

Terms of Reference

Value chain analysis for livestock (red meat – cattle, goat and sheep & hides and skins)

Longido and Simanjiro Districts Tanzania

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1. Background

The Maisha Bora (MB) Programme is funded by the Belgian Fund for Food Security for the period January 2015 to December 2019 with a budget of Euro 13.8 million. It aims to improve food security in 15 villages in Longido and Simanjiro districts in the north of Tanzania. It is implemented by five international partners Vétérinaires Sans Frontières Belgium (VsF-B), Iles De Paix (IDP), Trias, World Food Programme (WFP) and the Belgian Development Agency (BTC) and ten local partners working closely with the village, district and regional government administrations. BTC has a specific role in coordinating the overall programme and there is a national level steering committee co-chaired by the prime minister’s office and the Belgian Embassy.

Trias works with 6 local partners. In Longido PWC (Pastoral Women Council), LCDO (Longido Community Development Organisation), MVIWATA Arusha (network of farmer groups) and TCCIA Arusha (Tanzania chamber of commerce, industry and agriculture). In Simanjiro:

The intervention area is drought-prone rangeland occupied by pastoralists and agro-pastoralists who are predominantly Maasai. Household economies have been undermined by drought and loss of traditional grazing areas to agriculture and wildlife tourism. Income sources lack diversity and are focussed on livestock sales which are used for food and other necessities. Communities are organised around scattered villages with limited infrastructure (typically water point, school, health post and village office), with most of the population living in even more scattered extended family homesteads (bomas) loosely clustered in sub-villages.

The MB programme has a specific objective of *'higher and more secured income used for nutrition and improved local availability of food for 9.000 households in 15 villages in Simanjiro and Longido districts and in particular for 40% of impoverished households, women and youth'*. This is expected to be delivered through four results:

Result 1: Households have livestock resources secured and can benefit more from different livestock products (Livestock / pastoralism component (VSF-B)), with a major sub-result being sustainable access to adequate water for livestock is improved (Water component (IDP))

Result 2: Women, youth and households' income are more diversified, secured and used to increase the quantity of food intake (Business development component (Trias))

Under Result 2, there are 4 sub results:

- Result 2.1: Women & youth have improved income from small and micro businesses
- Result 2.2: Improved enabling environment for development of small and micro businesses of women and youth and for livestock business development
- Result 2.3: Relatively more of households' livestock and livestock products are sold at a better price and income from livestock is used to buy more food or to save
- Result 2.4: Partner organisations and district governments in the two districts have improved their capacities

Result 3: More households, and in particular more pregnant and lactating women and children under 5, consume more diversified foods, use cleaner water, prevent and treat diarrhoea effectively and have increased awareness of HIV prevention (Nutrition component (WFP))

Result 4: Effective coordination of the Programme assures external and internal coherence, induced cooperation and increases implementation efficiency (Coordination component (BTC)).

The Maisha Bora programme has recently undertaken a mid-term review as well as a theory of change workshop. The reports of both these processes will provide important input for the consultants

2. Research questions

The consultancy will concern itself mainly with Result 2.3 as well with the second part of Result 2.2. that concerns itself with the improved enabling environment for livestock business development. Information about what Trias has implemented so far is available upon request through the annual reports.

Under Result 2.2 Trias works together with the 2 districts and other relevant stakeholders to develop a business strategy. The business strategy should guide business development / private sector development in the districts in the (near) future and focuses on the facilitation of growth-oriented entrepreneurs.¹ The process has (amongst others) included a consultation of the business community and

¹ These entrepreneurs have the potential for growing their business and for employing other people thereby giving them a livelihood. They are contrasted by subsistence or survivalist entrepreneurs. The latter do not enter business because they discovered a market opportunity or because they developed an innovative business process but simply out of necessity. Most of these individuals owning micro enterprises would leave their business if they would have the chance to be employed. Some tentative criteria for identifying growth-oriented entrepreneurs are:

- Business has been existing at least for 3 years.
- Business turnover of more than 70 million TSH per year.
- Business growth during this period

a round table meeting during which the stakeholders identified the most potential sectors in their district and selected their priority sector.

