

Request for Proposals – Service Contract

1. ASSIGNMENT SUMMARY

Title of assignment	Baseline study – Small livestock in Zambia
Location of assignment	Lusaka and within Zambia (in line with Prospero COVID-19 policy)
Sector/unit	Monitoring and Evaluation
Reports to	Monitoring and Evaluation Manager
Anticipated start date	25 November 2020
Duration of contract	45-55 days

2. ABOUT PROSPERO

Prospero is a UK aid funded private sector development entity designed to incentivize investment in innovation that will change the way that market systems work and create new growth opportunities for MSMEs. We focus on the following high-growth potential sectors:

- **Food and Agriculture:** Increasing competitiveness and value of Zambian food products in end consumer markets.
- **Mining and Mining Services:** Increasing the sustainable and inclusive economic impact of mining in Zambia.
- **Tourism and Hospitality:** Increasing the value and proportion of tourist revenues captured by local businesses.
- **Investment Services:** Increasing access to sources of impact investment finance for growth-oriented businesses
- **Business Services:** Increasing access to business services that support growth-oriented businesses.

We partner with leading private sector players, government agencies and business associations to design synergistic initiatives that support strong business model development, promote transformative financial services, attract quality investors and foster enabling business and investment environments. We work at the intersection of market system development and the impact investment ecosystem, recognizing that enterprise growth at scale requires access to substantial and sustainable sources of commercial finance

We rely on a combination of the resources, experience and expertise of external service providers to support our interventions. Services are procured and service providers are contracted according to specific delivery needs. Prospero is now seeking a service provider to deliver the assignment described below.

3. BACKGROUND TO THE FOOD AND AGRICULTURE SECTOR

The food and agriculture sector is currently dominated by low value mono-cropping of maize, with very little processing and value addition in-country. To achieve inclusive and sustainable growth, the limited competitiveness of the sector is a key problem that needs to be addressed. Prospero works to increase the presence and competitiveness of Zambian origin food products in end-consumer markets, both locally and internationally.

During the first phase of the programme, the focus was on increasing the competitiveness of the sector by identifying businesses that were ready and willing to innovate and develop scalable businesses in the small livestock, fruits and vegetables and legume sectors. During this new phase, Prospero aims to enhance and scale up their work by building on the bilateral business linkages that were created with value chain players and scale this up by focusing on building consortia of value chain players, both vertically and horizontally, along value chains or supply chains.

The programme aims to address investment constraints more systematically to stimulate business growth by developing innovative financial products to address constraints to growth and providing technical expertise and capacity building to SMEs so they are able to transition and access diverse commercial investment.

Prospero therefore envisions that at the end of the five-year programme, the agriculture sector will have integrated inclusive value chains in diverse sub-sectors allowing MSMEs to be able to have access to diverse investments to successfully compete on the local and international markets, provide food products and services and contribute to poverty reduction in Zambia.

Prospero's food and agriculture sector comprises of 3 'initiatives', defined as sub-sectors, or market systems that the programme aims to focus on. The three key initiatives include:

- Small livestock (e.g. goats, fish, pigs);
- Fruits and vegetables (e.g. tubers, high-value vegetables, export fruits and vegetables); and
- Legumes (e.g. soya, beans, groundnuts).

The **small livestock** sector is characterised as a fragmented value chain with many MSMEs having limited scale and therefore only able to supply informal markets. The program aims to commercialise and formalise the small livestock (goats, pig and fish) sub-sector through the strengthening of businesses in breeding, aggregation, value addition and export to bolster the value chain which is expected to increase participation of SMEs (including emerging farmers). This is expected to result in an increase in poverty reduction, job creation and income opportunities for rural populations (especially farmers), women and youth. In addition, the initiatives will build local, regional, and international market opportunities for small livestock products and service.

Prospero aims to address the following five constraints that impede growth within the small livestock sector:

- Access to inputs and information to farmers.
- Aggregation and storage.
- Processing/value-addition.
- Compliance to local and export standards, certification, and industry governance.
- Access to finance for increased investment and growth.

