

## TERMS OF REFERENCE

### Benefit-Cost Analysis (BCA) of Eco-packaging Materials for Na Chuong and Tan Duc Cooperatives

#### Background

VECO has been working on safe vegetables chain development since 2008 in Viet Tri City, Phu Tho Province and Lang Son City, Lang Son Province. And one of the challenges faced is the lack of consumer awareness on safe vegetables and how to differentiate safe from regular vegetables. Safe vegetables are often marketed in the same way as regularly-produced vegetables, in bulk and by weight. Often there is no distinctive marking or packaging material informing consumers that such vegetables are indeed safe. The lack of product and marketing differentiation create ambiguity and distrust among the consumers. This is a challenge faced not only by VECO but amongst safe and organic vegetable producers, distributors and retailers.

Adequate labeling and packaging is important to tackle the challenge of product differentiation and gaining consumer awareness and trust. For VECO and many other organizations the challenge goes even beyond the development of an adequate packaging, as the sustainability aspect should be taken into account. Between August to October 2012, with funding from VECO, several trials were conducted by the Sustainable Product Innovation or SPIN<sup>1</sup> under the project “Eco-friendly packaging for safe vegetables.” The results of the tests recommend LLPDE<sup>2</sup> as alternative packaging material for non-biodegradable plastics, which are commonly used today. The analysis of benefits and costs of such eco-friendly packaging material was not part of the testing.

The BCA is a continuation of the project “Eco-friendly packaging for safe vegetables” building on its recommendation. It is essential that this analysis is undertaken before being promoted for use by VECO partners in Viet Tri City and Lang Son City.

#### Objectives

This follow-up study aims to determine the benefits and costs associated with using the eco-packaging materials from the perspective of the safe vegetable producers and consumers. Specifically, the BCA will answer the following questions:

1. What is the financial net benefit to the farmers of the recommended materials compared to the non-biodegradable plastic bags that they are presently using in packaging their vegetables for sale?
2. What are the benefits to consumers in having their vegetables packaged with bio-degradable materials?
3. What are the implications of the eco-friendly packaging materials to women and children?
4. What are the implications of the materials to the environment?
5. Should the eco-packaging materials are viable within the operation of Tan Duc and Na Chuong Cooperatives, how should they incorporate its use in their production and marketing system?

---

<sup>1</sup> SPIN is a project funded by the SWITCH-Asia Programme of the European Union, implemented in Vietnam, Laos and Cambodia. The aim of the SPIN project is to contribute to improved innovative power of industry and improved environmental and societal quality of products in Vietnam, Laos and Cambodia.

<sup>2</sup> These are called Linear Low Density Polyethylene or LLPDE.

## **Methodology**

The study will employ the services of a national consultant. It will involve some **desk study** on effects of non-biodegradable plastic and the use of eco-friendly materials for packaging. **Field work** will be done at the VECO project sites (Viet Tri and Lang Son) interviewing and meeting with representatives of farmer cooperatives, relevant government agencies (like Environment Office, Health Office, Disaster Office or similar agency, Trade and Industry Office), consumers, private sector, NGOs, research institutions and others. S/he will also conduct data gathering from suppliers of non-biodegradable plastic bags, and manufacturers and suppliers of bio-degradable materials within Hanoi and Ho Chi Minh City.

Specific activities include:

1. Review of literature/desk study
2. Interview and focused group discussions with respondents on site
3. Visit and interview with Hanoi suppliers of plastic bags
4. Visit and interview with South Vietnam manufacturers of bio-degradable packaging materials
5. Consolidation and analysis of outputs
6. Report writing
7. Submission of draft report
8. Presentation of draft report
9. Finalization of the report

**Time Frame:** A total of 12 working days is foreseen within June-July 2013.

**Deadline for submitting proposal (with budget) and brief CV to VECO:** 31 May 2013; to be addressed to:

Regional Representative  
VECO Vietnam  
No. 4, Thuy Khue St., Tay Ho District, Hanoi, Vietnam  
Email: eduardo@veco.org.vn

### **Final report submission**

The final written report in English is expected to be submitted to VECO-Vietnam on or before July 30, 2013

### **VECO Supervision**

This BCA will be coordinated by a VECO Program team to be led by the SACD Program Manager. He will supervise the day-to-day activities of the consultant and will ensure that the consultancy reaches its successful completion.

### **Consultant's desired qualifications:**

- Vietnamese National
- Economist with strong background on financial accounting and management.
- With research experience and community work, preferably in the field of agriculture and rural development.
- English proficiency in speaking and writing