This has resulted in Longido selecting the **improved livestock sector** and Simanjiro selecting the **livestock sector** in general. Livestock in this case refers to cattle, sheep and goats.

The next step in the development of the business strategy is an expert study which is supposed to help get a better understanding of the selected sector and to help identifying priority interventions.

Under Result 3, Trias is working on marketing of livestock with the aim to improve the terms of trade between livestock (products) and food, while at the same time considering conservation of the environment (mainly prevention of overgrazing). Although several interventions have taken place already (more information in annex / available upon request), it remains the highest priority for Trias in the final 2 years of the MB programme.

One critical factor is the tendency of most Maasai pastoralists to maintain as large herds as possible and to delay selling of livestock (i.e. not selling at the most optimal time from a commercial perspective) often leading to high mortality in times of drought, low / less-optimal prices and overgrazing.

Resulting from the above, the research questions for this study are:

- I. What does the livestock sub-sector in Northern Tanzania (and specifically the MB intervention areas) look like?
- II. What are the most relevant interventions that need to be undertaken to strengthen growth-oriented entrepreneurs in the livestock – and improved value chains in Longido and Simanjiro with a focus on enabling the district business strategy efforts to promote economic growth of the value chains?
- III. What are the most relevant interventions that need to be undertaken in the livestock value chain in Longido and Simanjiro with a focus on improving the livelihood of small scale producers?
- IV. What are the most relevant interventions that need to be undertaken to improve marketing conditions for the beneficiaries of the MB intervention villages (especially the poorest 40%), while at the same time conserving the environment (mainly prevention of overgrazing, conservation of pastures and water).

3. Purpose

The purpose of this study is to give guidance to Trias' interventions within the large and small ruminants value chain in the remaining 2 years of the Maisha Bora programme / project. This includes identifying ways to optimize the functioning of the market for smaller producers (getting better prices for livestock / improving terms of trade with food) as well as identifying ways to encourage larger producers to increase sales of their livestock in a timely manner to avoid dry season / drought losses while at the same time leading to a decrease of overall livestock numbers and thereby to a decrease of pressure on the environment. This means that the consultant will be required conduct an analysis of cattle, goats, sheep value chains using a participatory methodology involving Trias and its project partners.

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- The person acts out of opportunity instead of necessity.
 - The business is registered or is willing to
 - The person has a positive credit history

These criteria are however not complete. Some will move from the survivalist category into this category. Therefore, a strict differentiation between the 2 categories is not helpful. Rather it is important to identify among the small enterprises those that can move into the growth-oriented entrepreneur category and provide them with support.

The study should focus on the Maisha Bora intervention areas and all other geographic areas that impact the MB villages. This means also that the inflow of animals from other regions of Tanzania (such as Shinyanga) into the Arusha / Manyara region should be considered, as well as relevant secondary and final markets outside the intervention zone (such as Bisil market in Kenya).

4. Objectives

The main objective of the study is:

Identify, describe and prepare a draft plan for the most relevant interventions into the market system as well as those providing most leverage, always keeping a special focus on needs to ensure their sustainability

In addition, the above objective is further broken down into more specific objectives. These more specific objectives are to be investigated and results presented by differentiating quality of product / traditional vs. improved stock. Results should be indicated providing absolute numbers as well as relative percentages where relevant.

Objective 1: Undertake a detailed analysis of the sub sector and market segment dynamics and update previous analyses of the institutional / legislative framework & policy environment for Simanjiro and Longido districts