Prospero has previously piloted a few activities within small livestock, particularly goats. Given initial success, Prospero intends to strengthen their work on goats, but also expand to include pigs and fish with a focus on the Copperbelt, Muchinga, Luapula, Southern, Central, Northwestern and Lusaka

provinces. The objective is to develop a fully functioning value chain from inputs all the way to local and export markets, with a strong focus on strengthening businesses in breeding, aggregation, value addition and export to bolster the selective value chains.

4. CONTEXT OF THE ASSIGNMENT

The specific context for this assignment is:

The specific target beneficiary group for the small livestock initiative comprises male and female smallholder farmers and labourers who derive incomes from micro-household agricultural enterprises in rural areas. They typically grow some crops (primarily maize) for household consumption and may sell surplus production through informal markets. Some smallholder farmers also keep livestock (poultry, goats, cattle, and to a lesser extent fish and pigs). However, small livestock; mainly goats, sheep, pigs, and village chickens are kept as a source of additional incomes and are only sold through informal markets in times of social-economic stress i.e. to pay school fees or exchange for maize in times of hunger.

The livestock sub-sector (fish, cattle, pigs, sheep, goats, poultry) accounts for almost a third of the agriculture sector's 21% contribution to national GDP (Zambia Statistics Agency, 2018) and is a key sub-sector with high potential for poverty reduction, livelihood security and economic growth. In the context of the 7th National Development Plan, the Government of the Republic of Zambia (GRZ) has placed livestock and fisheries sub-sectors at the heart of its agricultural development priorities.

Over the last decade, Zambia has experienced significant growth in local demand for small livestock particularly goats, sheep, pigs, and fish. This is attributed to changing consumption patterns driven by an increasing middle class, urban populations, and incomes. However, the country falls far short of meeting its local demands, for example 48% of the fish sold on formal markets is imported from Namibia (88%) and China (12%).

Regional demand for small livestock has also increased, with Zambia exporting goats and pigs to the Democratic Republic of Congo (DRC) and Angola, with over 4,500 goats exported to neighbouring DRC monthly (IAPRI, 2016). The Zambian Government has also potentially attracted international export markets with a Memorandum of Understanding (MoU) with the Saudi Arabian government for the export of 1 million goats and sheep annually.

The small livestock initiative has two core development objectives across all product value chains:

1. To reduce poverty by creating jobs and income opportunities throughout the value chain; and
2. To increase food security and climate change resilience among vulnerable, rural populations through diversification. Our strategy is to develop a thriving small livestock sector that is: Characterised by formalised, commercial SMEs supporting distributed production of quality products by smallholder farmers; and to access and compete successfully in local, regional, and international markets.

5. OBJECTIVE OF THE BASELINE

In order to get a deeper understanding of the small livestock sector pertaining to the different constraint areas and growth opportunities for market actors and farmers, Prospero intends to conduct a baseline across three value chains- goats, pigs, and fish. The purpose of the baseline is to develop:

- (1) Macro-level status of the small livestock sector across 3 value chains- goats, pigs and fish. This should include the total value and volume of the value chain, the contribution to Zambian

economy, growth trajectory, number of households involved, employment status, the current and potential demand and current export value.

- (2) A system map of the small livestock sector outlining the key market actors within the goats, pigs and fish value chains. This should include the number of players (both public and private), their role, type of business model, relationships between actors, value of transactions (or size of the businesses) within each of the function areas: inputs and information, aggregation and storage, processing, certification and export. It should also highlight the key constraints of the market actors across these function areas and also the potential opportunities for growth and investment.
- (3) Farm level data on the total number of households involved in rearing small livestock, average farm size, farm output (average weight per animal, number of days kept etc) and costs involved, current farm practices (breeding, feeding, health practices etc), role of men and women, sources of inputs, information and sales, net income from sale of small livestock and constraints to farm growth.

