Terms of Reference:

Laying the Groundwork: an Intervention for Enterprise Development for smallholder farmers in Kenya and Tanzania

Date: 13 March 2020

Title of Piece of Work:

Laying the Groundwork for a Level 2 Intervention for Enterprise Development

Organisational Background:

Hand in Hand International (HiHI) is part of the Hand in Hand network, a group of organisations stretching from Afghanistan to Zimbabwe that since 2003, has helped create or improve some 4 million jobs – 90 percent of them for women. HiHI supports network partners in implementing its programs through donor reporting, capacity building, technical assistance, strategic guidance and oversight.

The organization works with marginalized communities in the areas of economic and social empowerment using a participatory approach aimed at helping people fight poverty and vulnerability. The Hand in Hand enterprise and job creation approach is based on a philosophy of self-help, providing training, skills and support to enable people living in poverty, particularly women, to build and sustain independent, market-based, economic activities. This provides for a higher level of income for them and their families, which in turn contributes to greater food security, better education for children, increased access to healthcare, improved housing and overall improved livelihoods.

Hand in Hand Eastern Africa (HiH EA) is a registered Non-Governmental Organization (NGO) in Kenya, working for the economic and social empowerment of its poorest citizens to enable program participants to lift themselves out of poverty and vulnerability. HiH EA is part of the Hand in Hand (HiH) network that seeks to reduce poverty through job creation.

HiH EA works with the marginalized, vulnerable poor rural and peri-urban smallholder farmers (80% women) to help them lift themselves out of poverty through the power of entrepreneurship. The organisation started operations in Kenya in October 2010 and is currently operating in 21 Field offices within 26 out of 47 Counties in Kenya. HiH EA has so far mobilised, trained and is training over 300,000 members (80% women, 40% youth) who have created over 296,000 enterprises and over 400,000 jobs on the Kenyan programme. Hand in Hand Tanzania began operations in January 2018 and is currently operating in two field locations in northern Tanzania. So far, HiH Tanzania has mobilised over 12,000 members (83% women) who have either been trained or are still under training, and who have created over 8,850 enterprises and over 12,490 jobs.
Background to the Project:

Since July 2017 Hand in Hand EA has been working on a multi-year partnership with one of our major donors to empower 16,200 people with the skills and resources to create enterprises and improve their incomes: what we call a “Level 1” intervention. As part of the project we have identified opportunities for further growth among the farmers Hand in Hand works with. We are therefore commissioning a number of research deliverables, which will inform and prepare an expansion of our work into interventions proactively supporting a number of value chains. These “Level 2” interventions will begin implementation from 2021.

Our ambition is to demonstrate that given the right training, capital and inputs Hand in Hand members can shift from subsistence farming to a new level, managing sustainable, small enterprises. By integrating entrepreneurs into high potential value chains we can achieve higher productivity through economies of scale, accessing larger clients and influencing government decisions. Through this project expansion we want to position 20,000 small holder farmers in at least four value chains including: poultry, goat-dairy and cow-dairy for Kenya; and poultry, banana, cow-dairy, pigs and rice in Tanzania. We’ll boost farmer’s incomes and increase their business’ survival rates, whilst creating a replicable model which can be adapted to other value chains and scaled to support some of the 35 million people engaged in smallholder farming in Kenya and Tanzania, by Hand in Hand and other organisations. Finally, we want to improve women farmers’ economic empowerment by increasing women’s income and decision-making power within the household and the community.

Purpose of the assignment:

Hand in Hand is seeking a firm/group of consultants to support its preparatory work for value chain interventions in Kenya and Tanzania. The assignment will lay the groundwork for a project that will take Hand in Hand entrepreneurs to the next level, continuing to boost their income by providing the skills necessary to evolve from successful subsistence farmers to small scale enterprises.

Key objectives of the assignment include:

- Understanding the market: the high potential value chains our entrepreneurs can feed into and the key tools required for growth.
- Conducting an audit of current members of our programme to assess their turnover, income level, knowledge gaps, expertise and ambition for growth.
- Developing a training curriculum with enhanced skills providing producer groups with the skills needed to move to the next level.

