

## ► Terms of Reference

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# Service Provider for undertaking Market Systems Analyses (MSAs) in Nyanza, Nairobi and Mombasa - Kenya

## Background

While returned migrants face specific vulnerabilities, including psychological trauma, lack of opportunity and protection risks, host communities also struggle to pursue their development efforts in an environment that has been transformed by a large influx of newcomers. Return migration, which refers to the return of migrant workers from a country of destination back to the country of origin, also presents its own unique set of challenges for successfully reintegrating these groups back into their communities, economies, and broader societies. Responses to these challenges are therefore focusing more on durable solutions backed by more dignified, inclusive and comprehensive programmes for returnees and hosting communities.

In this context, the International Labour Organization (ILO) is seeking to undertake a Market Systems Analysis (MSA) in Kenya focused on Nyanza, Nairobi and Mombasa, which comprises: i) a socioeconomic analysis, ii) a sector selection exercise, and iii) value chain analysis of the finally selected value chains. In total this will result in 3 separate MSAs (one for each location) with two sectors selected for each location. The assignment will be guided by the [approach to inclusive market systems \(AIMS\)](#), developed by the ILO and UN Refugee Agency (UNHCR) and detailed in the “[Guide to market-based livelihoods interventions for refugees](#)”. AIMS utilizes a market systems development lens (also termed ‘making markets work for the poor’ or M4P) to analyze the market system in which forcibly displaced persons (FDPs) and host community members are already embedded. This is done through a socio-economic assessment driven by rigorous and data-forward analysis, identifying opportunities to sustainably integrate FDPs and host community members in the selected market system and/or to improve the overall functioning of the market system to benefit host communities and FDPs. On these analytical bases, market-based livelihoods interventions are then developed.

AIMS therefore takes a two-pronged approach that is based on the assumption that, in order for people to build sustainable livelihoods, two conditions need to be fulfilled:

- The existence of economic opportunities, either for entrepreneurship if a certain good or service is demanded by the market, or for salaried employment if employers are looking for employees to recruit;
- The availability of the necessary skills and competencies to access these existing opportunities, both from a vocation and technical perspective as well as business operations and management perspective.

The Approach seeks to work on both sides in parallel. On the one hand, tailored interventions aim at developing the skills and capacities of the target group to engage with the market, and make use of existing opportunities, for instance through technical or entrepreneurial skills development and strengthening social networks. On the other hand, ILO’s value chain development approach is used to develop value chains with potential to expand and diversify the market opportunities available to the target group as well as the host community.

This is not a “one-size-fits-all” approach; it adjusts to each local context, legal framework and market realities. What AIMS proposes, subsequently, is a framework that makes it possible to identify value chains with potential economic opportunities for the target group while at the same time also understanding and responding to the demand-side of labour market interventions. In doing so, the framework ultimately enables the design of targeted interventions that respond to local market realities and challenges, in identified key value-chains.

To this end, the ILO is seeking to engage a service provider to undertake a RMA and a first action plan to design market-based livelihoods interventions for returnees, potential migrants and host communities in Kenya. This entails clear recommendations and a rough action plan to develop interventions for inclusive value chain and market systems development as well as an action-planning workshop. These final outputs will then be used to inform future projects and programming in the selected regions. Overall, the service provider is expected to have three team members/national consultants (one for each region), and one international team leader to oversee the work and produce the outputs detailed below.

## Objective of the assignment

Undertake three MSAs that will make recommendations for interventions to support returnees and host communities in accessing economic, entrepreneurship and decent work and employment opportunities in each of the three selected regions (Nyanza, Nairobi and Mombasa) in Kenya.

The assessment will, on the one hand, identify the target groups' skills and capacities, and, on the other, identify specific value chains where such skills are sought after. It will also provide a realistic picture of the type of support that would be required so that returnees and host communities can access such economic opportunities. In addition to the assessment, an action-planning workshop will also be conducted to further develop plans for interventions and gain feedback from relevant stakeholders.

## Scope of Work

The assignment will culminate MSA in Kenya focused on Nyanza, Nairobi and Mombasa and proposals for targeted interventions based on data and findings gathered from technical field missions, desk and secondary research. The target group for analysis and the eventual interventions is returnees and host communities, with particular emphasis on women and youths. The MSA will focus on but not be limited to the following:

### Socio-economic assessment and context analysis/rapid market assessment:

1. *A Socio-economic assessment* of the target group should give an overview of the target group's profile including their age, educational background, capacities, skills, professional experience, legal status, current income-generating activities as well as key challenges and constraints. For this target group assessment, service provider can draw upon already existing profiling exercises and studies. Missing data will be collected through field visits and interviews.
2. *Rules and regulations pertaining to returnees' access to economic opportunities in the three target regions.* An assessment of relevant rules and regulations should lead to a comprehensive idea of the legal environment that governs access to the labour market, while also including an analysis of informal rules and social norms that affect returnees' economic inclusion.
3. *Access to market supporting functions for returnees.* An assessment of supporting functions available to returnees should result in a thorough understanding of the type of support that returning migrants can or cannot draw on to build livelihoods. Supporting functions include but are not limited to access to finance, access to information, access to skills development and to business development support services. Through focus group discussions and key informant interviews, the assessment will elucidate the availability and quality of market supporting functions, as well as whether and how they are available to the target group.
4. *Identification of high-potential value chains in each region's economy:* The value chain selection exercise (market assessment) will identify value chains which have potential for profitability, growth and decent employment for the target group. Selection criteria should include the following: relevance to the target group, potential for employment creation and feasibility for intervention. Validation workshops will be held for each target region to present the socioeconomic assessment and context analysis and sector selection exercise and agree on the two VCs prioritized in each target region.

