

Terms of Reference

Data Analysis and Report Writing on Crop and Livestock Marketing Systems in Luuq, Doolow & Belet Hawa Districts

Background

The Somalia Resilience Program (SomReP) is a consortium comprising of seven international non-governmental organizations, namely: Action Contre la Faim (ACF), Adventist Development and Relief Agency (ADRA), CARE International (CI), Cooperazione Internazionale (COOPI), Danish Refugee Council (DRC), Oxfam, and World Vision International (WVI). World Vision (WV), as principal recipient and lead agency for the Somalia Resilience Programme (SomReP) consortium. SomReP is a 5-year program which aims at enhancing resilience in Somalia with an overall objective of building household and community resilience to drought and related risks in Somalia.

SomReP's focus areas are in pastoralist, agro-pastoralist and peri-urban livelihoods zones in eight regions of Somalia – Gedo, Galgaduud, Hiraan, Nugal, Sanaag, Sool, Mudug and Togdheer.

The Crop and livestock market systems establishment focuses on three districts in Gedo region, namely Luuq, Doolow and Belete hawa.

Luuq, Doolow and Belete hawa are located on the trade routes of southwest Somalia. Most of the surrounding area is arid rangeland. The districts have an estimated population of 97079, 41020 and 86684 people, respectively. The rural communities are located in the Dawa pastoral livelihood zone, 3-10 kilometers from the Juba River. This narrow belt of fertile land supports the production of a wide range of crops including maize, cowpeas, sorghum and beans for consumption, while watermelon, tomatoes, onions and lemons are traded in local/regional markets.

Despite access to one of Somalia's two primary rivers and cross-border trade opportunities, rural households are extremely poor, characterized by low incomes, depleted livelihood assets (>50% of the agro-pastoral wealth group lack basic farm inputs, furthermore, average herd size of all pastoral wealth groups declined drastically over the last 10 years), and high debt rates.

Luuq, Doolow and Belete hawa Towns are having semi-urban settlement, and serves as an economic and market hub for trade. The main livelihood of the target communities revolves around pastoralism producing goats and sheep that are sold in the local market in the district towns; cattle and camel that are exported to Kenya and other countries via Mogadishu. The pastoral sub sector plays an important and pivotal role, socially and economically with trade as an essential socio-economic activity for the survival of the population in this livelihood zone. Petty trade and casual labour offer poorer households an alternate livelihood sources.

A distinct feature of the pastoral sub sector is its unstable nature due to recurrent drought that affects most parts of the district where the dominant livestock sector suffers most. Other constraining factors include a highly variable rainfall pattern, broken/low access to extension advisory services, lack of infrastructure, political marginalization, insecurity, and natural resources degradation; natural resources competition that intensifies with time, and rigid socio-cultural factors. Despite the

challenges, the social capital among pastoralist is usually very high as a coping mechanism and remains one of the best options in initiating change and development.

Evidence from several ongoing projects implemented by WVS/SomRep (OFDA, DANIDA, DFATD, FAO Livelihoods & CFW, and COOPI-ECHO) in the Gedo region suggests a strong relationship between economic security and food security¹. There are lessons on the possibility of increasing the outreach and strategic interventions directed at improvement of the local economic security with the aim of triggering and stimulating local economic development in fragile contexts².

WV Somalia/ SomRep has been working in South Central region for quit a number of periods providing humanitarian assistance to address the frequent foods insecurity challenges using both short and long term strategic interventions. Recently, WVS/SomRep has shifted its approach to the continuing food insecurity challenge to a resilience approach, using market development as a long-term development strategy. The Resilience programs are designed to contribute to the improvement of livelihoods including market systems establishment, access to basic services and build household and community resilience through market development and an innovative community based early warning and early action system (CBEAS) as a long-term development strategy. Other SomReP programs are also providing similar interventions in Doolow and Belet hawa districts on crop production.

Consultancy Description

The Resilience programs in the above mentioned districts aim to develop and promote profitable and sustainable livestock and crop value chain enterprises to provide increased incomes at household level, create employment opportunities, and have a knock-on effect on the local economy. Several factors constraining the sub-sector include lack of organization of actors, low productivity worsened by recurrent conflict, poor access to animal health care, declining feed resources due to extensive degradation of the rangelands, droughts, and poor marketability of products,. Most of these constraints also derive from severe capacity limitations, requiring strategies that exploit the potential of the pastoral system that is undergoing rapid changes due to climate and land tenure issues.