- 1.1. Update previous analyses of the institutional / legislative framework & policy environment
- 1.2. Develop a detailed mapping of the sub sectors / market segments and their channels showing various functions (primary and secondary) actors with estimations of the number of producers from each wealth class and traders from different types and capital access bases and their contribution to the numbers of livestock being moved from input supply to consumption.
- 1.3. Using the typology of Roba et al. 2017 as basis and starting from the traders identified by LCDO for Longido - and MWEDO for Simanjiro target villages, analyse the roles of traders and how they interact with producers and other value chain actors along all supply chains understanding number, type, wealth class, location of traders and supply and outlet chains of traders (individuals and physical - or other markets); what are the volumes they buy from whom at which price; to whom do they sell which volumes at which prices; seasonality of buying and selling; price uncertainty during purchase and sale as well as other constraints encountered (including capacity needs e.g. in terms of understanding functioning and how to access high value markets). This includes analysing, whether there are trader oligopolies or other ways one or more categories of traders take advantage of superior bargaining power / information asymmetry. This also includes a listing of the traders active in and for the area.
- 1.4. Analyse the strategies traders employ to pre-empt and / or mitigate price and other risks.
- 1.5. Identify and analyse the market demand for large and small ruminants and red meat from cattle, goats, sheep from Longido, Simanjiro and surrounding markets (i.e. the Northeast) at national, regional and international level; differentiated by market segment including demands, prices, quality requirements and trends in relation to supply. If available provide data for consumption of large and small ruminants products, more specifically, if data for consumption of such meat / livestock from the northern regions of Tanzania is available.

- 1.6. Analyse also the demands, prices, price uncertainty, seasonality and trends (historic data for 4-5 years and resulting projections) for various market segments at the various markets prior to the end market (e.g. primary, secondary and terminal markets), butchers, abattoirs, slaughterhouses etc) as well as the reasons for these. Analyse especially whether price differentials exist amongst primary markets, respectively among secondary markets or among terminal markets. Analyse also the impact of large and small ruminants from other parts of Tanzania on markets in the Northeast, especially the northwest being sold to Kenyan buyers, after transiting through the Northeast and its markets (Matchmaker Associates 2008, page 28), e.g. in terms of creating price instability in physical markets.
- 1.7. Present constraints & opportunities differentiated by market segment to increasing offtake from pastoralist producers resulting from description of dynamics within the subsectors and market segments including but not limited to an analysis of constraints emanating from the pastoralist producer side (e.g. cultural or other factors inhibiting timely sale of livestock to avoid seasonal low prices or livestock loss to drought, constraints to contracting like medium sized pastoral producers not being ready to enter into carcass weight based contracts with abattoirs like Arusha Meat but also of other vertical integration initiatives), an analysis of background of non-application of grading and weighting policy of Tanzania in physical primary and secondary markets) and an analysis of constraints on the demand side limiting sourcing from pastoralist producers (e.g. challenges to large and small scale processing like the inability to store meat)
- 1.8. Analyse the system of physical markets, its constraints and opportunities
- 1.9. Present a detailed analysis of existing market information systems within the livestock sector, based on literature analysis - and identification of such systems within and without the livestock sector. Initially, market information systems and their dissemination channels, uses and users, types of information their other parameters, as well as an analysis of their level of functionality should be analysed and presented. Thereafter, the political economy of livestock market information should be briefly discussed in order to identify key issues for proposition of interventions in this area.
- 1.10. Investigate possibilities for ensuring livestock market information from across the border in Kenya is accessible to livestock producers and traders in Tanzania.
- 1.11. Investigate whether there is a trader specific information system and, if so, its degree of sophistication and mode of operation. Investigate also, whether and how such an information system spans the Tanzania – Kenya border.
- 1.12. Analyse the relevance of working on strengthening information feedback systems like e.g. strengthening traders to be able to influence more the type of livestock supplied in the market by the producers (e.g. “younger cows”)
- 1.13. Analyse the profitability of different supply chains (including cattle supply chain through Bisil to Nairobi and further abroad vs. supply chains to Dodoma and through Morogoro to Dar) and constraints for each. This should include the average margins and variability in margins for each actor, the average margins and variability in margins for formal and informal cross border trade.
- 1.14. Building upon existing producer groups, individual / family businesses and their experiences, develop draft business models for different value and supply chains and producers’ wealth classes, including the advantages and disadvantages for each. This includes identifying emerging value chains with growth potential and their respective business models that could be promoted e.g. semi-intensive high investment (fattening, feedlots, livestock improvement etc.) climate smart interventions that will address issues of resources especially pasture, fodder, amongst others. This also requires identification of community and member-based governance/structures required to stimulate livestock production in communities.

