



Terms of Reference – Request for Proposals

1. ASSIGNMENT SUMMARY

Title of assignment	Baseline study – Legumes in Zambia
Location of assignment	Zambia
Sector	Food and Agriculture
Initiative	Legumes
Reports to	Monitoring and Evaluation Manager
Anticipated start date	January 2021
Duration of contract	45-55 days

2. ABOUT PROSPERO

Prospero is a UK aid funded private sector development organization designed to incentivise investment in innovation that will change the way that market systems work and create new growth opportunities for Zambian 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 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.

3. FOOD AND AGRICULTURE SECTOR BACKGROUND

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 food and agriculture sector is the key sector problem that needs to be addressed. Prospero aims to support the Food and Agriculture sector to increase the presence and competitiveness of Zambian origin food products in end-consumer markets- local and international.

In the first phase, the program focused 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 legumes sectors. In this phase, they aim 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 program 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 Legumes sector is characterised as a very informal value chain with many MSMEs having limited scale and therefore only able to supply informal markets. The program aims to commercialise and formalise the legumes (soya beans, common beans and groundnuts) sub-sector through the strengthening of businesses in seed growing, input supply, 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 legumes products and services.

The program aims to work across 5 constraint areas within the legumes sector:

- Seed quality
- Access to seed and distribution
- Processing/value-addition
- Compliance to local and export standards, certification, and industry governance
- Access to finance for increased investment and growth

After conducting pilots under the legume initiatives in the soya bean, common beans, and groundnuts sectors, Prospero is now focusing on scaling up interventions through partnerships. The legume initiative sees an opportunity to identify business models in

the input supply, aggregation and processing components of the value chain to increase access to improved legume seed varieties, legume production reaching formal markets, and more value-added products available for local and international markets. For the local market, the opportunities are to support the supply of legumes varieties that not only play a role in enhancing soil fertility but also serve as high valued fodder for livestock.

4. CONTEXT OF THE ASSIGNMENT

The specific target beneficiary group for the legume initiative comprises male and female smallholder farmers and labourers who derive incomes from micro-household agricultural enterprises in rural areas. Currently, mostly women farmers grow beans and groundnuts, while there are a balanced mix of both men and women growing soya beans. They typically grow some crops such as white maize, groundnuts, millet for consumption and surplus to sell when in financial need and usually they sell through informal markets.

Diversification of agricultural production with legumes contributes to improved food and nutrition security through direct consumption, improved income from sales, employment opportunities, improving crop and livestock productivity and increasing commercialization of the rural sector. Legumes also help to improve soil fertility and reduce the need for artificial fertilisers which makes them easier to produce compared to cereal crops such as maize.

The legume sector provides great opportunity to contribute to a diversified and export-oriented agriculture sector in Zambia as the sector possesses more advantages than most crops. Legumes are versatile because they embrace diverse climatic conditions and different types of soils which allows them to be grown nation-wide and create a critical mass of production for processing and export. Among other benefits, legumes are used in production of vegetable oil and vegetable protein and are helpful in the retention of soil nutrients. Demand for legumes has increased in recent years with the growth of the livestock sector (soya and groundnuts) consuming a greater proportion. Human consumption, in form of soy products is also one of the fast-growing sectors, expected to grow by 8% per year over the medium term. The three value chains of focus for the legume sector are:

- **Groundnuts:** Groundnuts are the second most widely grown smallholder crop in Zambia with over 50% of households producing the crop annually. There is an opportunity for MSMEs to aggregate groundnuts and add value to make it marketable to the formal markets. There is also opportunity for processing groundnuts into products that contribute to improved nutrition.
- **Beans:** Common beans are a cheap source of protein and serve as a major food and nutritional security crop for Zambian households. Common bean is one of the most consumed pulse crops in sub-Saharan Africa. However, consumption in Zambia is low, with 10Kg per capita per year. Recently more private sector players have entered the market adding value to beans as they see an opportunity to provide more nutritious products to the consumers. This is causing a rise in the demand for legumes both locally as well as internationally creating an opportunity for investment to satisfy the rising demand for these crops.

Soya bean: The arable land in Zambia is big enough to accommodate expansion in future and most importantly soya bean is a very profitable crop due to its contribution to the livestock sector. Soybean production remains low despite its clear benefits for smallholders. This is due to limited availability of high yielding soybean seed and limited incentive for private investment in smallholder soybean seed multiplication. Low production is also related to agronomic practices, such as late planting and poor disease management as well as low usage of yield improving inputs.

The legume initiative for Prospero has two core development objectives across all product value chains:

1. To reduce poverty by creating jobs and income opportunities throughout the legume value chain; and
2. To increase food security, nutrition and climate change resilience among vulnerable, rural populations through diversification.

