

# Terms of Reference

## Value Chain Analysis

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### 1. Background

iDE is an international NGO with over 30 years of experience in designing and delivering market-based anti-poverty programs in 11 countries. We are a world leader in making markets work for the poor as well as the longest established market development specialist NGO in Bangladesh. iDE believes that markets can be a powerful force for improving smallholder prosperity by creating income and livelihood opportunities for poor rural households. iDE Bangladesh currently has eight projects in agricultural markets, water, sanitation and hygiene (WASH), and access to finance with a focus on women's economic empowerment and climate-smart technologies.

### 2. Programme Overview:

The Women's Economic Empowerment through Strengthening Market Systems (WEESMS) programme is a five-year (2016-2021) initiative funded by the Embassy of Sweden, designed to increase women's participation in the labour market in rural and peri-urban Bangladesh, with a significant focus on reducing gender inequality in the country's entrepreneurship ecosystem. The programme is being implemented through a partnership of iDE Bangladesh and The Asia Foundation across nine districts under the Khulna and Rangpur divisions of Bangladesh. During its inception phase, the programme conducted thorough market research to narrow down its focus from over hundreds of industries to specifically the sub-sectors of home textiles and jute diversified products, and, processed and packaged foods as an entry point.

The three outcomes of the WEESMS programme are:

*Outcome 1:* Increased number of women entrepreneurs and the growth of women-oriented/ led businesses (SMEs) in target sectors

*Outcome 2:* Improved women's access to formal and informal productive employment opportunities in target sectors

*Outcome 3:* Increased retention rates of women in the labour market in target sectors

The programme is being implemented in 12 Upazilas in 8 districts under 2 divisions in the three sectors mentioned above. The following table details the additional 8 sectors that have been shortlisted by the programme during the Inception Phase.

| WEESMS Sectors  |  |
|---|--|
| 1   | Footwear & Accessories                             |
| 2   | Internet & Direct Marketing Retail                 |
| 3   | Department, General Merchandise & Specialty Stores |
| 4   | Personal & Household Products                      |
| 5   | Apparel & Luxury Goods                             |
| 6   | Education Services                                 |
| 7   | Home furnishing Retail & Manufacture               |
| 8   | Housewares & Specialties                           |
| <b>Resource: The Global Industry Classification Standard (GICS)</b> |  |

### 3. Objectives of the Assignment:

iDE is looking for a consultancy firm/consultant who has seasoned experience in undertaking Value Chain Analysis (VCA) of the eight sub-sectors to provide sufficient understanding on the current context and future potential of women led/owned<sup>1</sup> and also women-oriented<sup>2</sup> Small and Medium Enterprises (SMEs) in the programme areas. The detail VCA should identify the constraints and challenges in their respective value chains that can be addressed and leveraged through the programme intervention thereby increasing production of these SMEs. The specific objectives of the robust value chain analysis are as follows:

- Prioritize value chains within the project shortlisted sectors which has high potential for growth of women-owned/led SMEs and thus create employment opportunities for rural women;
- Value chain mapping that depicts the chain actors; key functions and understand the existing informal relationships and governance mechanisms among actors along the value chains;
- Analyse the involvement of women in these value chains as owners of the SME and as employees, and the role of women in each stage of the value chain;
- Overall size of the market (domestic and export) and opportunities of local women producers for market penetration ;
- Identify the major production pockets within the project areas, its growth potential, market trends & competitiveness of selected value chains (supply and demand) including future prospects in the domestic market as well as international market;
- Identify and examine the systemic constraints within the shortlisted sectors that limit market expansion and recommend potential interventions to overcome constraints

<sup>1</sup> Women-led/owned SMEs: The WEESMS project is using the syntax “women-led/owned” to refer to women entrepreneurs who own, manage and are the primary decision-makers in the business.

<sup>2</sup> Women Oriented SMEs: The WEESMS project defines women-oriented businesses as business owners (men or women) who employ more than 50 percent of their workforce as women.

and opportunities for women to be engaged in these sectors;

- Identify the underlying policy, institutional, infrastructural issues that affect the competitiveness of the shortlisted sectors with reference to the role of government and private sector in the regions. Also develop a matrix indicating areas of priorities for which public sector can intervene and areas for the private sector engagement; and
- Identify organizations working within the shortlisted value chains from national to regional levels ( regional, national and international NGOs, private sectors) that can contribute to the growth of these value chains.

#### 4. Study Methodology

The study should include both primary and secondary data. The study will include desk review of the secondary literature of the sector specific documents, policies, websites, reports, national & international journals, book documents, etc.