### Value chain analysis and recommendations for market-based returnees, potential migrants' and host communities' livelihoods interventions:

5. *Value Chain Analyses* will be conducted for at least two selected value chains based on the methodology outlined in the ILO publication "[Value chain development for decent work](#)". Value chain analyses will explore the existing business linkages and employment opportunities for returnees and host communities. This should include an overview of existing financial and business support services as well as regulatory constraints and opportunities for the economic development of the value chain. All findings and collected information should be discussed and validated during a VC stakeholder workshop.
6. *Recommendations for market-based livelihoods interventions.* Based on analysis of the above, the assessment will make actionable and realistic recommendations to support the development a market-based livelihoods strategy for returnees, potential migrants and host communities. The analysis will be concluded with an action-planning workshop that will focus on presenting and discussing results of the assessment and developing an action plan for market-based livelihoods interventions in each target region.

The service provider is expected to work in close consultation with the project team from the ILO.

## Deliverables

The service provider is expected to provide the listed deliverables:

- A presentation on the first part of the assessment (Socio-economic assessment and context analysis / RMA) including target group assessment, assessment of supporting function and rules and regulations, and sector selection exercise/identification of high-potential value chains/sectors in each target region's economy), by 05 January 2023
- Present the RMA in a validation workshop in each location (3 in total) with the targeted communities and stakeholders and develop a rating and scoring matrix for each assessed value chain to allow for a debate and final selection of which two value chains to undertake VCA in each geographical location.
- Separate VCAs for each location (6 value chains)
- Three final and combined reports for each location of a maximum of 25 pages each by 30 March 2023, as outlined in the following:
  - Socio-economic assessment and context analysis / RMA including target group assessment, assessment of supporting function and rules and regulations, and identification of high-potential value chains in each target region's economy.
  - Livelihood market analysis and VCA highlighting the choices of value chain selection for each community and detailed analysis of at least two value chains in each location (6 in total) with recommendations for interventions.

- All the produced documents will have to be submitted in English. The consulting firm will also submit to the ILO the following materials:
  - 1) Electronic copies of all data sets
  - 2) All quantitative and qualitative data (completed questionnaires, recorded interviews, focus groups, etc.)
  - 3) Any other documents that will be used or collected in the course of the consultancy
  - 4) An executive summary of the key findings and recommendations
  - 5) A PowerPoint presentation of the methodology, key findings and recommendations

**Three Local Consultants (one per target region)** – will assist the project team by sourcing primary and secondary data, by organizing strategic interviews and meetings for the project team and by providing strategic insights on the local context in their respective regions throughout the research.

The consultants will also be expected to provide of technical inputs throughout the data collection and report-writing processes

## Roles and Responsibilities

**Team leader**– will lead and carry out most of the research and drafting of the study, source and analyse secondary and primary research data, organise and coordinate face-to-face interviews during the in-depth value chain fieldwork mission, and contribute to the final validation workshop/presentation.

**Local consultants (one per target region)**– will assist the project team by sourcing primary and secondary data, by organizing strategic interviews and meetings for the project team and by providing strategic insights on the local context in their respective regions throughout the research.

The service provider is expected to provide technical inputs throughout the data collection and report-writing processes.

## Timeframe

The work will begin in January 2023 and continue until March 2023. All final reports should be delivered no later than 30 March 2023. The tentative work plan is as follows:

Phase	Rough Dates	Activities	Lead Consult.	Local Consult.	Local Consult.	Local Consult.
Preparatory Work	05/01/23	<ul style="list-style-type: none"> <li>- Work plan to conduct AIMS assessment (service provider &amp; team)</li> <li>- Initial meeting with service provider &amp; team</li> </ul>	2	1	1	1
Secondary and Primary Research <b>(Context, Profile Sector Selection)</b>	06/01/23 – 21/01/23	<ul style="list-style-type: none"> <li>- Initial secondary/desk research on context, profile &amp; sectors</li> <li>- Initial primary research on context, profile &amp; sectors</li> <li>- Sector selection evaluation and final suggestion for selection</li> <li>- Presentation of preliminary information for each target region</li> <li>- Validation workshop of sector selection exercise for each target region</li> </ul>	14 days	8 days	8 days	8 days
In-depth research, analysis and drafting <b>(Value Chain Analysis &amp; interventions)</b>	21/1/2023 – 21/02/2023	<ul style="list-style-type: none"> <li>- Preliminary value chain analysis and identification of knowledge gaps and key bottlenecks/actors/deficits to be further explored</li> <li>- In-depth research on the selected value chain, market actors and potential areas of intervention</li> <li>- Fieldwork</li> <li>- Draft of the final reports</li> </ul>	30 days	8 days	8 days	8 days
Review and validation	22/02– 26/02/2023	- ILO review, integration of comments and submission to stakeholders	1 day			
		- Presentation during validation workshops/events for each region with a focus on fine-tuning interventions	2 days	1 day	1 day	1 day
		- Integration of validation comments and final report submission	1 day			
<b>Total LOE</b>			<b>50</b>	<b>18</b>	<b>18</b>	<b>18</b>

