

Request for Proposals

Living Income Community of Practice

Towards Guidance on Measuring Income Gaps When Aligning with Anker methodology

Background

The Living Income Community of Practice (LI CoP - see www.living-income.com) brings together representatives of businesses, standards systems, NGOs, governments, farmer organizations and research institutions to advance measurement and action to raise the incomes of smallholder farmers. The work of the Living Income Community of Practice builds on an agreed definition for the concept of 'living income'.

Participants in the community have identified the need for guidance on measuring the gap between actual farmer incomes and estimates of living income in a particular location. As such, the LI CoP has recently developed guidance on how to do this in smallholder farming contexts¹, for instances where farm household data can be collected through surveys and or, is readily available².

However, the collection of detailed household income data for smallholder populations is not always feasible, nor is data readily available, and so there is a need to explore alternative approaches for circumstances where only partial data exists. The work to be conducted under this RfP would aim to explore such approaches, whilst complementing existing gap measurement guidance.

This request for proposals covers the development of a research piece that will explore data sources and assumptive/modelling approaches that can be used to *estimate* household incomes and the living income gap in situations where:

- An organisation or initiative does not have resources to collect detailed household survey data.
- An organisation or initiative only has partial information on household incomes.
- Household income data is absent.

This research would focus on use cases where an organization or initiative is considering using any data that they do have and or other sources of information to attempt and build a picture of incomes, and or is potentially looking for alternative approaches to quickly estimate incomes to support regular income monitoring against living income benchmarks using a less resource/data-intensive approach.

In support of the ongoing work around income and gap measurement the LI CoP has formed a technical advisory committee. The members of this advisory group have provided initial input on the priorities for this work and can be called upon for support at the discretion of the chosen consultant.

¹ In smallholder farming contexts a large portion of the labor for agricultural activities often comes from family members and where households draw income from a variety of agricultural and non-agricultural sources.

² The guidance pieces on gap measurement where income data can be collected or is readily available cover the fundamental income components to be considered in measuring actual income, the contextual decisions that may have to be made during household surveys, adjustment requirements for making actual income data and living income benchmarks comparable, and approaches for visualising the income gap.

Request for proposals: Research into secondary data sources and approaches that can be used to estimate actual household incomes and the income gap in absence of complete household income data.

ISEAL, in its role coordinating the LI CoP, is requesting proposals to develop a research piece which explores data sources and approaches that are and can be used to estimate actual incomes and the living income gap for smallholder farming households³. It would lend itself to circumstances where:

- Organizational data on total household incomes is not exhaustively available (e.g. data gaps exist, or information is absent).
- where collection of income data via household survey is not feasible within a required budget and timeframe.

In order to achieve this, the chosen consultant would need to research secondary data sources that are being and can be used to support in the estimation of household incomes, as well as modelling and assumptive approaches that build a picture of incomes using household data subsets, proxies, and or secondary information. This could be achieved through desk research, interviews, or a combination. Ideally the sources and approaches deliberated will be tested and in active use by companies, NGO's, governments, researchers etc.

The aim of this research is to share learning and raise awareness amongst actors of available options for estimating incomes. It builds on the understanding that conducting comprehensive household income surveys can be expensive and time-consuming, and that this should not get in the way of an organizations ability to monitor and evaluate the income circumstances of smallholders. The focus therefore is on being able to make the most of data that already exists (both internally and externally). It is important that this research builds on, and is consistent with, the understanding of living income and income gaps already developed within the Living Income Community of Practice (see [From Living Wage to Living Income](#), [living-income.com/the-concept](#), [living-income.com/measurement-actual-income](#) and [Analysis of the income gap of cocoa producing households in Ghana](#)). It should directly reference the common language and concepts within the guidance on [calculating actual household income](#) and measuring the gap (soon to be published).

Audience for the research document

The audience of this research piece would be analysts, M&E practitioners, and decision makers within organizations (companies, NGO's, governments etc.) who are looking for ways to evaluate income performance of farmers in relation to Living Income. It would include those considering and attempting to incorporate the achievement of Living Incomes into their organizational strategies.

To address the needs of this audience, the research document will include technical details of the data sources and approaches identified, but be written in accessible, jargon-free language and include examples and explanations of technical concepts that a practitioner audience may not be familiar with. Where relevant, the consultant should align with language and definitions used in the LiCoP.

³ This assumes that a representative living income benchmark is available to compare income data to.

Scope of the research document

The document will address at least the following elements associated with estimating the income gap.

1. Context setting (very brief)

- a. An explanation of what is meant by estimating actual income vs calculation using full household survey data.
- b. An overview of the situations under which an organisation would consider using multiple data sources and or modelling or estimation approaches to estimate actual income – e.g. if there are components of an actual income calculation where data is missing, where some data is available yet not a full picture, where data might be completely absent, or for less exhaustive income monitoring.

