SNV

Terms of Reference:

Consultancy to conduct Market Systems Analysis

Purpose	Market System Analysis	**Manager**	Arend Van der Goes
Position	Consultant	**Timeline**	
Sector	Agriculture / Renewable Energy	**Location**	Central, Southern and Eastern Provinces
Project	INCREASE	**No. of days**	40

Background

SNV is implementing the Increasing Climate Resilience in Energy & Agriculture Systems and Entrepreneurship (INCREASE) project. The project aims to address the major challenge of climate change that farmers, agribusinesses and SMEs are facing. To achieve this the project will strengthen the adaptive capacity of agricutural and energy systems as well as the promotion of climate smart (CS) diversification practices and productive use of renewable energy (RE). While doing this the project will also ensure that women and youths are targeted in all activities. The INCREASE project will be working in following value chains:

1) Horticulture
2) Cotton
3) Dairy

While working in these value chains the project will also promote integration of renewable sources of energy such as Solar and Biogas energy both for household use and productive use (example for irrigation and cooling).

As the project aims to address the major challenge of climate change that farmers, agribusinesses and SMEs are facing using a value chain approach, the project intends to get indepth understanding of how the markets of the three value chain operate in a wider context through conducting a market system analysis.

Besides climate change, other external factors are impacting the market system of each individual value chain. The most notable one is the Covid 19 pandemic, which in turn is likely affecting the international markets of cotton and dairy as well as the regional (mainly South African) market for horticulture.

While identification of challenges is an important part of this assignment, SNV is particularly keen to identify opportunities to turn these challenges around, stabilize supply chains and increase profits and incomes.
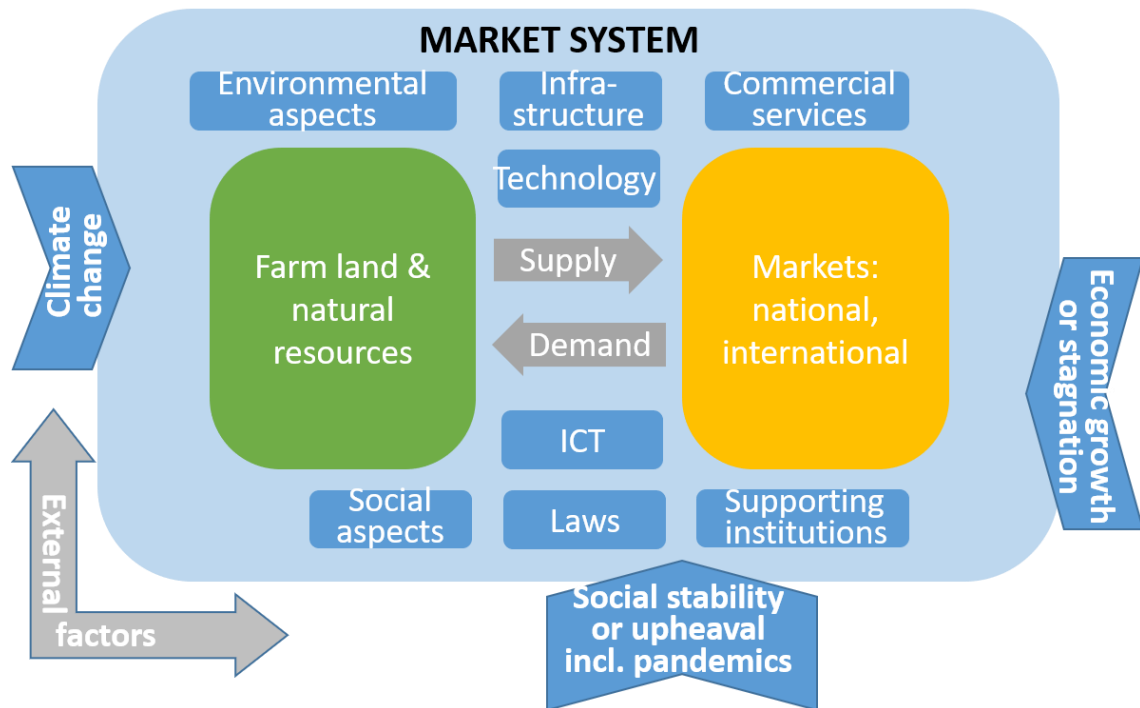
The market system analysis will be conducted in Central, Eastern and Southern provinces to inform the implementation of activities that will enhance entrepreneurship among the various actors the project will be working with.

Aims and Objectives

Aim: The market system analysis seeks to deepen the understanding of the markets for Horticulture, Cotton and Dairy in the selected locations and identify opportunities to turn these challenges around, stabilize supply chains and increase profits and incomes.

