

TERMS OF REFERENCE FOR A MARKET ASSESSMENT IN ISIOLO COUNTY

1. Project Background

USAID NAWIRI is a USAID Office of Food for Peace (FFP) funded Development Food Security Activity (DFSA). Catholic Relief Services (CRS) is the prime grantee with 6 sub awardees including Village Enterprise (VE). The project will be implemented in Isiolo and Marsabit Counties. The program aims to play a major part in shifting the framing of and response to acute malnutrition from a relief and emergency response to sustainable, evidence-based, multi-sectoral and systems-driven local solutions.

NAWIRI will investigate the drivers of malnutrition in the target counties, adopting a framework highlighting the role of livelihood systems, formal and informal institutions and systems, and the environment and seasonality, in driving three underlying causes: household food security, the social/care environment and access to health services/environment.

Village Enterprise will pilot an Adapted Nutrition-Friendly Graduation Pilot in Isiolo. The pilot will attempt to generate evidence on whether “The graduation model is an effective approach in reducing acute malnutrition among the extremely poor households in Isiolo County, by supporting them to achieve sustainable livelihoods.” During this phase, Village Enterprise will support 600 households in groups of three (3) to start 200 income generating activities (IGAs). It is envisioned that the pilot will be conducted in at least two geographically diverse settings (Merti Ward - very remote; and Ngaremara Ward - rural with access to markets).

2. Rationale and Approach of the Market Assessment

The project is making an explicit effort to better understand how the markets surrounding each value chain operate, such that interventions can be better targeted and lead to sustainable and scalable results with vulnerable groups including women, people with disabilities and youth led households. Village Enterprise (VE) seeks to conduct a market assessment that will deepen understanding of what is causing markets to underperform and how they can be supported to become more inclusive of the ultra-poor. It will involve two key stages: an in-depth, focused desk study and primary data collection and analysis.

The assessment will look at the following three components:

- a. **A socio-economic assessment** to collect information about the characteristics and background of the target group, the socio-economic environment¹ in which they currently make a living, as well as the legal environment and available support functions for the ultra-poor and vulnerable groups.

¹ Defined by but not limited to: (i) demographics segregated by age (youth and adults) and gender (male/female), (ii) level of education (iii) livelihood activities (iv) employment and other sources of income (v) infrastructure (e.g roads, information and communication, buildings – factories et.c)

- b. **A market assessment with in-depth analysis of value chains** with potential for inclusive growth. The market assessment will identify value chains with high potential, relevant to the ultra-poor (particularly prone to persistent acute malnutrition), that will then be analyzed further. The purpose of the value chain analysis is to determine how the identified value chain(s) can be further developed and supported to better integrate the ultra-poor in the market/anchor enterprises.
- c. **Recommendations** for market-based livelihood strategies targeting the ultra-poor, with practical action points.

The Market Assessment will inform the Village Enterprise's Enterprise Development Strategy with up-to-date, relevant and reliable market information that indicates the economic sectors the NAWIRI-supported Business Owners (BOs) should focus on to achieve market access, profitability and sustainability. The IGAs should also be sensitive enough to contribute to improving nutrition outcomes within particular communities and beyond. The assessment findings will enrich the Project's Adapted Nutrition-Friendly Graduation Approach by strengthening the self-reliance of the ultra-poor and vulnerable groups, thereby contributing to broader local economic development and nutrition outcomes.

The Market Assessment is a self-contained assignment with a precise timeframe and expected outputs. However, it will also be the crucial foundation of a longer and broader cycle of market analysis within and beyond the NAWIRI Project. The consultant is therefore required to give a clear and realistic direction to the Village Enterprise's strategy of support to market-oriented product development, through an evidence-based indication of the economic sectors and sub-sectors that would fit the ultra-poor and vulnerable groups beneficiaries' contexts and capacities, as well as display the potential necessary for further viable financing to IGAs by other financiers.

Several Graduation Approach interventions will tie into the market strategy outlined by this market assessment: training, capacity building, business planning, product development, marketing and networking support and other NAWIRI services geared towards reducing acute malnutrition among target beneficiaries.

The Market Assessment will be conducted in Ngaremara and Merti wards, with the support functions within the County in mind.

2. Overall Objective of the Market Assessment

The overall objective of the market assessment is to:

Investigate the IGA markets (Ward level and County Level) to identify those economic sectors/sub-sectors with the highest potential for contextualized types of solutions to be developed through Graduation Approach interventions.

The assessment should query of the commodities traded within the respective wards: (i) those that are necessities, (ii) the substitutes for these commodities in (i), (iii) whether the commodities in (i) are consumed in greater or lesser quantities as incomes rise and (iv) the elasticity of the demand of these commodities.

