4 Value Chain Analysis for Fruits, Vegetables, Herbs and Spices and Nuts in Kenya

Project Title: Kenya Mark up- Market Access Upgrade Programme

UNIDO Project ID: 170183
Country: Kenya

1 General Background Information

The EU in partnership with the EAC has launched the Market Access Upgrade Programme (MARKUP) to support member countries improve market access of agro-food products to the EU and regional markets. The MARKUP is structured around two intervention levels: the EAC Regional Window and the Partner States National Window with country specific projects. UNIDO is the implementation partner for the Kenya-Partner States Window.

The main purpose of this project is to contribute to the economic development of the Kenya by increasing the value of both extra and intra-regional agricultural exports in selected horticulture sub sectors; (snow peas and peas, mangoes, passion fruit, chilies, herbs and spices, nuts). Recent studies have analysed the reasons for low productivity and competitiveness in these value chains such as the need of specialized extension services and a diffuse lack of knowledge on appropriate good agricultural practices. These value chains for exports are also lacking compliance with market requirements and standards. National quality infrastructure is at advanced development stage including for conformity assessment services; however, some conformity assessment services are not yet fully recognized by the targeted international markets.

This project addresses these challenges through an intervention, and aims to:
- improving the institutional and regulatory framework for better conformity assessment services in Kenya’s horticultural sector;
- increasing revenue and MARKUP for Kenya’s smallholder producers and enterprises in export-oriented horticulture sectors.

The current project builds upon the success of the SMAP project to further strengthen the market potential of high value horticulture. MARKUP focuses on the horticulture sector and in particular, UNIDO’s component addresses the challenges in the following value chains snow peas and peas, mango, passion fruit, chilies, herbs and spices and nuts in different counties listed below.
Tab1. List of products and selected counties

<table>
<thead>
<tr>
<th>Subsector</th>
<th>Value Chain</th>
<th>County Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fruits</td>
<td>Mango</td>
<td>Makueni; Machakos; Kwale; Embu</td>
</tr>
<tr>
<td></td>
<td>Passion Fruit</td>
<td>Uasin Gishu; Bungoma; Trans Nzoia, Nandi</td>
</tr>
<tr>
<td>Vegetables</td>
<td>French Beans</td>
<td>Trans Nzoia; Bungoma; Taita; Taveta; Machakos</td>
</tr>
<tr>
<td></td>
<td>Snow Peas</td>
<td>Trans Nzoia; Nyahururu</td>
</tr>
<tr>
<td>Herbs &amp; Spices</td>
<td>Export Oriented herbs e.g. Basils, Coriander, Dill, Sage, Mint, etc</td>
<td>Kajiado; Nakuru</td>
</tr>
<tr>
<td></td>
<td>Chillies</td>
<td>Busia; Siaya</td>
</tr>
<tr>
<td>Nuts</td>
<td>Macadamia</td>
<td>Embu; Kirinyaga</td>
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<tr>
<td></td>
<td>Groundnuts</td>
<td>Busia; Siaya; Homabay</td>
</tr>
</tbody>
</table>

2 Objective of the Project

This overall objective is to contribute to the production of quality and compliant produce in line with market requirements under the MARKUP project to enhance Kenyan exports and increase market access.

3 The Scope of Services

The expected work under this service contract is:

- realise 4 value chains analysis in fruits, vegetables, herbs & spices and nuts sectors to address the most critical points in these sectors in particular on issues related to compliance and market access.
- 1 validation workshop for value chain analysis, methodology
- 1 debriefing workshop on initial findings at end of counties investigation mission

4 Duration

The project should be completed in maximum 3 months

5 Description of tasks and deliverables

The supplier will be responsible to implement the following tasks.

