**PROJECT: NAWIRI (Nutrition in ASALs Within Integrated Resilient Institutions)**

**Terms of Reference for a Consultancy to conduct a Participatory Labor Market Systems Assessment in Samburu and Turkana Counties**

**Introduction**

The USAID Office of Bureau of Humanitarian Assistance (BHA) funded a 5-year Development Food Security Activity (DFSA) in Kenya, Nutrition in ASALs Within Integrated Resilient Institutions (Nawiri). The project aims to sustainably reduce levels of acute malnutrition among vulnerable populations in Samburu and Turkana counties in Kenya. The activity is implemented by Mercy Corps and her consortium partners and will be implemented in two phases:

Phase I (1.5-2 years) focusing on learning activities that include formative and action research to collect empirical evidence on key drivers of Acute Malnutrition as well as to collaboratively test context specific, multi-sectoral models and interventions that will sustainably reduce acute.

Phase II (3- 5 years) will focus on Co-creating solutions to Acute Malnutrition through using evidence from research and pilot tested models in phase I to design and scale-up evidence based context specific interventions that will contribute to significant reduction in Acute Malnutrition in Turkana and Samburu counties.

**Purpose and Objective**

To help inform this work, Mercy Corps a Nawiri partner leading markets and food systems work in partnership with other Nawiri consortium partners seeks to undertake a labor market Assessment study that will employ a Market System Development Approach to determine the contribution of individual and household labor as an alternative source of income in supporting the purchase of nutritious foods, the assessment will also help to determine how well demand and supply of labor are matching up and uncover the current and future economic and market opportunities that exist and the real barriers and requirements for accessing gender sensitive decent jobs in labor markets of Turkana and Samburu counties. The findings will inform the design and support of nutrition sensitive labor market strategies and programming that enables poor households to maintain year round nutrition security for women and children and support sustainable reduction of persistent acute malnutrition in the face of shocks and stresses.

The main objective of this study is to assess context specific information on existing and potential economic opportunities in the labor market, it also seeks to assess the associated priority skills needs demanded by the labor market currently and in the future compared with available skills and determine challenges individuals have in getting market relevant trainings and finding decent jobs both in wage and self-employment sectors in Turkana and Samburu counties. Specifically, labor market assessment will address the following objectives:

Determining how labour market dynamics affect nutrition outcomes.

* Understand how different farm and non-farm employment opportunities contribute more/less to stabilize household nutrition outcomes year-round?
* Determine the key growth sectors of the economy that currently absorb labor, and which are likely to see significant increases in employment in the future in Turkana and Samburu Counties.
* Determine the current demand for specific job market skills and what market opportunities exist for self and wage employment for men and women in the formal and informal growth sectors?
* Assess the profiles and preferences of workers, current level of skills and capacities in the local population, attitudes towards wage and self-employment and trainings and determining the skills gaps in relation to the job market requirements?
* Map out the existing labor market institutions including training service providers in the target growth sectors and assess the relevance of skills training courses offered by the training providers against skills demand by the key employment sectors in the two counties.
* Understanding the roles that informal and cultural norms play in shaping the labor market system.
* Determining the supporting services or functions that may enable individuals to find decent work

# Specific Research Questions

# To achieve above objectives, the study will seek to answer the following research and leading questions.

**The market systems structure of respective county economies:**

* Where is the activity in the economy in each county? Which high potential growth sectors exist in each livelihoods zones of Turkana and Samburu Counties and which of these are likely to see the largest increases in both Wage and Self-employment opportunities for women and men (disaggregated by age and life stage) in the future?
* What is the current structure of employment across these sectors, including wages and the quality of work in the respective county? What characteristics do these take e.g. own production for consumption, incomes gained for purchases, remittances from rural urban migrants etc.? How do these vary for women and men (disaggregated by age and life stage)?

**Profile of target beneficiaries**

1. Livelihood assets and strategies of men and women disaggregated by age and life stage
2. The sectors where target beneficiaries are currently working in, the skill sets they possesses, attitudes towards work by beneficiaries.
3. Current Coping mechanisms and safety nets available for the target beneficiaries when they lose jobs or when their enterprises fail.

**The demand for labour**

1. What is the percentage of new and better job opportunities across sectors and business types? What are the employment sectors and business types with best potential for supporting large numbers of new and better jobs, what risk factors or shocks are holding back the growth of the employment sectors and microenterprises? Which self and wage employment sectors have the largest numbers of job opportunities or unmet demand? What are the key constraints/skill gaps leading to unmet demand in these sectors? What are the seasonal labor demand and supply characteristics and how does this vary during seasons?
2. What are the key pathways through which the target population reach self and wage employment outcomes currently and wat opportunities exist? How do businesses recruit and manage staff? Are there opportunities for apprenticeships and internships? What are the lessons learnt from current and past workforce and microenterprise development programs?
3. What are the trends in the labour market – and how will each respective county evolve in the future? What social-economic and political changes are informing these trends?