Objective 2: Identify, describe and prepare a draft plan for the most relevant interventions for VC and market system development

- 2.1. Focusing on what is doable within the remaining period and budget of the Maisha Bora programme, identify the most relevant interventions to enhance sustainability at production level differentiated by wealth class (taking into account the effects of climate change, hence the sustainable land management (SLM) practices which shall also improve resilience);
- 2.2. Focusing on what is doable within the remaining period and budget of the Maisha Bora programme, identify the most relevant interventions at the various trader levels, including for strengthening them through capacity development (capital, transport, etc.). The purpose of interventions at trader level should be strengthening of the chain, especially improving the livelihoods of small producers.
- 2.3. Focusing on what is doable within the remaining period and budget of the Maisha Bora programme, identify the most relevant interventions with regards to market information (what is the best way forward taking into account existing market information systems?)
- 2.4. Focusing on what is doable within the remaining period and budget of the Maisha Bora programme, identify the most relevant interventions at physical market level.
- 2.5. Focusing on what is doable within the remaining period and budget of the Maisha Bora programme, identify the most relevant interventions to enable increased benefits from cross border trade
- 2.6. Identify the bigger, “low hanging fruit” and interventions providing leverage
- 2.7. Identify critical success factors for the proposed interventions

5. Methodology

- Undertake a thorough research and review of existing literature with a focus on the objectives of the study.
- Undertake a stakeholder consultation / analysis of the livestock value chain actors (including market managers, medium and large livestock owners, traders/brokers etc.) and define potential roles of such stakeholders in the value chain development initiatives in Longido and Simanjiro of the Maisha Bora programme.²
- using a participatory methodology involving Trias and its project partners during planning, data collection and analysis

² Consultation should be undertaken by the consultants only where the programme partners have not undertaken this or there is a need to verify / supplement available information from Maisha Bora programme partners.

6. Sequencing

1. Kick off meeting and provision of bibliography.
2. Literature study
3. Refining Work plan
4. stakeholder analysis & analysis of relevant parts of objective 1 for identifying & focusing areas for further study:
 - 4.1. provision of reports from Trias programme partners of issues identified during consultations with stakeholders in target villages by end of March
 - 4.2. Analysis of parts of objective 1 relevant for identifying areas for further study
 - 4.3. submission of interim report & proposal further study by middle of April
5. presentation to consultancy committee to agree further areas to study
6. Further study
7. 1st draft
8. Debriefing meeting
9. Submission final report
10. Undertake 2 presentations of relevant findings during roundtables of Simanjiro and Longido district business strategy / district business council large and small ruminants working groups

7. Deliverables

The Consultant is expected to deliver the following to Trias within the agreed time line:

- a. Work plan
- b. interim report & proposal further study
- c. 1st Draft report
- d. Presentation of the study to Trias and Maisha Bora Programme team.
- e. Final report incl. appendices integrating Trias comments
- f. Short presentations during 2nd roundtables in Longido and Simanjiro district.

8. Proposal requirements

The proposal should include:

- A proposal describing detailed design and methodology along with a work plan putting time-lines and sequence of activities that would be undertaken.
- Detailed profile/background (qualification, expertise, relevant experience etc.) of the agencies and individuals who will be completing the work including their full names, their expertise in the livestock sector and other suitability for this project, and if there is more than one consultant, the amount of time each person will spend on the project.
- Detailed budget

Requirements of the consultant: Extensive experience in and knowledge of:

- Qualitative and quantitative research methodologies
- Value chain analysis
- Consumer analysis
- Value chain development in Tanzania
- Livestock production in Tanzania
- Good methodological and research skills
- Ability to write clearly and concisely in English and in Swahili languages

9. Tentative Table of Contents

Will be agreed with the selected consultant.

This should contain an annex as follows: List of all traders active in the target villages and towns of Longido and Simanjiro including contact numbers and place of domicile as well as the main traders active in secondary markets within Arusha and Manyara region as well as terminal markets serving the target villages of the Maisha Bora programme including contact numbers and place of domicile.

10. Submission of proposal and deadline

Interested firms or individual consultants can submit their technical and financial proposal by email to trias.tanzania@trias.ngo

The deadline to receive proposals is Monday 20th March 2018.