The consultant(s) will review and map the crop and Livestock value chains to identify weaknesses and opportunities at several levels including but not limited to product, process, technological, institutional and markets. The consultant(s) will analyze the data collected on beneficiary communities, crop and livestock value chain actors in Luuq Belet hawa and Doolow districts, and market actors including suppliers and buyers who are traders, Luuq district and Gedo regional government officials, decision makers, public policy makers and non-governmental organizations implementing crop and/or livestock projects in the south central region of Somalia. Additionally, the consultant produces Market Systems development and advices on the establishment of the livestock and crop value chain systems. The report is intended to be useful to

1 Longley, C., Dunn, S., and Brewin, M. (2012) Monitoring results of the Somalia cash and voucher transfer program: Phase I, available at <http://www.odihpn.org/humanitarian-exchange-magazine/issue-55/monitoring-results-of-the-somalia-cash-and-voucher-transfer-programme-phase-i>

2 Brown, A. (2010) *Emergency Market Mapping Analysis: An exploration of EMMA's diagnostic process and its impact on Humanitarian response-logic*, available at: <http://haiti.humanitarianresponse.info/LinkClick.aspx?fileticket=Jw6g-xilBm0%3D&tabid=69&mid=433>; and Note from Haiti: Improving Relief Efforts through Market Mapping, US Agency for International Development (2010) available at: http://www.microlinks.org/ev_en.php?ID=43044_201&ID2=DO_TOPIC

multiple stakeholders including beneficiary communities, World Vision Somalia, Government of Somalia and donors,

The consultant will further assess opportunities and recommend specific crop and livestock value chain businesses with potential benefits to actors especially women and youth along the chain. The resulting mapping and analysis will identify value chain opportunities and propose interventions to explore those opportunities.

The major study audiences included beneficiary communities, crop and livestock VC actors and potential investors, since the study will help them to understand the market dynamics. Additionally, the report will be useful to multiple stakeholders including donors, decision makers, public policy makers and non-governmental organisations implementing crop and livestock projects in the south central region of Somalia. The study findings will be used to raise the awareness of policy makers at the strategic, tactical and operational levels and propose alternative mechanisms for agro-pastoralists and pastoralists to better their livelihood options. The consultant produces report in line with the strategy that;

1. Inform the project and partners on suitable market based interventions that stimulate the development of the agro pastoral and pastoral sub sector as an engine of development.
2. Map out key market actors along the value chain for goats, cattle. The value chain for live camels should also be explored, identifying the terminal markets and recommend on their viability and sustainability.
3. Map out key market actors along the value chain for Onion, Watermelon, cowpeas, Sorghum and maize and recommend on their viability and sustainability
4. Identify potential secondary economic opportunities (value addition opportunities) that could be undertaken by women and youth who have “dropped out” of the pastoral economy. Possible linkages with the leather industry in Kenya and Ethiopia should be explored and developed.
5. Identify possible issues and strategies that can be used to undertake a successful policy and advocacy strategy in the project area on crop and livestock issues.
6. Assess and understand existing informal relationships and governance mechanisms among actors along the crop and livestock value chains
7. Understand the potential risks involved with value chain development in context of Luuq, Doolow and Belet hawa and how those can be mitigated.
8. Analyze the potential crop and livestock value chains markets and advice on:
 - The livestock reserves at any given time, carrying capacity of pasture within Luuq and Doolow and Belet hawa based on production potential as a basis for developing a market development plan;
 - The availability of grain and horticultural (Onion/Watermelon at given time of the years
 - Livestock diseases affecting livestock marketing and their control;
 - Existing comparative advantages for livestock keeping in Luuq and Doolow and Belet hawa;
 - Comparative advantage of crop production in Luuq, Doolow and Belete hawa
 - Market access and information;
 - Value chain Map and Actor Analysis

- End Market Analysis
- Market Based Solutions for Market Constraints
- Roles of different Actors: government, private sector, NGO, REAL project, civil society organizations
- The potential secondary markets for the identified value chains and their segmentations;
- Entry/regulatory requirements for different types of the livestock enterprises;
- Quality control and other market standards in operations and explore how best this can be done and adhered to along the identified value chains.
- Most feasible value chain development approach in Luuq and other districts which are part of the fragile context in Somalia.