1 “Level 1” interventions seeks to empower bottom of the pyramid populations (below the income threshold of US$2 a day); and “Level 2” interventions seek to accelerate micro-scale farmer entrepreneurs towards small and medium enterprises.
- Developing a master trainer manual and digital content to underpin the curriculum and provide specific technical knowledge to small holder farmers in an accessible cost-effective way.
- Conducting a training of trainers.

**Key Activities**

This is a comprehensive assignment covering 4 areas of work, all of which will be led by the consultant(s) with significant input and oversight from Hand in Hand EA and Hand in Hand International. The 4 areas of work are interlinked and will feed into the overall objective of laying the groundwork to build out our traditional model into an advanced enterprise development programme. Each area of work is detailed below.

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<thead>
<tr>
<th>Areas of Work</th>
<th>Timeline</th>
<th>Approximate No. of Days</th>
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<tbody>
<tr>
<td>1. Market Research</td>
<td>15th April – 20th July 2020</td>
<td>32 Days</td>
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<td>15th May 2020</td>
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<td>15th June 2020</td>
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<td>15th July 2020</td>
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<td>17th August 2020</td>
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<td>3. Curriculum Development</td>
<td>1st July - 17th October 2020</td>
<td>42 Days</td>
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<td>17th August 2020</td>
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<td>19th October 2020</td>
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<td>4. Training of Trainers</td>
<td>19th Oct - 23rd November 2020</td>
<td>27 Days</td>
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<td>Validation Workshops</td>
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<td>Training of staff</td>
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<tr>
<td>Inception report</td>
<td>20th April 2020</td>
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<tr>
<td>Final report</td>
<td>23rd November 2020</td>
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2 Estimated deadlines, subject to change after the inception report is prepared.
1. Market Research

Conduct a deep dive market research analysis into the high-potential value chains our entrepreneurs could feed into and the tools they require for growth.

The consultant will be required to conduct a Market Research relevant to the proposed value chains for each country\(^3\) and ensure the research delivers the following objectives and outputs:

1.1 To validate the identified market opportunity within the value chains proposed and determine which products and clients the programme should work with.
   - Describe the opportunities in the value chain that would help small farmers reach the identified markets.
   - Determine the target group’s strengths and constraints in reaching the identified market.
   - Identify key actors in each node of the value chain at local, county and national level.
   - Establish these actors’ level of processing in the value chain, and their quality and quantity requirements.
   - Draw a value chain map for each value chain identifying current market opportunities, market structure, and where Hand in Hand members fit into the market.
   - Suggest additional value chains if appropriate.

1.2 To conduct a gender analysis on the gender dynamics on the proposed value chains and the implications for women entrepreneurs.
   - Identify specific barriers and core challenges women farmers face in these value chains.
   - Propose specific strategies to overcome gender inequality and subordination.

1.3 To determine which supply gaps the programme will work to address.
   - Assess the key inputs and services smallholders require for increased growth and profitability – quantifying input costs for a typical producer group size.
   - Identify market actors in the selected districts who can provide these inputs consistently and with sufficient quality.

1.4 To evaluate the viability of existing and potential cooperatives.
   - Establish which types of cooperatives and producer groups operate in identified value chains around selected districts.
   - Recommend whether members form new cooperatives or join existing groups.

\(^3\) Proposed value chains in Kenya: poultry, goat-dairy and cow-dairy; counties: Murang’a, Kiambu and Machakos (Thika Hand in Hand EA branch)

Proposed Value Chains in Tanzania: poultry, banana, cow-dairy, pigs and rice; districts: Rombo, Mwanga and Siha (Moshi Hand in Hand EA-Tanzania branch)
o Describe challenges women face to get a leadership positions in such cooperatives and ways to address them.