The consultancy firms/consultants will collect primary data using both qualitative and quantitative research methods such as: semi structured interviews, key Informant Interview, focus Group Discussions (FGD) and observation from each level of value chain actors and relevant stakeholders. Here, primary and secondary data analysis is equally important. Participatory tools, techniques and methodologies will be applied in data collection and verification of the available information. The technical proposal should include the follow methodology in detail:

- Literature review and review of secondary information;
- Develop survey instrument and conduct survey assessment;
- Required number of focused group discussions and interviews with Key Informants/ Value Chain actors;
- Participatory field observations, interview and consultations at the major market points including, input suppliers, producers, retailers and relevant stakeholders to collect required information;
- Methods and tools not necessarily limited to can be used on mutual agreement prior to commencing the study

The above mentioned list is not limited and the consultancy firms/consultants may submit a proposal with additional methodology in line with industry standards.

#### 5. Key Deliverables of the Consultancy Firms/ Consultants:

The consultancy firms/consultants is expected to deliver the following listed deliverables:

- **Deliverable-1** Detailed work plan and study tools: Subsequent to signing the contract, the consultant will present iDE with a brief report demonstrating its understanding of this assignment, the proposed methodology of carrying out the assignment, a work plan with implementation schedule, and detailed outline of the final report. Inception report will be reviewed by iDE, resulting in a final agreement on the strategy that guides the consultancy firms/consultants.
- **Deliverable-2** Presentation of initial findings: The consultancy firms/ consultants will present initial findings to the iDE Team. The feedback from iDE during this session will help shape the final report, especially the areas of focus for analysis and recommendations.
- **Deliverable-3** Draft Report and Presentation: The consultancy will prepare a draft report including Sector Strategy Documents (SSDs) for the priority sectors. The feedback from iDE will be incorporated before finalizing the SSDs. Following the feedback incorporation,

consultancy firms/ consultants will be responsible to the draft report and SSD to WEESMS team.

- **Deliverable-4** Final Report: The final report will be shared with iDE for review and feedback. The consultancy firms/ consultants should expect at least two rounds of feedback. Depending upon the quality of the SSDs and report, additional rounds of review may be required.

### 5. Major responsibilities of Consultancy Firms/Consultants

The major responsibilities of the consultancy firms/consultants are as follows:

- Collect relevant programme documents from WEESMS, clarify ToR and prepare a work plan with a timeline;
- Develop a methodology including a sampling plan and key questions to be answered;
- Develop data collection tools in consultation with WEESMS;
- Collect, clean data and preparation of the transcript;
- Share data analysis plan with WEESMS;
- Analyze data and key findings presented to the WEESMS team ;
- Develop a table of content and prepare a draft report; and,
- Incorporate WEESMS's feedback on the draft report and provide a Final version.

### 6. Major responsibilities of iDE

iDE will provide the consultancy firms/consultants with necessary support to undertake and implement the assignment and execute the objective of this ToR. Such responsibilities include the following:

- Provide initial briefing and existing work overview;
- Provide relevant documents and technical support;
- Support to finalize the methodology of the study;
- Provide feedback and approve data collection tools;
- Provide feedback on the draft report;
- Approve the final report; and,
- Disburse payment as per the agreed schedule.

### 7. Tentative Work Schedule

WEESMS requires the assignment to be completed by 31 August 2019. The following table gives the deliverables along with the deadlines. The deadlines can be adjusted upon mutual consent.

| Indicative Work Plan                             |      |    |    |    |        |    |    |    |  |
|--|------|----|----|----|--------|----|----|----|--|
| Activities                                       | July |    |    |    | August |    |    |    |  |
|  | W1   | W2 | W3 | W4 | W1     | W2 | W3 | W4 |  |
| Contract signed                                  |      |    |    |    |        |    |    |    |  |
| Work plan and methodology submitted and approved |      |    |    |    |        |    |    |    |  |

|   |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|
| Prepare, review and approve data collection tools               |  |  |  |  |  |  |  |  |  |
| Data collection   |  |  |  |  |  |  |  |  |  |
| Data analysis and presentation of findings                      |  |  |  |  |  |  |  |  |  |
| Submission of draft report and Sector Strategy Documents (SSDs) |  |  |  |  |  |  |  |  |  |
| Feedback incorporation and submission of final report           |  |  |  |  |  |  |  |  |  |

### 8. Deliverables and Schedule of Payment

The financial proposal should include expert and data enumerator's fees and expenses (including travel costs, accommodation & food expenses, etc.). The payment will be made in three installments as follows:

| S.N. | Deliverables   | Installment Value               |
|------|--|---------------------------------|
| 1.   | Inception Report , work-plan and tools                 | 40% of the Total Contract Value |
| 2.   | Data analysis and presentation of preliminary findings | 30% of the Total Contract Value |
| 3.   | Draft Report and Presentation                          | 30% of the Total Contract Value |
| 4.   | Final report and Sector Strategy Document (SSDs)       |                                 |

Note: Government VAT and tax regulation will be applied, and these costs must be included in the financial proposal.