The five-year vision of the Prospero legume initiative strategy is to develop a competitive legume sector that is characterised by formalised, commercial MSMEs supporting distributed production of quality products by small-scale farmers; improved coordination and collaboration between value chain players to improve efficiency and effectiveness of the sector; and that MSMEs are able 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 legume subsector pertaining to the different constraints and growth opportunities for market actors and farmers, Prospero intends to conduct a baseline across three value chains- groundnuts, soya beans and beans. Prospero Zambia is seeking to hire a credible individual consultant or consultancy firm to undertake a comprehensive baseline setting of the project to inform the development of:

- (1) Macro-level status of the legume subsector across 3 value chains- soya beans, common beans and groundnuts. 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 legume sector outlining the key market actors within the soya beans, common beans and groundnuts 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 the potential opportunities for growth and investment.
- (3) Farm level data on the total number of households involved in growing soya bean, common beans, and groundnuts, average farm size, farm output (average kilograms/metric tones produced etc) and costs involved, current farm practices, role of men and women, sources of inputs, information and sales, net income from sale of soya bean, common beans, and groundnuts and constraints to farm growth.
- (4) 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

The consultant is anticipated to employ a variation of data collection and analysis techniques for both quantitative and qualitative data with demonstrative sampling techniques to ensure a comprehensive baseline setting exercise in multiple phases to generate a baseline over time and to ensure that it remains relevant to the interventions. This will apply following three stages, but not limited to:

#	Purpose	Key questions	Methodology	Tools	Timing
1	Understand the macro-status of the Food and Agriculture sector with specific focus on the Legume subsector (soya bean, common beans and groundnuts), identify data gaps and develop a draft system map of the Legume subsector.	<ul style="list-style-type: none"> • What is the total size of the legume subsector (soya bean, common beans and groundnuts) 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 Legume products (soya bean, common beans and groundnuts) sources of demand and current supply levels? • Who are the market key actors – buyers, input suppliers (retail/wholesale), aggregation/distribution 	<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 month-end- January

		<p>players, SMEs in storage, processing and export? 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 Legume subsector? 			
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 legume practices? • What are the current farm yields and costs of 	<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 early - February</p>

		<p>production and areas of wastage/loss?</p> <ul style="list-style-type: none"> • What are the current sources of finance for investment in the legume subsector? 	<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 legume production? • What are the typical farm sizes across different geographical areas? • What are the current legume farming practices? • What are the current farm yields? • What are the current costs to legume farming and the key cost components? • What are the sources of inputs, information and sale? • What is the current market price of products 	<p>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 is where the phased/staggered approach is important and a</p>	<p>In-depth interviews, supplemented with structured questionnaires.</p>	<p>Baseline data on farmers need to be collected on individual interventions (as and when they are signed)</p>

		<p>(Beans, Soya Bean and Groundnuts)?</p> <ul style="list-style-type: none"> • What are the current sources of finance for investment in legume farming? • What is the role of men and women in legume farming? • To what extent are youths involved in legume farming? 	<p>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 legume (soya beans, common beans, and groundnuts) 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 legume subsector. This study will be conducted in Central, Copperbelt, Eastern, Luapula, Muchinga, North Western, Southern, Northern 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 on the proposed methodology
- Develop the required data collection tools to be used.
- Develop a sampling framework.
- Compile and provide the list of stakeholders, interview Key informants, such as policy makers and key players in the legume agricultural subsector (seed growers, input suppliers, processors, regulators, commercial farmers, small local farmers) at national and regional levels. These will include but not limited to:
 - Commercial farmers
 - Agro-dealers
 - Aggregators
 - Soya beans/beans/groundnuts processors
 - Government institutions and departments
 - Farmer Organizations
 - Smallholder legume farmers
 - Ministry of agriculture 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 AND TIMELINES

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

Deliverables	Due date
Inception report and work plan	20/01/2021
Draft report	10/03/2021
Final study report	15/03/2021
Key summary report	15/03/2021
Presentation to Prospero	20/04/2021

9. PROFILE OF THE SERVICE PROVIDER

- 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 Food and Agriculture with an understanding in the legume subsector.
- Demonstrate evidence of skills and competencies required to conduct Baseline studies in the field of food and agriculture and legume subsector.
- Show evidence of previous experience in related tasks and expertise in quality assurance and control measures, 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 to undertake the assignment
- Excellent knowledge and understanding of the FCDO funded programs are an added advantage.
- Excellent understanding of quantitative and qualitative research methodologies with demonstrative technical report writing.
- Experience in the field of food and agriculture sector reviews legume 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 food and agriculture sector and agricultural value chains.

10. REPORTING REQUIREMENTS

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

Deliverables	Due date
Inception report and work plan	20/01/2021
Draft report	10/03/2021
Final study report	15/03/2021
Key summary report	15/03/2021
Presentation to Prospero	20/04/2021

11. SUBMISSION GUIDELINES

Please apply by emailing your CV(s) (not exceed 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 (in GBP inclusive of all taxes) (8-10 pages maximum) to procurement@prospero.co.zm and copy jonnathan@prospero.co.zm by **18 January 2021**.

Please indicate '**Legume baseline**' in the subject line.

Prospero may reject any proposal that does not comply with the required format at its sole discretion.

Prospero reserves the right to amend, extend or cancel this request for proposals at any stage. The costs of preparing proposals is entirely on the account of the organisation preparing the proposal.

12. PROPOSAL EVALUATION AND CONTRACT AWARD

Prospero will seek (but does not guarantee) to complete an evaluation of compliant proposals within ten days of the submission deadline. The preferred bidder will be informed and invited to begin contract negotiations. If the contract negotiations with the preferred bidder are unsuccessful, Prospero may either:

- cancel the request for proposals, or
- identify an alternative preferred bidder based on the evaluation of the remaining proposals.

In any case, contract awarding will be subject to the standard Prospero due diligence assessment.

13. TAXES

Prospero is in full compliance with the tax laws of the Republic of Zambia and will make any necessary deductions for withholding taxes (WHT) or any other applicable taxes when making any payment to an independent consultant or contractor.