Subsequently, the results will be used to inform specific, updated, and reliable advice as to which areas of business are most promising for Graduation Approach supported beneficiaries to exploit.

3. Specific Objectives of the Market Assessment

The Market Assessment will be conducted in two stages. The first stage will be a desk study to review available secondary data and the second stage will be in-depth primary data collection and analysis.

The key objectives of the Market Assessment are:

- I. Define the micro-enterprises market size in the project areas
 - a. Identify the economically feasible sectors and sub-sectors within the project area e.g. livestock and agriculture, wholesale and retail trade, the service industry, handicrafts, gums and resins et.c.
 - b. Identify those sectors with higher growth potential and with a clear definition of level of IGA participation.
 - c. Map out the current geographic and sectoral distribution of the IGAs distribution within the project area.
- II. Evaluate the micro enterprise landscape within the areas of coverage and profile the micro-enterprise activities
 - a. Examine the activity sectors, legal status and structure of sampled enterprises
 - b. Identify the availability of anchor businesses and the levels of their participation in the sampled enterprises
- III. Evaluate the market availability for micro-enterprises (or IGAs) within the project areas
 - a. Profile the available market outlets (including anchor businesses) relevant for the identified IGAs, including their location, structure, service offering, processes, capacity and prices.
 - b. Identify available business networking events within the project areas such as trade fairs, exhibitions and workshops. This includes describing the target sectors, event frequencies, events coverage, participation requirements etc.

2. Structure of the Market Assessment

The Market Assessment will take place in two stages:

Stage 1: Desk Study – This will include collecting, organizing and synthesizing available information on micro enterprises (or potential income generating activities) feasible for the ultra-poor in Isiolo County, particularly in Merti and Ngaremara Wards. This should provide insights to the NAWIRI Team to better understand the ultra-poor context and potential businesses that they can feasibly pursue. This preliminary mapping of the supply side and demand side will be followed by review and feedback sessions engaging the project stakeholders, to select high potential sectors.

Stage 2: In-depth primary data collection and analysis of the selected sectors from the supply and demand point of view, to come up with recommendations of viable market penetration and expansion strategies for the supported IGAs.

At the end of the Desk Study (Stage 1), the firm/consultant should present the key findings and facilitate a consultative review of the preliminary results with key stakeholders and project staff. The review meeting will be composed of a structured presentation by the firm/consultant including findings, available options and interim recommendations, followed by a discussion aimed at determining the specific direction of the primary research (Stage 2).

The firm/Consultant will be contracted to offer consultancy services for Stage 1 and may be considered to provide their services for Stage 2, dependent on satisfactory delivery of the Stage 1 assignment.

3. Workplan and Payment Modalities

The daily activities of the Market Assessment will be specified in and organized through a workplan which details the tasks of the firm/consultant, the timeframe and resource allocation for each activity, as outlined below:

Milestone	Means of Verification	Timeframe	Payment Modalities
Inception <ul style="list-style-type: none"> - Inception meeting with VE/ NAWIRI team leads - Preparation of a detailed workplan for both Stage 1 and 2² - Preparation of a budget for both Stage 1 and Stage 2³ - Development of the initial Bibliography 	<ul style="list-style-type: none"> - Minutes of the Inception Meeting - A Detailed Costed Workplan - A Full budget breakdown - Initial Bibliography 	5 Days	20%
Complete the Desk Study <ul style="list-style-type: none"> - Complete and submit a Draft Assessment Report (as per prior agreed format/ ToC) - Present Preliminary Findings to the VE/NAWIRI Team 	<ul style="list-style-type: none"> - A Draft Study Report - A PowerPoint Presentation 	17 Days (14 Days for Desk Study plus 3 days to draft report)	30%

² The Detailed Workplan for Stage 1 should be on a separate worksheet from that of Stage 2

³ The Budget for Stage 1 should be on a separate sheet from that of Stage 2

<p>Incorporation of feedback into the report. Submission of final report</p> <p>Facilitation of interactive 2-hour (tbc) session with key stakeholders. To include ppt presentation of key findings, recommendations and questions raised, and a Q&A session</p>	<ul style="list-style-type: none"> - Final Report - Final PowerPoint Slides (as per prior agreed format/ contents) - Facilitation with prepared ppt including key findings etc. 	<p>4 Days</p> <p>(3 days of developing final report and 1-day (including 0.5 day preparation & 0.5 day) delivery at CRS)</p>	<p>50%</p>
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4. Methodology

The Market Assessment should utilize a coherent approach which will allow for very practical references to the above-mentioned sub-sectors, and which will reflect a deep understanding of the Isiolo/Pastoral markets and suitable knowledge of the micro-enterprises sector in the target area.

Stage 1 of the Market Assessment will involve review of secondary sources through literature review, to provide Village Enterprise with detailed, updated, relevant and reliable quantitative data and qualitative information as appropriate. This means that the firm/consultant will be responsible for gathering reliable and comparable quantitative data.

