

ILLUSTRATIVE SCOPE OF WORK VALUE CHAIN/MARKET SYSTEM ASSESSMENT

SPECIFIC TASKS FOR AFE CONSULTANT

AFE consultant will lead a local team of PROJECT staff/consultants and undertake the following tasks:

Desk Review and Planning - The program design exercise will begin with research and review of existing literature, studies, reports, and trade data on the targeted input supply support markets (agriculture and livestock/animal health). The AFE consultant will also coordinate with AFE HQ as well as PROJECT local staff to develop initial work plans, schedules, and logistical arrangements.

Orientation/ Training of Local Teams – The AFE consultant will begin in-country activities with a three-day orientation/planning session with key PROJECT staff who will participate in the program design exercise. This session will assure that all members of the team understand and share similar concepts and tools of market system/value chain program design and the proposed methodology for this specific assignment. The themes of the orientation session will be further re-enforced during regular debriefing and planning sessions throughout the activity.

Value Chain/ Market System Selection

The AFE consultant will coordinate and lead assessments that focus on **input supply “support markets” for agricultural and livestock/animal health value chains**. The advantages of facilitating the development of input supply markets at the onset of PROJECT’s project implementation include:

- Generation of “quick wins” (and sustainable impact) due to general presence of Lead Firms with active interest/incentives to invest in rural distribution networks
- Contributions to both: 1) food security/greater productivity (even within subsistence farming areas) and/or; 2) greater sales.
- Allows the project to become familiar with many agricultural and livestock value chains (and market actors operating in those markets) which sets the foundation for complementary activities at a later stage that focus on the “output side” of specific value chains (buyers interested in procuring more from the targeted areas).

This program design exercise will focus on ***inclusive market system development*** which benefits a range of actors, including the poor and otherwise marginalized, as well as society as a whole. In the [Project] program, a special emphasis will be put the number of farmers and producers targeted by [Project], particularly women, engaged in the market system (and who could potentially benefit from improvements in the market system).

Value Chain/ Market System Mapping and Activity Planning

The Consultant (together with local Team) will identify the key players and stakeholders in the target areas and develop value chain maps (for the targeted input supply support markets) of market actors according to their functions and inter-relationships. These initial maps will be developed from existing information and previous reports or studies where applicable. The map will identify major actors, relationships, and market channels in the industry and will be refined and validated as the analysis progresses. More importantly, the map will serve as a basis to identify industry players for interviews and eventual focus group discussions.

Value Chain/ Market System Analysis

Assess Performance, Gaps, and Scope for Upgrading in the Value Chains – Using the initial findings of the value chain maps, interviews and focus groups with value chain actors and key informants will be conducted. The interviews and primary information gathering will provide a greater understanding of the end-market opportunities, market trends, industry dynamics, business enabling environment, and the constraints of value chain players and stakeholders.

During this stage, the Consultant and Team will also analyze the various types of relationships and governance structures within the value chain/ market system. These include the flow of benefits, information, and learning that are critical aspects of value chain and micro, small and medium-scale enterprise (MSME) competitiveness (MSME’s include farmers). The AFE Consultant (and local Team) will

determine major gaps/ constraints hindering both value chain and MSME growth and competitiveness in the following areas:

- market access (existing and potential product/market segments),
- technology and product development
- business enabling environment
- management and organization
- finance
- infrastructure (e.g. access to water, power, transportation, etc.)
- input supply
- policy issues

The AFE Consultant (and local Team) will establish credibility with value chain actors through an appreciative attitude of the role they play in their industry.

An additional goal of the analysis/assessments, in line with PROJECT objectives, will be to gain a greater understanding of key areas of producer vulnerability and to understand how private sector actors could address these through investing in and upgrading of their sales distribution networks. This understanding will help PROJECT to develop and expand market systems for products and services that are critical to vulnerable populations, and to strengthen commercial relationships among market actors that will lead to increased resilience to market disruptions.

Gendered Market System Analysis –The AFE Consultant (and local Team) will also describe the roles women currently play within the targeted market systems and identify specific gender-based systemic constraints.

Identify and Assess Market-based Solutions

The AFE Consultant (and local Team) will then identify market-based solutions that can contribute to upgrading of the selected value chain/ market system and address the identified constraints and vulnerabilities. Opportunities will be identified to promote industry and MSME competitiveness and resilience in a sustainable manner.

The AFE Consultant and Team will then assess: (i) existing and potential providers of the required market-based solutions (also referred to as Lead Firms or Inclusive Businesses); (ii) challenges that providers face in providing the solutions to MSME producers in a commercially viable manner, and; (iii) the number of MSMEs that could benefit from the market-based solutions.

The AFE Consultant and Team will identify existing and potential providers of the market-based solutions (MBS) and determine whether those actors can provide the solutions to MSMEs in a sustainable and commercially viable manner. Facilitating “win-win” relationships between these MBS providers and MSME producers in the value chain/ market system requires adequate consideration of the commercial incentives to provide and/or use the market-based solutions. Opportunities to promote or expand “embedded” solutions¹ by MBS providers/ Lead Firms to MSMEs will also be identified, where appropriate.