## Reporting

The service provider will report to the AIMS Team based in the ILO Headquarters in Geneva, Switzerland and to the Chief Technical Advisor of the BRMM in ILO Addis Ababa Office.

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## Requirements & experience

The consulting firm must have experience in implementing market-based livelihood assessments and interventions.

The technical competencies required of the international team leader are:

- Capacity to provide practical technical advice on how to implement research in value chains and market systems
- Excellent writing communication and presentation skills
- Strong social, organizational and knowledge management skills required in order to coordinate and manage a research and project network
- Capacity to produce high-quality reports
- Experience designing market system interventions
- Experience with migrant contexts, ideally with familiarity of the context of Kenya. Knowledge and familiarity of the ILO Approach to Inclusive Market Systems (AIMS) will be an added advantage.

The team members must have thorough understanding of local markets and market actors in the target regions.

The technical competencies required for the team members /local consultants are:

- An analytical-oriented approach and mindset
- Capacity to provide practical technical advice on how to implement research in value chains and market systems
- Excellent writing communication and presentation skills
- Strong social, organizational and knowledge management skills required in order to coordinate and manage a research and project network
- Capacity to produce high-quality reports
- Deep understanding of the local context in their respective region
- Experience with returnee or migrant contexts and livelihood interventions is desired but not required.

## Fees and Payment Schedule

The work will be performed between January 2023 and March 2023. The payment will be delivered in instalments upon delivery of the products according to the details below:

- 50% of the agreed sum upon submission of satisfactory presentation of the first part of the assessment (Socio-economic assessment and context analysis including target group assessment, assessment of supporting function and rules and regulations, and identification of high-potential value chains in target regions), by 31 January 2023.
- 50% of the agreed sum upon submission of satisfactory MSA for each target region, by 30 March 2023.

## Evaluation Criteria

The successful service provider will have a mix of expertise and qualifications in the focus areas related to this assignment. Evaluation of the suitability of the service provider to work on this assignment will be made against the following technical criteria:

Evaluation Criteria	Maximum mark
A. Expertise/Qualification	

The team leader needs to have a minimum of Advanced University degree in business, or a relevant discipline.	10
Experience with migrant contexts, ideally with familiarity of the context in Kenya. Knowledge and familiarity of the ILO-UNHCR Approach to Inclusive Market Systems (AIMS) will be an added advantage.	10
Proven experience in carrying similar market-based livelihood assessments and interventions (at least 5 years.)	10
Teams' qualifications and experience on specific roles in the assignment	
<b>Maximum Points</b>	<b>30</b>
<b>B. Proposed approach to deliver the ToR's scope of work</b>	
Applicant demonstrates (via submitted technical proposal) their expertise working on market-based livelihood assessments and understanding of the objective of the assignment.	40
Applicants, demonstrate the appropriate approach/methodology to be used to deliver on the objectives of the assignment including any innovation/new idea proposed.	30
<b>Maximum Points</b>	<b>70</b>
Total for Both Section A (30 Points) and Section B (70 Points)	<b>100</b>
Minimum Acceptable Score for the Proposal to be considered for financial evaluation.	70

## Recommended presentation of proposal

Interested consulting firms are invited to submit their application (technical and financial proposal separately) as per the instructions in the bidding documents.

The technical and financial proposal should be prepared in accordance with this TOR and the request for the proposal.

In particular the technical proposal should contain the following:

- Team/firm profile listing other relevant tasks already completed, technical certifications of the firm/team demonstrating the relevant experience and competencies to the TORs.
- A list of the team members who will work on the assignment including gender profile, **CV(s)** of the key personnel demonstrating competence and qualifications in areas relevant to the TOR.
- Tentative methodologies and work plan with timeline are presented.
- Examples of similar projects completed by the firm recently.
- Recommendations/references from previous clients for whom similar work has been conducted.

The Financial proposal indicating the cost required for undertaking the assignment.

## Application

All interested firms can send questions if any to the ILO's Procurement Unit in Addis Ababa, Ethiopia ([ADDIS\\_PROCUREMENT@ilo.org](mailto:ADDIS_PROCUREMENT@ilo.org)) until 20 December 2022. Questions will be answered and shared with the interested organizations by Close of Business on 23 December 2022.

Completed technical and financial proposals are to be submitted to [ADDIS\\_PROCUREMENT@ilo.org](mailto:ADDIS_PROCUREMENT@ilo.org) by Close of Business on 06 January 2023.