1.5 To map capital access needs and potential financial partners.
   o Identify financial organizations providing access to capital to farmers with micro, small and medium enterprises.
   o Determine which financial partners should be connected to producer groups through the programme.
   o Define the range of capital requirements to level up entrepreneurs.

1.6 To map potential partners.
   o Identify organisations which are also seeking to improve smallholder farmers’ incomes in the proposed value chains in the counties of operation.
   o Recommend partnerships that would strengthen the value chains and support long term growth.

The deliverable from this activity will be a Market Research Report with findings and recommendations on each of the objectives outlined above, as well as on time, budget and resource allocation for additional inputs required for the programme.

**Timeline: April 2020 – 20th July 2020**

2. Members Audit

The purpose of the Members’ Audit is to deepen Hand in Hand’s understanding of current members: their profile, existing operations, needs, knowledge gaps, and ambition to scale up their enterprises. This will help the organisation identify and support entrepreneurs with the greatest motivation and potential to succeed within the proposed value chains. The audit will help to answer where beneficiaries are now and where can they be after an enhanced intervention. It will also look at gender dynamics amongst existing entrepreneurs and understand the opportunities and barriers for women entrepreneurs within local value chains.

This activity will have 4 deliverables:

2.1 **Baseline Survey Instrument:**

The consultant should develop a baseline survey tool that will be applied to a sample of 400 graduated beneficiaries of Hand in Hand EA programme. Using a participatory mixed approach, the audit is intended to provide the following quantitative and qualitative information:

   - Updated census on programme beneficiaries: number of members in each proposed value chain in each country*

*Proposed value chains in Kenya: poultry, goat-dairy and cow-dairy; counties: Murang’a, Kiambu and Machakos (Thika Hand in Hand EA branch)

Proposed Value Chains in Tanzania: poultry, banana, cow-dairy, pigs and rice; districts: Rombo, Mwanga and Siha (Moshi Hand in Hand EA-Tanzania branch)
potential 8,000 members participating in the inaugural “Level 2” programme.
- Establish the member’s aspirations and appetite for growth through qualitative assessment.
- Define the baseline in terms of income, profits, savings and productive assets for members after “Level 1” intervention.
- Establish achievable target on enterprise income level for members after “Level 2” intervention.
- Consider different starting points for men and women and gender dynamics hindering women’s participation in the economy.
- Determine which knowledge gaps should “Level 2” intervention seek to address.
- Data disaggregated by gender in each of the dimensions mentioned will ensure we will be accounting for gender inequalities and thereby guaranteeing a higher social impact.

2.2 Data Collection:
- Collect data on a sample of 400 members from the following counties in Kenya: Murang’a, Kiambu and Machakos; and Tanzania: Rombo, Mwanga and Siha (Contact information on sample will be provided by HiHEA)

2.3 Baseline Report:
Analysis of the information gathered, presentation of key findings.

2.4 Targeting tool:
Develop a targeting tool Hand in Hand can use to identify members that could potentially participate in the “Level 2” intervention based on the following criteria:
- Potential for growth (differentiate between business women and men looking to grow an enterprise, and ‘survivalists’ looking for subsistence income).
- Define criteria to identify potential leaders in producer groups who can play a key role in the “Level 2” inaugural intervention.

Timeline: April 2020 – 17th August 2020

* Split should be 60:40 percent, for Kenya and Tanzania respectively.
3. **Curriculum Development**

The findings from the market research and members audit will be crucial inputs into a “Level 2” training curriculum to be developed by the consultant/s. The curriculum will address the specific knowledge gaps identified amongst current Hand in Hand members and provide them with the skills and tools they need to evolve from small farmers to effective cooperatives and producer groups.

This activity will have two deliverables that should draw on:

- Specific selected value chains’ demand of skills, products and services
- Knowledge gaps identified in the members’ audit
- Gender barriers that hinder women’s farmers to integrate into profitable value chains
- Best practices in other organisations’ value chain programmes, via external and internal experts.
- Hand in Hand’s learning experiences from previous programmes.