Task 1- Inception report

- Review MARKUP project document/inception report and existing value chain reports from other programmes specifically related to the programme priority areas
- Identify and map other agencies and donors working in the sector to develop synergies complementing activities to achieve mutually desirable goals.
- Propose a methodology and annotated outline for Value Chain Analysis including baseline indicators. Propose a survey questionnaire to be distributed prior to the visit to counties. Present for validation in a stakeholder’s workshop under the leadership of the ministry of agriculture.
- Under the guidance of MARKUP Team and AFA, develop a cost-effective work plan (including the composition of the team for each county visit) for the assignment and field visits in co-ordination with county authorities
Deliverables:

- Value Chain analysis inception report (including final report outline, survey tools, donor mapping; value chain analysis methodology; field visit work plan and budget)

**Task 2- AS IS Analysis of the value chains**

- **Map out the present exporters**, export destinations (EAC, Middle East, EU, Asean), freight logistics and costs (ports, airports, cool/cold chain, storage facilities), volumes and their suppliers (varieties, age of orchards, farms, co-operatives, aggregators, etc.). For each export market, identify and document the **key market requirements** (both regulatory and buyer requirements) and the related compliance challenges. Use as proxy the Global GAP certification to identify and map the farms with reference to the products identified in the MARKUP project.

- Conduct **field visit to all 12 counties** to collect inputs / data for functional, economic, environmental and social analysis. The field visit will be conducted in cooperation with local AFA/HCD representatives, county executives of the department of agriculture. Per diem related to travel in the counties for civil servants (e.g. AFA/HCS or county executives) should be covered by the supplier. The supplier will propose in the methodology a cost effective workplan of visits.

- Conduct a **functional analysis** of each Value Chain including agriculture yields (including post-harvest losses), cost and quantity of inputs (pesticides, fertilisers and water management), marketing channels, consumption patterns, jobs, quality, food safety and other market requirements, organisation and market dynamics, logistics aspect of common facilities and pack house at county level etc. Furthermore identify TVET centers and agriculture training centers at country level that have potential and are able to scale up MARKUP intervention. Capture the type of technology currently in use for harvesting, production and marketing along the selected the value chains.

- Conduct an **economic analysis**. Identify mechanisms/strategies to improve access to finance (e.g. how facilitate production groups or clusters to collectively access finance; opportunities offered by grants such AgriFi)

- Conduct an **environmental** analysis including of impacts generated during the production phases, resource depletion, quality of the ecosystem. Analyze the impact of climate change on the Value Chain and its export potentials.

- Conduct a **gender** analysis of women involvement in the Value Chains, identify the challenges and opportunities for women (and youth) empowerment. Conduct a **social** analysis on the working conditions (including workers health and safety particularly during the application of pesticides and fertilisers). Land and water rights, and social capital infrastructure.

- For each of the analysis and baseline indicators listed above, identify the related data

**Deliverables:**

- 4 value chain analyses reports that includes:
  - Methodology used
  - Key Market requirements and suppliers map for each of the value chains
  - Detailed functional, economic, environmental, gender (including challenges and opportunities for women empowerment) and social analysis
  - Baselines for each value chain
Task 3- Final report and debriefing workshop

- Provide recommendations to address the most critical points in the above analysis in particular on issues related to compliance and market access for each of the value chains. The recommendations should enable the MARK UP team to elaborate a TO BE scenario for each of the value chains.
- Prepare a final draft report
- Present the analysis and recommendations at a debriefing workshop organized by MARKUP
- Provide final report including 5 pages executive summary in specified format

Deliverables:
- 1 Validation workshop on value chain analysis and methodology including the workshop report
- County assessments and Final report
- Debriefing workshop

6 General requirements

6.1 Key qualification of the Service providers
The supplier should comply with the following selection criteria

- Having successfully realised several value chain studies in agro-food sector in the past 5 years
- Having a realised at least 1 donor funded projects in Agrofood sector in Kenya in the past 5 years

6.2 Personnel in the Field
The supplier will propose a team of experts covering all of the requirements listed below. One of the experts should be acting as Team leader and coordinating the work of the experts.

Team Leader

Considering the importance of the coordination in this assignment the supplier should propose a team leader with the following minimum organisational requirement.

Education requirements for team leader:

- Advanced university degree in agriculture, food safety, economics or related field

Fields of expertise for team leader:

- Minimum 5 years relevant work experience and skills in research and development specifically in Value Chain analysis, market requirements linked to TBT, SPS
- The candidate will have to show a pro-active attitude, possess excellent communication skills, be able to work independently, yet possess the ability to interact constructively with both public and private sectors.
- Proven team organization and coordination experience
- Team leader experience in at least 3 projects in Kenya.
- Excellent communication and writing skills
**Expert Team**

The supplier can propose the ideal team composition to carry out this assignment. Ideally the team should demonstrate sufficient expertise to cover for the following areas:

- sector professional experience in all three fields (fruits, vegetables, herbs and spices, nuts)
- gender mainstreaming
- climate change
- quality infrastructure

The team as a whole, and not the individual experts, should fulfil all of the criteria indicated below.