Identify Promising Output Markets for Future Assessments – During the assessments of the agriculture and livestock input supply markets The AFE Consultant and local Team will ask market actors and key informants to share their opinions on the most promising “output markets” for agricultural and livestock products produced by smallholder farmers and producers. A list of these promising markets will be included in the final report.

Participatory Program Activity Design

The AFE Consultant and local Team will facilitate participatory sessions with market actors involved in providing market-based solutions in order for actors to discuss practical private sector-led initiatives to

¹ These are products and services provided by one value chain actor to another as part of their commercial relationship or transaction with each other. For example, a honey trader or exporter may provide pre-financing or equipment loans to his suppliers in addition to buying their honey.

overcome challenges to the provision and use of targeted solutions. This may include focus group discussions (FGD) with both providers and users of targeted market-based solution.

The objectives of these sessions will be to: (i) validate the key constraints and opportunities to improve value chain competitiveness and increase benefits for participating MSMEs, (ii) validate the challenges that the MBS Providers/ Lead Firms face in providing the MBS in a commercially viable and sustainable manner, and (iii) solicit private sector input to identify initiatives they would like to undertake to address their challenges as well as project facilitation activities to support those initiatives. This will provide the program with a focus for its support activities and the basis of the program's work plan.

Orient Teams in Next Steps

The AFE Consultant will then conduct an additional one-day orientation session for the PROJECT team in next steps to ensure successful follow-up and implementation. This will include the review of a draft "Invitation for Applications" (IFA), developed for one of the targeted support markets, that PROJECT can use to invite Lead Firms/Inclusive Businesses to propose initiatives that will help them address the challenges they face in expanding their sales distribution networks to producers in the targeted areas.

The IFA will present the criteria for participation along with an application format that Lead Firms can complete in order to apply for facilitation support from the project in designing and implementing their initiatives (*initiatives that will help the Lead Firm to improve its competitiveness and overcome challenges to improving/expanding the products, services, support or market access they provide to producers in target areas*). The IFA process provides an opportunity for PROJECT to: (1) invite many Lead Firms to participate in an open application process, available to all Lead Firms that apply and meet application criteria; (2) allow Lead Firms to expand upon ideas that were already discussed, propose new ideas, and be more specific about the proposed initiatives that they would like to implement; and, (3) allow PROJECT to collaborate with the Lead Firms during the application process, resulting in initiatives which are optimally aligned with both the applicant's and PROJECT's goals.

The Next Steps orientation will also include a review of recommendations for activities that will need to be completed by PROJECT to implement its value chain/ market system program. These additional activities will include:

- using public advertisements to identify additional market actors interested in collaboration
- using question guides to facilitate the refinement and planning of proposed LF initiatives
- structuring collaboration with Lead Firms (MOUs, MOU addendums, etc.)
- guidelines on structuring technical and financial support to LFs
- guiding principles for facilitation

De-brief Meetings with PROJECT Country-Level Management

At the end of the in-country activities, the AFE Consultant will prepare and conduct a PPT de-brief presentation of the assessment to PROJECT Country-Level management.

Work Plan

The consultant will propose a detailed work plan describing the timeline for each of the proposed activities in each country

1. Deliverables/Outputs

Work Plan – In coordination with AFE HQ and local PROJECT staff, Consultant will prepare a work plan that presents a timeline for in-country fieldwork.

Weekly Progress Reports: Consultant will prepare weekly progress reports (using AFE template) for review by AFE and PROJECT

Final Assessment Report: Consultant will prepare a Market System assessment report (and PPT presentation summarizing results) that clearly details the approach, methodology and program design propositions used. The outline for this report will be approved by AFE HQ prior to writing the report. The report will include:

- a. Executive Summary
- b. Brief Description of activities, timeline, and methodology
- c. Description of the market systems assessed
- d. Presentation and analysis of the data collected
- e. Presentation of farmers' constraints and vulnerabilities, proposed solutions to systemic constraints, potential providers (market actors) of solutions, challenges faced by market actors in providing proposed solutions, illustrative facilitation activities that PROJECT can undertake to support targeted solutions
- f. Recommendations on how to engage market actors in a participatory process to identify both the initiatives of market actors themselves and the implementation [Project] Phase II facilitation activities.
- g. Proposed next steps
- h. Summary notes and contact information from all interviews conducted

TIMELINE

The activities will be completed according to the timeline below. The Consultant will lead a team composed of 3-4 local PROJECT staff/consultants in [COUNTRY]

	Tentative Dates*	Est. LOE**
Prep		
Desk review / coordination	March 8-10	2
Field Work		
Travel to/from Ethiopia	March	3
Field work/ interim status report	March/April	18
Final Reporting		
Final Reporting	April	5
Total Estimated LOE		28