffee regions in terms of costs of food, housing, etc

Deliverables

- Using the Anker Methodology create a report on cost of a decent standard of living in the selected regions of each country, including data collected, analyzed and methodology used.
- Along with the LPI TWS, engage stakeholders before and after study to explain the choices made in the research and help build support and acceptance of the results.
- Easy to access database of benchmark results²

Criteria for Lead Researcher/Research Org

- Have at least 10 years of research experience, with a track record in the field of economic analysis, poverty research and livelihoods;
- Knowledge and experience analyzing household survey data and analysis of secondary economic and nutritional data (particularly the big data sets from national expenditure and living standards surveys), with strong mathematical skills
- Understanding of terms and conditions of work and living conditions in the research countries
- Embedded within a global research organization or network. It is highly preferable to have a researcher who has links with universities/research institutes in the countries of interest to better facilitate the work, and provide additional support through colleagues if necessary. If this is not possible, then local connections as well as support mechanisms through a research institute or university elsewhere must be clearly demonstrated
- Fluency in English is **necessary** (written and verbal); working knowledge of French and Spanish helpful
- Social science background - at least a Masters' Degree (preferably a PhD) in a Social Science or related discipline, **preferably economics**
- Knowledge of and experience in research with the coffee industry is preferred though not required
- A publication record in reputable journals preferred
- Experience presenting findings to important stakeholder groups

Proposal

All parties who wish to express an interest in this assignment should send a statement of interest in carrying out the work and qualification considering the above-mentioned criteria.

² See this database as an example for reference: <https://align-tool.com/resource-library>

It is important to indicate suitability and availability to conduct this work, beginning in Q12022 and to be completed no later than Q2 2023.

Submitted proposals should include costs in a day rate including all additional expenses and taxes. However, all budgets must ultimately be based on deliverables. The submission shall include the following information:

1. Name(s) and contact information of main investigator and main contact person
2. A presentation of the researcher (or team), including a summary of experience. Additional information may be requested from finalists such as relevant publications or studies (including references or links to those) and an annex with short CVs (preferably no longer than 2 pages each)
3. A statement that the relevant members of the research team are available to conduct the work within the time frames set out in the TOR.
4. A brief explanation about why the team is interested in conducting the work and how the team plans to structure its work (max 1 page).

Email submission letters to Wolfgang Weinmann weinmann@ico.org and Kaitlin Murphy kmurphy@sustainablefood.org with "Submission: ICO RFP LIB" in Subject line. Deadline for submission is January 20, 2022. Submissions will be reviewed by January 29, 2022 and a final decision made by the ICO and Living Prosperous Income Technical Workstream soon thereafter.