The contracted firm will conduct the baseline on macro data, systems map and primary review based on specific target locations and specific partners on a potential long term framework contract to collect baseline data of target group as and when Prospero signs more partnerships. Baseline at farm level will be conducted just immediately before starting the intervention partnerships with grantees are signed.

6. PROPOSED BASELINE METHODOLOGY OUTLINE

The research will be conducted in multiple phases to generate a baseline over time and to ensure that it remains relevant to the interventions. The following three stages will apply:

Stage	Purpose	Key questions	Methodology	Tools	Timing
1	Understand the macro-status of the small livestock sector (goats, pigs and fish), identify data gaps and develop a draft system map of the small livestock sector.	<ul style="list-style-type: none"> • What is the total size of the small livestock (pig, goat and fish) sector both in value and volume, contribution to Zambian economy (local and export), growth trajectory, number of households involved and the employment? • What is the current and potential demand for small livestock, sources of demand and current supply levels? • Who are the market key actors – buyers, input suppliers (retail/wholesale), aggregation/distribution players, SMEs in storage, processing and export? 	<ul style="list-style-type: none"> • Conduct secondary literature review and scan of existing program documents and national level credible reports to develop a summary of findings against the 3 key research areas outlined in the previous section. • Identify the information gaps to feed into the primary research plan. 	Desk review including references to the program monitoring data, partner reports, potential concept notes and the sector results chain.	By mid- November

		<p>How many are there and how big are they?</p> <ul style="list-style-type: none"> • What are the current constraints and opportunities to growth? • What are some of the key government rules and regulations governing the livestock sector? 			
2	<p>Primary research to fill in the data gaps from desk review and to capture a baseline of the key support market actors and functions outlined in the results chain.</p>	<p>In addition to the gaps in answering the questions above,</p> <ul style="list-style-type: none"> • What are the current volumes of transactions (demand/sales/market size/market price) by each player? • What is the relationship between different actors, constraints to operate/invest/expand and opportunities for growth? • What are the current quality issues at each level of the value chain? • What are the current livestock rearing practices? 	<ul style="list-style-type: none"> • Develop key research questions based on the initiative level results chain and indicators developed by the program. • Interview the key system actors (both public and private) within different function areas as identified in the results chain to get an understanding of how they are currently operating and to complete the narrative under point (2) in the previous section. 	<p>Key informant interviews starting from existing and potential partners of the program and then gradually moving towards other actors in the system.</p>	<p>By mid -December</p>

		<ul style="list-style-type: none"> • What are the current farm yields and costs of production and areas of wastage/loss? • What are the current sources of finance for investment in the livestock sector? 	<ul style="list-style-type: none"> • Start with interviewing the existing and potential partners of the program. Also, business association or other relevant entities like farmer associations and relevant Government departments should be covered to create a system map. 		
3	Primary research to gather farm level data	<ul style="list-style-type: none"> • How do farmers view small livestock production? • What are the typical farm sizes across different geographical areas? • What are the current livestock rearing practices? • What are the current farm yields? • What are the current costs to livestock rearing and the key cost components? 	While stage 2 is about collecting data on the support function level actors, this stage is more about collecting data on the potential target group of the program (micro-enterprises/farming households). The selection of the farming households should be limited to the geographical areas and list of suppliers/buyers of existing and potential partners identified by the program. This is to ensure that the data is relevant for the potential treatment group and resource is efficiently used. This	In-depth interviews, supplemented with structured questionnaires.	Baseline data on farmers need to be collected on individual interventions (as and when they are signed)

		<ul style="list-style-type: none"> • What are the sources of inputs, information and sale? • What is the current market price of products (live and processed)? • What are the current sources of finance for investment in small livestock rearing? • What is the role of men and women in small livestock rearing? • To what extent are youths involved in small livestock rearing? 	<p>is where the phased/staggered approach is important and a baseline data at farm level should be gathered over a period of time as interventions are developed and partners are identified.</p>		
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1. Risk and mitigation measures:

1. Risk of a false baseline: It is important to note that the year 2020 is an anomaly and using this year as the baseline would distort the program's impact in future. Hence it is important to use 5 years trend for macro-economic data and for primary research it is proposed that data be collected for both 2019 and 2020 from market actors to gather a sense of what the market would look like in the absence of the pandemic.