Market System Analysis Specific Objectives:

- To review existing research and literature on the markets of selected value chains in the selected locations, focusing on enhancing climate resilience
- Analysis of current market models for each value chain and recommend more climate resilient marketing models that the respective agribusinesses or producer organizations can adopt under the project
- Analysis of both the formal and informal factors affecting markets
- Analysis of access and distance factors affecting the respective value chains. This includes new barriers such as the closure of the South African border, leading to shortages of imported dairy and horticulture products (and possibly opportunities for the Zambian market to jump in)
- Analysis of market information and communication factors, including access to farming and energy knowledge by farm households
- Analysis of financial factors and opportunities, including for example crop insurance
- Analysis of the current market trends in terms of market demand and supply, price-scheduling mechanisms, market determinant factors and opportunities for climate resilient products and services that can help increase benefits for the poor and promote inclusive, climate resilient growth and competitiveness
- Analysis of policies that affect market access including relevant Government policies and identify gaps in policy to enhance markets access for the selected value chains
- Analysis of possible potential risks the project beneficiaries may face in accessing markets and suggest possible mitigation measures
- Identification of market opportunities for climate resilient practices.
- Determine the capacity of producers to adjust to more climate resilient practices and give estimates on the supply of volumes required by the market, access to support services, financing and market information.
- Suggest practical improvements in the value chain system to ensure direct linkages of the farmers with the major markets and increased incomes from their crops, products and services
- Estimation of the market segment for climate smart products and services for the three the value chains

MARKET SYSTEM

Environmental aspects · Infra-structure · Commercial services · Technology · Climate change · Farm land & natural resources · Supply · Demand · Markets: national, international · External factors · ICT · Social aspects · Laws · Supporting institutions · Economic growth or stagnation · Social stability or upheaval incl. pandemics

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Tasks for Consultant(s)

The consultant(s) shall undertake a desk review and field study to include but not limited to the following:

- Literature Review - The consultant will have to review the existing market analysis/assessments in the target areas and value chains

- Field study – to collect data to enable the consultant to achieve the above-mentioned market analysis objectives.

- At all times use a gender lens in their work and distinguish male and female youth

Methodology

In undertaking this assignment, the consultant will operate within the prevailing government restrictions on travel and gatherings due to Covid 19 and adapt the approach below:

- Interviews – the consultant will arrange interviews with key informants (beneficiaries, producers, input suppliers, major buyers, vendors and consumers etc)

- Focus Group Discussions - the consultant will have to conduct at least one FGD per value chain per district with the targeted beneficiaries

- Ensure that women and youth are adequately represented at all times

- The consultant will be required to conduct a SWOT analysis for all the value chains

- SNV will provide the means to enable virtual interviews.

The Consultant shall undertake field work within the Covid 19 conditions laid out above in the following districts:
- Kabwe
- Mazabuka
- Katete

Activities and indicative timeframes

Activity (days)	No. of days	Location	Target group	Exp. Results
1. Inception report presentation (proposed methodology and schedule)	1		Project Team	Inception Report
2. Develop repository for documents to be analysed	2			Write-up of key findings/ conclusions from the review
3. Review and analyse relevant documents in context of identified areas	7			
4. Preliminary report on desk study conclusions	3	Lusaka	N/A	
5. Development of data collection tools to be used for the field study	2			Complete set of questions and methodology for KII/ FGDs
6. Review of developed data collection tools for the field study	2		N/A	
7. Design data collection plan	1			Data collection plan and budget
8. Conduct Field study through focus groups and KIIs	18	Kabwe, Katete & Mazabuka	Stakeholder identified as KIIs in all districts identified (Kabwe, Katete & Mazabuka)	Focus group discussions and engagement with KIIs
9. Conduct a feedback workshop	1	Lusaka	Modalities to be assessed in light of Covid restrictions	Possibly a virtual workshop setting

10. Prepare and submit report on Desk and field study using the provided report template	3	Lusaka		
TOTAL (days)	**40**			

Expected level of Effort

The assignment is expected to be completed over a period of 6 weeks of which the consultant is to work a total of 40 full days. The Assignment is planned to start in May 2020 and end latest 31 July 2020.

Deliverables

Deliverable 1: Inception report
Deliverable 2: Preliminary report on desk study
Deliverable 3: Draft data collection tools for FGDs and for KII
Deliverable 4: Feedback workshop and final report on the desk study and field study including KIIs and FDG outcomes using the provided report template.

Profile

- Proven track record in conducting market system analysis in agriculture value chains, experience or working knowledge in the renewable energy sector desirable
- Solid experience in designing and carrying out key informant interviews and Focus Group Discussions
- Good understanding of the agribusiness sector in Zambia
- Experience in data collection and data analysis
- Experience in financial projections
- Proficiency in English and any relevant local languages
- Self-motivated and able to work independently