Objective and scope

The project aims to enhance competitiveness, profitability and sustainability in the crop and livestock sub-sectors, increase incomes, generate employment and support activities that increase households and communities resilience to recurrent shocks. To achieve this, REAL proposes a detailed market mapping and value chain analysis of the Crop and livestock sub sector by identifying:

- The primary actors, numbers (women and youth), volumes/quantities, key functions; the supply chain, operational challenges and potential interventions. The analysis will indicate price changes along the VCs together with the margins, market share, sub products and transactions along the VC. The consultant(s) will also evaluate the social aspects, such as participation and governance to transform the sub sector into a robust market oriented VC. Specifically, the consultants will focus on three key areas.

1. Data Collection:

- World Vision, DRC & COOPI have collected data on market mapping at community level and primary data at households' level. The consultant analyzes the data, meanwhile identifying any missed data and consults with the project team on the collection of the missed data.

2. Products

Characterize the marketing of various products within the respective crop and livestock VCs;

- Supply chain of the products.
- Volumes of each product availed in the market.
- Value addition, packaging and pricing along the supply chain.
- Consumer perceptions.
- Estimate the market potential and actors at the end market.
- Characteristics of supply chain actors.
- Relationship among supply chain actors.
- Linkage between producers, traders and processors and transporters.

3. Market Potential:

- a. Establish market size (local and external) and market penetration by local producers
- b. Conduct a VCA to identify the different actors in the chain, systemic constraints, and value shares accrued at different stages on the chain.
- c. Identify constraints that limit market expansion.
- d. Missing or inadequate inter-sectoral or crosscutting markets.
- e. Estimate market potential of the prioritized products within the value chains.
- f. Identify local/external end markets including cross-border trade for the identified products.

4. Collective Marketing and Value Chain Efficiency

- a. Recommend on the utility and potential for improving market efficiency through collective marketing; propose ways of achieving this and minimum quality standards required.
- b. Suggest on the establishment of the existing producer groups for the various products.
- c. Determine the level of market orientation and market integration by producers.
- d. Recommend process for institutional formation to facilitate collective marketing perspective for the prioritized products.
- e. Suggest improvements in the value chain system to ensure direct linkages of the pastoralists with the major markets and increased incomes from their products.
- f. End Market Analysis
- g. Role plays for Stakeholders/Actors; government, private sector and civil society organizations

Expected Outputs

1. A detailed analysis of the overall market opportunities for the various sub sector products that can potentially be explored: locations, quantities, quality and other product requirements. Of particular interest is the possible inter linkages between the crop and livestock sub sectors with other business sectors and services operated by women and youth and the general retail trading in Luuq, Doolow and Belet hawa.
2. A detailed and consolidate report covering crop and livestock value chains in Belet hawa, Doolow and Luuq.
3. Where possible provide information that can be used to make decisions on future investment opportunities especially value addition opportunities in these sub sectors.
4. Delineate and examine the different market channels for crop and livestock products, outlining opportunities and additional investments, challenges and possible interventions.
5. Provide information on market segmentation and its requirements with a possible examination and decision based on the best crop and livestock enterprises for women and the youth to focus.
6. Analyse basic business support services needed to strengthen the market systems for very poor producers. Identify existing service gaps that need to be filled and by whom in these value chains?

7. Analysis the competitors of Luuq, Doolow and Belet hawa livestock sub sector, identify the basis of the competition and outline the existence of any unique selling points of the competitors. Further, identify the consumers' perception of Luuq, Doolow and Belet hawa livestock products and advice on the benefits that can be accrued from branding of Luuq, Doolow and Belet hawa livestock products and advice on the branding modalities.
8. Based on observed market conditions and opportunities, outline key future strategic interventions and development required to trigger and stimulate the development of the Crop and livestock sub sectors in the next 5 years. The proposed strategic interventions will be critically examined for their suitability and sustainability versus the results from the VCA.
9. Make recommendation(s) for a functional business model for Luuq and Doolow, Belet hawa livestock value products range and Crop value products range. The consultant(s) should develop or borrow a working model that enables vulnerable groups to engage in meaningful business ventures; provide practical and context specific recommendations on maximizing benefits to producers and local traders (both formal and market enablers or brokers) on opportunities in the sub sector.
10. Recommend the most practical and feasible crop and livestock VC development approach in line with fragile context of Luuq, Doolow and Belet hawa.

Timeframe:

1. Time Frame for the consultancy is 45 days.
2. The whole VCA process should take approximately 45 days to be completed, this should include:
 - a. Interaction with REAL/SomRep Management team, field teams, beneficiaries, key stakeholders for data analysis and report writing.
3. The expected commencement date of the work is July 25th 2017 and the final research report will be produced by 15th August 2017.
4. Advice on the establishment of the VC market systems and final completion report should be submitted by 5th Sept 2017.