7. SCOPE OF WORK

The purpose of the assignment is to provide technical support to the process of undertaking a baseline study on the status of the value chain under the small livestock (goats, fish and pigs) agricultural subsector from input supply – aggregation – processing – market supply – exports in order to establish the scale, key stakeholders, major areas of operation and challenges/barriers to entry pertaining to the small livestock subsector. This study will be conducted in Copperbelt, Muchinga, Luapula, Southern, Central, Northwestern and Lusaka provinces. The consultant will be supervised by the Prospero M&E Manager in collaboration with his Food and Agriculture sector team to deliver stipulated deliverables in the TORs. The consultant will collect data, analyze it and provide technical support to the entire process and produce a comprehensive jargon free report.

The exact scope of work will include the following among others:

- Develop an inception report based in the proposed methodology
- Develop the required data collection tools to be used.
- Compile and provide the list of stakeholders, interview Key informants, such as policy makers and key players in the small livestock sector (regulators, commercial breeders, small local farmers) at national and regional levels. These will include but not limited to:
 - Commercial Breeders
 - Agro-dealers
 - Veterinarian Service Providers
 - Emerging breeders
 - Aggregators/cold storage operators
 - Fish/Meat processors
 - Government institutions and departments
 - Farmer Organizations
 - Smallholder livestock farmers
 - Ministry of livestock staff
- Oversee the entire baseline study process and provide overall coordination for the study
- Prepare comprehensive baseline study report and a summarized report both to be submitted to Prospero.
- Prepare PowerPoint presentations and give presentations to Prospero staff and key stakeholders.

8. DELIVERABLES

The deliverables from this assignment and the due dates for submission are:

Deliverables	Due date
Inception report and work plan	26/11/2020
Draft report	20/12/2020
Final study report	30/12/2020
Key summary report	10/01/2021
Presentation to Prospero	12/01/2021

9. PROFILE OF THE SERVICE PROVIDER

9.1 REQUIRED/DESIRABLE EXPERIENCE

- Interested firms should provide information demonstrating that they have the required experience and relevant qualifications to perform the services described in the TORs.
- More than 5 years' experience in the field of agriculture and livestock development.
- Demonstrate evidence of skills and competencies required to conduct Baseline studies in the field of agriculture and small livestock subsector.
- Show evidence of previous experience in related tasks and expertise in designing data collection tools, data collection and analysis.
- Adequacy of the proposed methodology and work-plan in responding to the Terms of Reference
- Staff qualifications and competence for the assignment
- Excellent knowledge and understanding of the FCDO funded programs are an added advantage
- Excellent understanding of research methodologies including statistical and qualitative analysis and technical report writing
- Experience in the field of agriculture sector reviews and monitoring and evaluation. Specifically, the consultant must demonstrate the understanding of social science methodology in their proposal and key variables to be used in data collection.
- Knowledge of agriculture sector and agricultural value chains

10. REPORTING REQUIREMENTS

The reporting requirements associated with this assignment and the timing for submissions are:

Report	Due date
Inception report and work plan	26/11/2020
Draft report	20/12/2020
Final study report	30/12/2020
Key summary report	10/01/2021

11. PROPOSAL SUBMISSION GUIDELINES

Please apply by emailing your CV(s) (not exceeding 4 pages) and a technical/financial proposal outlining the methodology to be used, number of days input, daily fee rates, reimbursable expenses and total cost (inclusive of all taxes) (8-10 pages maximum) to procurement@prospero.co.zm and copy jonnathan@prospero.co.zm by **21 November 2020**.