The following terms and conditions will apply:

- The payment will be made through account payee cheque/ wire transfer (account name, number, type, bank name, and branch name is required for wire transfer);
- Government VAT and tax regulation will be applied and iDE Bangladesh will deduct all relevant VAT and Tax at source as per GoB rule;
- VAT Registration Certificate, TIN and Trade License must be submitted before the agreement is signed;
- In case of failure to deliver the final product in due time, iDE Bangladesh will deduct .05% of the total agreement amount for each day of delay in submitting the report beyond the closing date of the agreement;
- The selected firm will abide by other terms and conditions of iDE Bangladesh.

### 9. Minimum eligible criteria for the consultancy firm/consultant:

- The Team Leader of the consultancy firm/consultant must have minimum Masters degree with 5 years of experience of conducting social/market using both qualitative and quantitative method.
- The consultancy firm/ consultant must have rigorous experience of conducting studies. Clear understanding of market research methodologies and experience in using different social research tools and techniques;

- The consultant firm/consultant should have a versatile experience on non-farm/off-farm sub-sector and market development approach for program design.
- Proven experience in Market assessments and Value chain analysis with private sector engagement, scoping study etc.
- Excellent report writing skill in English

### 10. Bid Submission

All expressions of interest should include:

- Cover letter (maximum one page);
- **Technical Proposal (maximum 3-4 pages)** which should include:
  - o Understanding of the assignment;
  - o Relevant experience of the consultant/ firm; and,
  - o Profiles/resumes of the personnel to be involved in the assignment must be included in the annex.
- **Financial Proposal (maximum one-page):** breakdown of cost estimates (which must be within the stipulated budget mentioned in the ToR) for services rendered. This should include, but not be limited to: daily consultancy fees, enumerator fees, accommodation and living costs; transport cost, stationeries, and supplies needed for the consultancy.

If applicable, please also include:

- Company profile
- VAT Registration Certificate
- TIN Certificate
- Joint Stock Company Registration Certificate
- Trade License Certificate

Interested and qualified consultancy firms/ consultants are asked to submit their Technical and Financial Proposal to [bangladesh.procurement@ideglobal.org](mailto:bangladesh.procurement@ideglobal.org). Please write “ **Value Chain Analysis**” in the subject line. The proposals should be submitted by **5 pm BDT on Wednesday 15 June 2019**. We are only able to consider electronic submissions. Only shortlisted firms will be contacted and invited for a technical discussion.

**ANNEX:****Annex A: Definition Cottage, Micro, Small, Medium and Large**

WEESMS mirrors the Micro, Small and Medium Enterprise (MSME) definition set by the Ministry of Industries under the National Industrial Policy 2016, as indicated through the table below:

| Types of Industry | Manufacturing Value (BDT) | No. of Workers |
|-------------------|---------------------------|----------------|
| Cottage           | Less than 10 Lakh         | Less than 16   |
| Micro             | 10 Lakh to 75 Lakh        | 16 to 30       |
| Small             | 75 Lakh to 15 Crore       | 31-120         |
| Medium            | 15 Crore to 50 Crore      | 121-300        |

Source: Ministry of Industries, 2016.

**Note:** Value means the value (replacement cost) of fixed assets excluding land and building. If an enterprise falls under the microenterprise category based on one criterion while it falls under the small enterprise category based on the other criterion, the firm will be considered in the small enterprise category. The same applies for medium and large industry classification. A cottage industry in manufacturing means the industry with the value or the number of workers that is smaller than microenterprise category.

**Annex B: WEESMS Working Districts**

| Division       | District       | Upazilla            |
|----------------|----------------|---------------------|
| <b>Khulna</b>  | Khulna         | Khulna Metropolitan |
|                |                | Batiaghata          |
|                | Kushtia        | Kushtia Sadar       |
|                |                | Kumarkhali          |
|                | Jessore        | Jessore Sadar       |
| Satkhira       | Satkhira Sadar |                     |
| <b>Rangpur</b> | Rangpur        | Rangpur Sadar       |
|                |                | Mithapukur          |
|                | Nilphamari     | Saidpur             |
|                | Kurigram       | Kurigram Sadar      |
|                |                | Ulipur              |
|                | Thakurgaon     | Baliadangi          |