Consultant/Team Qualifications

The Consultancy team must be multidisciplinary including Crop Production & Livestock Industry background as the analysis is an opportunity to set the overall direction of the proposed program. At the minimum, the consultant(s) must possess the following:

- a. At least a Master's Degree in Crop Science, Animal Science, Agricultural Economics, and Business related disciplines, Development Studies, with a minimum of five (5) years demonstrated experience in agribusiness research and/or practice with good understanding of local value chain development.
- b. Demonstrate a good understanding of Somalia with practical working experience or research/surveys in such environments.
- c. Experience of effective interaction with local and national institutions, government departments, and business service providers.
- d. Be conversant with current business models and practice around the livestock sub-sector.
- e. Practical application of cross cutting themes like gender mainstreaming, and gender competence, M&E, advocacy.

- f. Good spoken and written communication skills in English.
- g. Proven experience and skills in data analysis and report writing.
- h. Past experiences working on livestock value chain development will be an added advantage.

Expected Deliverables

The required outputs of this consultancy will be as follows:

- a. An inception report (maximum five pages) outlining the execution of data analysis and reporting writing/timetable. This report shall be submitted for review and approval by the REAL project two (2) days after the signature of the contract, but before commencement of the work.
- b. Data is already collected and entered into excel spreadsheet. The consultant(s) should identify any missed data, and consult/ advice with the project team for gathering the missed data.
- c. Draft VCA report which shall be submitted within 10-15 days from the start of the contract.
- d. Presentation of the key findings to the stakeholders - presentations of topline findings from diagnostic, mapping and recommendations to client and partners and stakeholders in English;
- e. The final report shall be submitted within five days after the stakeholders' presentation and shall incorporate project and stakeholders' inputs. The report will include detailed results from the diagnostic and key recommendations and include the following chapters: Executive Summary, Background, Research Objectives and Questions, Methods, Possible Limitation to Interpretation of Data, Main Results/Findings, and Lessons learned, Emerging policy and research initiatives, Conclusions and Recommendations, References, Appendices and/or Annexes and Data File.
- f. WV will provide the draft report outline which developed to guide reporting

Bid Requirements

Firms/Consultant(s) that meet the requirements should submit an expression of interest (maximum of 10 pages), which should include the following:

- a. A suitability statement, including commitment to availability for the entire assignment.
- b. A brief statement on the proposed study methodology including a detailed work plan.
- c. A detailed financial proposal, including daily cost per major activity.
- d. Updated resume that clearly spells out qualifications and experience for the key Consultant(s). (These can be annexed, and are not part of the statement of expression of Interest in b above)

Contacts of 3 organizations that have recently (but preferably in the last 2 years) contracted the firm/consultant(s) to carry out relevant research/survey or related work in livestock sub sector.

Bid Submission Procedure /Guidelines

The Proposal that complies with all of the requirements, meets all the evaluation criteria and offers the best value for money shall be selected and awarded the contract. Any offer that does not meet the requirements shall be rejected.

Please be advised that World Vision Somalia is not bound to accept any proposal, nor award a contract, nor be responsible for any costs associated with a Service Providers preparation and submission of a Proposal, regardless of the outcome or the manner of conducting the selection process.

All applications should be sent electronically to: **somo_supplychain@wvi.org**

by Wednesday the 19th July 2017, with attachments in pdf and a Subject line:

Technical & Financial Proposal for Crop & Livestock Study , Data Analysis & Reporting

Note:

As part of the Consultant selection process, the best five candidates will be requested to prepare draft inception report and make a presentation of the same to the Supply Chain and Technical Team to inform final decision on award of the Contract.

Provisions of Taxation as per the Kenya Revenue Authority if Consultants are hired and paid through Kenya

Technical service fees –

A 5% withholding tax is levied on the payment of technical service fees (as well as professional and management fees) where the services are provided by a resident based in Kenya.

A 15% withholding tax is levied on the payment of technical service fees (as well as professional and management fees) where the services are provided by a resident based within the East African Community

A 20% withholding tax is levied on the payment of technical service fees (as well as professional and management fees) where the services are provided by non-residents outside of Kenya and East African Community

As part of the Consultant selection process, the best candidates will be requested to prepare draft inception report and make a presentation of the same to the Supply Chain and Core Technical Team to inform the final decision on award of the Contract.

NB: Application deadline is Wednesday July 19, 2017