**Education requirements for expert team members:**

- Advanced university degree in agricultural or industrial engineering, agricultural economics, food science/technology, business administration or other discipline relevant to industrial development.
- An advanced university degree in business administration or other relevant discipline.

**Field of Expertise for expert team members:**

- A minimum of 5 years professional experience in value chain development projects in the horticulture sector in Kenya preferably in these value chains: Mango; Passion Fruit; French Beans; Snow Peas; Export Oriented herbs (e.g. Basils, Coriander, Dill, Sage, Mint, etc); Chilies; Macadamia; Groundnuts.
- Having successfully completed several value chain studies
- Minimum 5 years professional experience in conformity assessment in agro-food sector
- Experience working with government and development agencies including the United Nations agencies in Kenya or similar countries in the region.
- Knowledge of the international development agenda and strategic issues on climate change, gender parity and sustainable livelihoods

**All team members should demonstrate the following skills:**

- Proven communication and drafting skills, both written and verbal.
- Excellent team player with the ability to work under pressure and meet strict deadlines;
- Computer literate with experience in the usage of computers and office software packages (MS Word, Excel, etc.).

Languages: Fluency in written and spoken English and Swahili is required.

In addition to the Team Leader and the Expert team the suppliers should identify 1 local data collector for each one of 12 counties. The purpose of the local data collector is to facilitate the data collection for the survey and the interviews prior to the field missions. The supplier doesn’t have to provide the CV of the data collectors, but should indicate, in the methodology, how they plan to engage them.

The supplier will be evaluated on the basis of how they will organise team roles and responsibilities and resources. The supplier will include in the methodology a RACIQ -responsibility allocation matrix.

### 6.3 Language requirements

The working language for the supplier’s proposed personnel will be English and Swahili.
6.4 Deliverables and time frame

This Section contain a general schedule of activities to be undertaken by the supplier and the deadlines for submission of deliverables.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Deadline</th>
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<tbody>
<tr>
<td>Inception report</td>
<td>+ 15 days after contract signature</td>
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<tr>
<td>Field visits completed</td>
<td>+ 40 days after contract signature</td>
</tr>
<tr>
<td>AS IS Analysis (including Mapping of suppliers for each of the value chains; 3 Value chain analysis; Baselines for each value chain)</td>
<td>+ 60 days after contract signature</td>
</tr>
<tr>
<td>Draft Final report and Validation workshop</td>
<td>+ 80 days after contract signature</td>
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<tr>
<td>Final report</td>
<td>+ 90 days after contract signature</td>
</tr>
</tbody>
</table>

7 Payment schedule

Payment will follow the schedule below

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>Advance payment</td>
</tr>
<tr>
<td>40%</td>
<td>Interim Payment</td>
</tr>
<tr>
<td>30%</td>
<td>Final payment</td>
</tr>
<tr>
<td></td>
<td>Contract signature</td>
</tr>
<tr>
<td></td>
<td>AS IS Analysis approved</td>
</tr>
<tr>
<td></td>
<td>Final Report</td>
</tr>
</tbody>
</table>

8 Submission of the proposal

Prospective suppliers should submit a technical and financial offer to UNIDO by 31/03/2020.

There is no standard format for this request for quotation. Interested suppliers shall submit:

- Technical proposal and timeline, explaining the approach and the organization of the resources.
- Financial proposal indicating break down of activities/ tasks, the total amount per each task and the lump sum amount for the total deliverables.
- Curriculum vitae of the team involved and a table showing complementarities between team members.
- Provide a list of previously conducted and completed relevant projects (i.e. location, type, impact, etc.).
- A list of at least 3 client references.

9 Evaluation criteria

Evaluations of the proposal will be done on the basis of the following criteria

Quality evaluation 80%  
- Organisation and methodology 60 points  
- Organisation of the work and resources 30 points  
- Quality control measures and indicators 10 points

Financial evaluation 20%

10 Contact

All communications with regard to the request should be made to office.kenya@unido.org.