

TERMS OF REFERENCE

To undertake an assessment of existing analyses/studies of forest value chains in Kenya, with identification of main opportunities and obstacles to their development and their main contributions to SDGs

1.0 Introduction

Background / Context

An important question facing forest stakeholders in Kenya is how the forest sector can expand its contribution to economic development, reverse ecosystem degradation, and improve the incomes and livelihoods of forest-dependent rural communities. To advance on this objective, Kenya is undertaking significant steps toward inclusiveness and sustainability of its forest-based value chains and food systems. It is reviewing its national forest policy, its social protection policy (also to respond more effectively to the COVID-19 pandemic), and has drawn the attention of companies, funds, and development agencies in promoting the sustainability of its forest value chains.

FAO has been supporting smallholders, forest producer organizations (POs) and small and medium-sized enterprises (SMEs) in Kenya, recognizing them as key agents to accelerate the achievement of SDGs. One area of support has been in facilitating the integration of these agents into value chains and in improving their access to finance. Examples of such support include the organization of an international expert meeting in HQ in April 2019 ([report](#)), the publication of “[Access to Finance](#)”, capacity building and mentoring to prepare bankable business plans, and support to carry out an inventory of forest resources. A diagnostic on social protection needs and opportunities for forest-dependent communities and an assessment of social protection provided by forests in Kenya was also completed in July 2017. This was followed up by a 2019 assessment on sawn wood and wood charcoal value chains, with focus on social protection for male and female forest workers and producers in Kenya.

This work has identified various vulnerabilities of forest producers and forest dependent people, including lack of access to finance. It has also revealed that producer organizations can help facilitate access to funding sources and/or provide financial services directly. Thanks to this work, some Kenya organizations are engaging more effectively with sources of finance and identifying actions that can make forest value chains more inclusive and sustainable. Producer organizations have established contacts with potential funding sources and providers of financial services (e.g. Equity Bank, KUSSCO, TNC Africa Tree Fund, Gatsby Foundation, Oikocredit, Cooperative Bank, and others) and began exploring how to work together. They also developed contacts with downstream companies and wood

technologies for housing, which could give a further push to expand sustainable forestry in Kenya.

Partly as a result of this work, Kenya counterparts (FAOKE, TGAN, FFSPAK) requested support from FAO to develop a vision for wood value chains in Kenya, with potential sources of funding, as well as a policy and an investment roadmap to address vulnerabilities and increase sustainability, employment and income.

To actualise this request, FAO entered into an eight-month partnership agreement with We Effect Regional Office of Eastern Africa, given We Effect's commitment and track record of support to local partners in the region that are working on forestry value chain development and improving livelihoods (www.weeffect.org).

2.0 General Objective of the agreement / Project

The main objective of this initiative is to elaborate an action-oriented strategy for motivating investments in the forest sector, strengthen the inclusiveness and sustainability of forest value chains, and improve access to finance by Farm Forestry Partner Organisations (FFPOs) and Small and Medium Enterprises (SMEs).

2.1 Expected Outputs from the Initiative/ Project

It is expected that, at the end of the eight months, the following outputs will have been delivered;

- Undertake an assessment of existing analyses of forest value chains in Kenya, with identification of main opportunities and obstacles to their development and their main contributions to SDGs;
- Undertake a mapping of financing sources/initiatives that are targeting smallholder producers and SMEs;
- Based on the value chain assessment and mapping of financing sources, draft specific recommendations for vulnerable groups to expand their access to finance
- Develop a draft action-oriented strategy to catalyse investments in, improve coordination within, and scale up, sustainable forest value chains in Kenya
- Develop a detailed proposal to mobilize funding for a national forest expo/SW4SW dialogue/investment forum

2.2 Specific objectives of the consultancy

This consultancy focuses on the first of the bullet points above:

- Undertake an assessment of existing (done previously) analyses of forest value chains in Kenya, identifying the main opportunities and obstacles to their development and their main contributions to SDGs;

3.0 Scope of work and Methodology

Purpose of this assessment is to take stock of existing forest value chain studies and analyses undertaken previously. The service provider will produce a document that:

(i) illustrates how key value chains (e.g., timber, charcoal, important non-timber forest products) are structured (actors, volume and value flows, type of agreements among actors, etc.), (ii) identifies the main opportunities and obstacles to their development, and (iii) identifies and quantifies, where possible, their main contributions to SDGs. The consultant will combine both desk review and consultation of various relevant stakeholders and key informants to get leads and ideas on possible sources of information.