Stage 2 of the Market Assessment will employ mixed methods. The firm/consultant should propose the tools and specific methodological approach for the primary data collection. These should include but not limited to; key informant interviews, FGDs with primary communities and other stakeholders and observations.

The assessment will include a systematic cost analysis and revenue models for enterprises that might be considered as high potential sub-sectors by the Market Assessment. The assessment should clearly indicate which enterprises/sectors of production are more likely to have good marketing potential for the NAWIRI-supported future entrepreneurs and should express the order of priority by providing a ranking of sectors and sub-sectors, to constitute an effective pointer for the strategies of women and youth led enterprises in particular. For each of the recommended business areas, the corresponding market segment should be indicated and described, as well as the suitable marketing strategy and distribution channels.

Issues of legislation, regulations, standards, licenses and trade procedures connected with the recommended enterprises should be looked into by the Firm/ Consultant and the main findings included in the analysis.

5. Reporting

The final output of the consultancy will be a comprehensive report on the Market Assessment produced in English, with an accompanying PowerPoint presentation highlighting key learning/ findings, recommendations and questions raised.

All bibliographical or other sources of secondary information should be cited with full publication details in an Annex. The report structure will include a clear Executive Summary (3 pages max), final conclusions and specific recommendations for action within the NAWIRI context, and other sections as agreed/ guided.

Duration of the Assignment

Stage 1 of the assignment is expected to take 26 days in total. It is anticipated that Stage 1 of the assignment will be completed by July 30th 2020.

Note:

A new timeframe will be agreed with the consultant for the Stage 2 follow-on short-term assignment, if the above deliverables are completed to the necessary degree of quality and on time (hence tbc later).

6. Application Procedure

Qualified and interested consultants are hereby requested to apply by submitting their proposals to kenyajobs@villageenterprise.org not later than 17.00 hrs on June 19th, 2020. The application must contain the following:

- A technical proposal with brief description of no more than 4 pages of why the Consultant is the most suitable for the assignment, with details of the previous work of a similar nature, that the consultant has conducted. It should give a detailed, clear methodology, on how the consultant will approach and complete the assignment.
- The technical proposal must also contain personnel CVs for the Consultants performing the contract. These CVs must indicate educational background/professional qualifications, past relevant experiences, as well as the contact details (email and telephone number) of the Consultants to perform this contract. A detailed description of the Consultants' experience and at least three (3) professional references must also be provided.
- Financial Proposal that indicates the all-inclusive fixed total contract price, supported by a breakdown of all the costs.
- A copy of at least 2 reports of similar work done in the past 5 years

7. Evaluation Criteria

The Firm/Consultant will be evaluated against a combination of technical and financial criteria (combined scoring method). Maximum score is 100% out of which technical criteria equals 70% and financial criteria equals 30%.

The technical evaluation will include the following:

- I. Fulfillment of all statutory obligations for working in Kenya (Valid KRA Pin, Tax Compliance Certificate, Work Permit) – 10%
- II. Firm/Consultant's experience in successfully conducting work of a similar nature and magnitude.
 - a. Education and experience of the lead consultant – 15%
 - b. Extensive expertise, knowledge, and experience of the micro-enterprises market in Northern Kenya, marketing and risk management issues, specifically for micro-enterprises, at the systemic and institutional levels – 15%
 - c. Extensive conceptual and practical knowledge of micro-enterprise sectors and operating environment, notably in the Northern Kenya Region – 15%
 - d. At least 8 years' experience in conducting market research assignments in Kenya in the micro-enterprises space – 15%
 - e. Proposed Stages in process – 30%

The financial evaluation will include the following:

- a. The Firm/Consultant's experience in successfully conducting assignments of this magnitude – 50%
- b. Total proposed budget for the completion of this Study – 50%

8. Desired Qualifications of the Firm/Consultant

- a. Masters' degree in economics, data analysis, development, livelihoods or a related field. A Bachelor's Degree will be considered where the Firm/Consultant has over 10 years of experience.
- b. Minimum 7 years' experience of in-depth work and/ or management of similar projects and activities focusing on market analysis within development and/ or humanitarian settings.
- c. Extensive critical literature review/ research experience, including proven ability to produce strong reports and summary reports in the English language.
- d. Proven ability to take initiative and complete tasks on time.
- e. Knowledgeable of the local ASAL economic and political contexts including value chains, and able to identify and connect with relevant stakeholders
- f. Ability to produce clear, well-written reports for a diverse audience of development entities, government authorities, private sector actors, etc., presenting the required information in strong written English.
- g. Specialized expertise in assessments of market based and livelihoods/ development initiatives, especially in the ASALs or similar contexts.