2. What secondary data is being used in estimates of actual income?

- a. Identification of secondary data sources or types of data sources through research (interviews, desk based etc) that are being used to fill gaps in an actual income calculation or estimation, and supplement data one might already have when only partial household income information is available. This should include information on whether data is regularly updated.
- b. Map out viable data sources/types against fundamental elements required for calculating actual incomes that are identified within [the guidance on actual income calculation](#) to provide a clear picture of where alternate data sources and types can substitute missing field data. It may be that some secondary sources can provide data for multiple actual income elements (and as composites), and we would want to make these clear. E.g below:

Key actual income component	Alternative secondary data sources	
Crop revenue	<ul style="list-style-type: none">• X UN source• X Government source• X World bank	<ul style="list-style-type: none">• X Net farm income data source (source that captures net farm income, which is a composite of income and production costs).
Production costs	<ul style="list-style-type: none">• X Survey data• X Published dataset	
Non-farm labour incomes	<ul style="list-style-type: none">• X Government repository• X NGO database	

- c. As part of this framework, explore pros, cons and considerations around using different secondary sources in different situations.

3. What modelling or assumptive approaches are being used to estimate actual income?

- a. Explore approaches from research that can be used to estimate actual incomes - E.g options that involve adjusting existing data for a different context, using insights to extrapolate information an organisation might already have, and modelling approaches which can build a picture of the existing situation based on assumptions.
- b. Explore pros, cons and considerations around using different approaches.

The information will be organized into one or more user-friendly frameworks for presenting the information gathered. This framework(s) should consider at least: 1) different components of income that need to be measured (see [guidance note 1](#)), and 2) the use case (e.g. level of specificity needed, one time estimate versus monitoring over time, etc). (Before finalization, the consultant will present a draft of the framework for discussion with ISEAL and LiCoP partners before settling on a final approach.)

The document should have references and links that allow people to find more information about the approaches and data sources that are found. To bring technical elements to life, case study boxes could be considered which provide additional details and examples of the utilization of different data sources and approaches. These case studies should exemplify different approaches organisations could take.

There are no specific requirements for the length of this document – it should be as concise as possible, while covering the necessary content and meeting other objectives for the research.

Process of developing the resource

The authors of the research piece will be expected to share drafts with ISEAL and LICoP partners for review and comment. We expect the technical advisory committee and others in the LI CoP to be good resources for the authors in undertaking this research, and we will assist in making these connections.

We are also able to assist in making any connections with organizations that subscribe to the LI CoP who the consultant may wish to reach out to as part of this research.

Authorship of resource

We anticipate that authorship of the resource will remain with the individuals who are contracted to do this work, provided that the resource is written in a form that directly meets the needs of the intended audience. If additional work is needed to refine the research piece, additional authors may be added.

It will be important to acknowledge the role of the technical committee and others who participate in the thinking that goes into the resource.

Branding will be consistent with other resource documents of the LI CoP, and it is the responsibility of the LI CoP to adjust this branding once a final draft has been completed and received from the consultant.

Timing and Budget

The choice of consultant for this work will be made by the July 1st. The expectation is that work on the resource would begin no later than July 15th. Work to be completed by September 20. This timeline will need to allow for at least 1 week for comments and review on a first draft and the frameworks used. If this timeline is not feasible, the proposal should include a realistic timeline.

Consultants submitting proposals should include a budget quotation for the work that includes the number of days anticipated for completion and a consultancy day rate. The cost of formatting and final digital publication of the document should not be added to the quotation given that this will be the responsibility of the LI CoP.

The budget the LICoP currently has for this work is **GBP 6,500**, however we are aiming to locate additional funds. To support us in justifying fund raising and reallocation, please proposed the scope of work that could be covered under the current budget available. Please do also then propose additional activities or report elements that could be added to this scope and the budget separately.

Process for submissions

Interested parties are requested to submit a short technical proposal (no more than 4 pages) that includes:

- A proposed approach to undertaking the research (e.g. desk and or interviews) and list any key contacts or organisations that may already be under consideration to reach out to or feature.
- Proposed outline for the research piece, further fleshing out or suggesting additions or subtractions from the scope of work outlined above (See 'Scope of the research document') and/or ideas for a framework for presenting information or the use cases to shape the work
- Proposed research team for the project, with explanation of what each team member will be involved in and bring to the team
- A timeline for the work, including an estimated completion data and milestones along the way (See 'Timing and Budget')
- A budget including VAT for the work (see more details above under 'Timing and Budget'). The budget should also indicate the daily rate of those who will work on the contract.

Submissions will be reviewed, and a final decision made by the coordinating committee of the LI CoP (ISEAL, Sustainable Food Lab, and GIZ). The coordinating committee may decide to interview short-listed consultants as part of the review process.

Any comments regarding the submission process or technical questions about the work or deliverables should be directed to adam@isealalliance.org with kristin@isealalliance.org in carbon copy.

Submissions should be sent to adam@isealalliance.org with kristin@isealalliance.org in carbon copy.

Deadline for submission is June 24th, 2020.