3.1 Methodology

The assessment will be carried out based on a review of the existing literature (e.g., recent FAO and KFS value chain assessments and diagnostics, PPTs, websites, white papers, etc.), interviews with key informants, and feedback from workshops and consultations with key value chain actors.

As part of the assessment, two workshops will be organised: one to share earlier findings and gather information and feedback; and the other to present and discuss the final draft of the assessment. The workshops will be organized using an hybrid modality (partly presential and partly virtual/online), or fully online if the COVID-19 situation will not allow for physical participation.

At inception of the consultancy, a meeting will be held between the consultant, We Effect and FAO representatives to review the TORs, clarify the expected outcomes, and agree on the methodology/process to carry out the assessment. This information will be summarized in a brief inception report.

Based on this brief background and objectives the consultant will be given the opportunity to elaborate a suitable methodology(ies) which must be participatory beyond what is presented in this section.

In implementing this work, the consultant will provide regular updates to We Effect and FAO.

4.0 Roles of the Consultant

The consultant(s) will be expected to perform the following tasks;

4.1 Phase i: Pre-assessment

- i. Prepare and present an inception report detailing how they will undertake the assessment of the value chains analyses, including a work plan
- ii. Propose possible sources of literature / materials for review
- iii. Propose list of key relevant stakeholders/actors (in inception report) to be interviewed/ contacted for interviews
- iv. Design the assessment guiding tool for review by We Effect and FAO
- v. Hold a briefing session with We Effect and FAO responsible officers to agree on timelines and execution of the process

4.2 Phase ii: Documentation

- i. Identify possible sources of information/ literature
- ii. Contact stakeholders and relevant actors for their inputs/ referrals (online or physical depending on required information)
- iii. Engage with groups/ entities that support vulnerable/ minority groups to get their perspectives
- iv. Make inputs on who needs to participate in information gathering and dissemination workshops
- vi. Facilitate information gathering and feedback workshops (We Effect will coordinate the logistics of the workshops)**
- v. Consolidate the collected information into a report covering the assessment findings
- vi. Submit a draft report to We Effect for review by We Effect and FAO
- vii. Make a presentation of the findings in one of the work shops
- viii. Submit a final report to We Effect for approval

5.0 Deliverables

- i. An inception proposal which responds to the scope of work clarifying methodology, execution process and work plan
- ii. A comprehensive draft report detailing methods applied, stakeholders contacted, materials reviewed, and participatory methods applied. Beyond the standard components of a report, it will include a bibliography, annexures of lists of key informants, workshop participants, interviewees etc and their contacts
- iii. Power point slides/ presentation templates that will be used to share the findings and recommendations
- iv. A final report incorporating comments made by stakeholders in the feedback workshop and by We Effect and FAO focal persons

6.0 Timeframe

The successful consultants will be expected to start working in the first week of February 2021 and all works must have been completed by end of March 2021. The consultant will suggest reasonable and competitive number of days to undertake the exercise which will be a key basis for analysis of bids.

7.0 Skills and experience Education

At least a basic degree in Agricultural studies, Cooperative development, Development studies, Social sciences or any other relevant degree. Experience in forestry, smallholder, or agricultural value chain sectors. Experience in forestry sector is important for this assignment.

7.1 Required Experience and Skills

- i. An expert on value chain analysis with expertise in carrying out similar assessments.
- ii. At least 7 years' research/ consultancy experience in the agricultural, forestry, small holder farmers value chains
- iii. Excellent knowledge and understanding of the forestry sector in Kenya
- iv. Experience in similar exercises before and knowledge of the relevant stakeholders
- v. Good analytical skills and open minded with the ability to see issues of interest beyond the printed scope of work outlined in this TOR and make appropriate recommendations
- vi. Excellent communication skills (spoken and written English)
- vii. An understanding of the East Africa regional context for forestry an advantage

8.0 How to bid for this assignment

Interested and suitably qualified consultants shall send their bids by e-mail (a narrative proposal responding to the TOR objectives and deliverables and a technical finance quote) by **22nd January 2021 1800 EAT** to easternafrika@weeffect.org copying maina.gakuru@weeffect.org; Philip.Kisoyan@fao.org. Quote “**Forestry Value Chain assessment**” as the subject in your e-mail.

The proposal shall include the following:

- i. Consultants profile – Current CV detailing recent / past similar assignments
- ii. Understanding of the assignment by the consultant
- iii. Proposed methodology and approach including work plan
- iv. Financial quote in USD well detailed including daily rate and number of days
- v. Annexes: Any other information, which the consultant feels will assist the review team in evaluating the proposal

Note: It is highly encouraged for a consultant **to bid for only one of the two consultancies** (Value chain mapping assessment and financing assessment) which will be going on concurrently.