**Deliverables:**

### 3.1 **Training Curriculum**

Training manual addressing the following competences (or any other identified on the previous activities):

- Group governance/leadership: Effective producer group leadership, control processes to prevent mismanagement by group leadership, such as fraud, or leadership favouring only men.
- Marketing Skills: Sales channels, clients, pricing, seasonality, contract negotiation skills.
- Production skills: Agricultural/technical best practices specific to the validated value chains.
- Financial management skills including accounting, loan management. Understanding typical costs and drivers of profitability.
- Advocacy skills for systemic change: e.g. how to influence county government budgets.
- Mentorship support.
- Business Development: strategy, business planning, forecasting, etc.

### 3.2 **Master trainer manual**

- Master-trainer materials to train facilitators including a training of trainers handbook.
- Blueprint materials for use by producer groups such as, for example, a template constitution, or a template memorandum from a group to a county government advocating for budget, etc.

**Timeline: 1st July - 17th October 2020**
4. Training of Trainers

In order to validate and roll-out the new curriculum, the consultant/s should carry out 2 activities:

- Validation workshop of the competences integrated in the new curriculum with HiHI EA’s facilitators and staff. Integrate feedback into the master-trainer materials.
  - The validation workshop should include a test to pilot the curriculum with a group of actual beneficiaries. Integrate feedback from potential members and make necessary adaptations to the curriculum before presenting the final version.
- Train Hand in Hand facilitators and staff on the new validated curriculum.

Timeline: October 2020 – November 2020

Profile of Consultants/Consultancy Firm:

Hand in Hand requests that consultants submit proposals responding to the Terms of Reference outlined above. We expect the firm or team of consultants to demonstrate excellent skills and experience according to the criteria below:

- Excellent track record conducting detailed market research, including designing a methodology, collecting data, providing detailed analysis and delivering actionable, practicable recommendations. Previous experience providing research for or designing value chain or private sector development programmes will be an advantage.

- Strong track record conducting value chain and market analysis in an East African context, ideally across in both Kenya and Tanzania.

- Experience with participatory and mixed research methods, combining techniques and tools for quantitative and qualitative data analysis.

- Detailed knowledge of participatory market systems development approaches.

- Track record of working on projects targeting grassroots entrepreneurs and enterprises, self-help groups, and financial institutions.

- Demonstrated experience of successfully developing training approaches (curricula, training materials and practical capacity building) for value chain focused programmes. Previous experience providing Training of Trainer (ToTs) will also be essential.
• Proven experience of working alongside international and national teams within civil society organisations; NGOs, academic institutions, social enterprises, etc.

• Ability and willingness to travel between Kenya and Tanzania. The project will be based in Nairobi with travel to branch offices across Kenya and Northern Tanzania. The consultancy organization can be headquartered elsewhere, however please note that international travel costs will not be covered outside of the proposed budget.

• Capacities with electronic data collection methods will be favorably considered.

• Fluency in verbal and written English and Kiswahili.

**Application Process:**

Please send a detailed work proposal to icreixell@hihinternational.org by 30th March 2020. The proposal should include the following:

1. A short presentation of evaluation approach, research design and methodology for the 4 areas of work. No more than 10 pages excluding annexes.
2. A proposed process and time frame for the 4 areas of work outlined, setting out the phases, resources and the number of days estimated for each one.
3. The anticipated challenges and dependencies affecting the implementation of the activities and how these should be addressed both by the consultant and by HIH EA / HiHI.
4. A summary of the skills and experience of the consultant/s together with a CV showing relevant previous assignments and clients.
5. A detailed fee quote and rationale for the consultant/s and an estimate for the costs of other resources. Budget should be inclusive of: daily rate and time allocated per resource, travel and expenses and taxes.

**Budget and Payment**

The consultancy firm will provide a detailed budget summary splitting the consultant’s fees and expenses. The terms of payment will be negotiated with the firm upon signature of the contract.

**Audience**

• The final report will be used to influence programme and curriculum design, and ongoing organizational learning. It will be shared internally across the HiH network.
• This report will be shared with other key partners.