**The supply of labor**

1. What are the characteristics of labor supply in the respective counties? How is the skills development market structured? Who are the key skill providers (both public and private), what are their products, what are their capacities, incentives and major constraints faced. Who are the key customers of the skill providers’ services, what’s their willingness to pay? Who are the workers, and what are their common pathways to jobs?
2. What are the education and skill levels of existing workers and job seekers? What skill gaps exist in the respective labor market? What are the labor market characteristics and challenges of particular groups of interest – youth and women (disaggregated by age and life stage)? What strategies can be used in supply of training services aimed at addressing skills gaps so target beneficiaries can exploit available training opportunities for economic gain.

**The potential of the MSME sector**

1. How is the MSME sector in each respective county structured e.g. by sector, activity, size, etc.? What limitations do women and men owned enterprises face/weaknesses in access to business development services and How could Nawiri sustainably improve their survival rates?
2. How do women and men-owned microenterprises access markets and formal and informal financial services? Mapping of the existing formal and informal financial service providers outlining their services and requirements for access to their services. What limitations do market places and finance providers face? What are the challenges faced by men, women and youth in accessing financial services? What are the opportunities for strengthening the link between business owners and Financial institutions? How can Nawiri sustainably improve access to these services?

**Supporting functions**

1. What range of supporting function services are available for skill providers, skill and job seekers? (including internship, mentorship, career guidance and counselling, teacher career advancement and refresher trainings, market driven curriculum development, job placement services, labor market information system, financial support to training institutions and students).
2. How many actors are involved in labor market intermediation in helping people access self and wage employment opportunities in the two counties? How well does this function operate? What are the capacities, incentives and constraints faced by labor market intermediation actors? How can this function be sustainably strengthened?
3. What range of business development services are available for SMEs to improve business performance and survival.

**Rules and norms**

1. What are the key National and County Government policies, regulations and laws have the largest impact on labour market systems in both counties? How are they affecting them?
2. What are the key private, public sector and non-governmental organization programs affecting the labour market systems in each of the two counties? How are they affecting them?

**Implications of labour dynamics on nutrition outcomes**

1. Do the levels of employment and wages of the working members of a household yield adequate income for food security?
2. Is the level of food security of a household related to the type (i.e., sector of economic activities) and level of employment and wages of its working members?
3. How do the seasonal variations in the levels of employment and wage rates and prices of food grains affect the food security of households?
4. How does participation of lactating mothers in wage or self-employment affect their ability to adequately breastfeed or prepare nutritious foods for their young children.

# Research Methods and scope of work

**Methodology**

The consultant will be responsible for developing an appropriate methodology. Our expectations are along the lines of the following:

*Step 1 – Move from a long list of potential sectors to a short-list of 4-5 high potential employment pathways that BYC should focus on to maximize the number of youth increasing incomes (in the focus counties)*

* This will likely involve a literature review of past labor market assessment reports and preliminary interviews with Third Party Experts’, such as County and National government line ministry staff dealing with wage employment, microenterprise and workforce development, NGOs, TVETs, youth representatives etc., as well as select USAID Activities working on market systems development, resilience and youth. The
* Prioritizing will involve use of a scoring matrix with criteria that utilizes quantifiable market metrics and relate to the scale of opportunity and the program’s integrated objectives and cross-cutting themes, with Nawiri team co-involved in scoring.

*Step 2 – Analyze the ‘core transaction’ in these pathways across labour demand and supply*

* Develop core transaction value chain images for each of the pathways. Where possible merge pathways together.
* Detailed analysis of labour supply, including youth demographics, employment levels, experience, skills, aspirations, groups and challenges, and shocks/stresses affecting labor supply
* Detailed analysis of labour demand in Turkana and Samburu counties, both for microenterprises and wage work, including shocks/stresses affecting demand. [The MC labour demand framework](https://library.mercycorps.org/record/30565) is a useful reference point here.
* Further analyze if appropriate of any intermediary actors between labour supply and demand
* Quantify potential opportunities for youth to increase incomes within the different pathways, differentiating for different youth segments as appropriate

*Step 3 – Analyse the labour system around the core transaction of each pathway*

* Develop overall system images for each of the pathways, including both supporting functions, and rules and norms. Where possible, merge images together.
* Analyse and describe how each system and function works, including specifying the key market actors within each, how they operate and to what extent their operations are youth focused. Indicate and describe which shocks/stresses most affect supporting functions and rules/norms and how, and any mechanisms in place to manage them.

*Step 4 – Provide further analysis of the specific systems for key functions*

* Together with the Nawiri team, determine which system functions should be analyzed as systems in their own right across pathways. It is currently anticipated that this will include following steps 2 and 3 each for the (a)TVET (b) BDS and (c) finance systems

*Step 5 – Cross-cutting analysis*

* Nawiri is a fully gender inclusive program and an understanding of gender dynamics should be integrated into all steps.
* Across steps 2-4, the assessment should consider and integrate an analysis of the digital ecosystem. So for instance, for step 2, what digital literacy levels among youth, what is the level of digital device access and usage among youth, and to what extent are microenterprise and wage employers using digital technology, including for risk management; for step 3, what supporting functions and rules most use digital technologies and which could but don’t. Additionally, provide an overview of the digital players in this space.

*Step 6- Develop a final report with clear recommendations related to the consultancy objectives*

* The consultant should agree with Nawiri if workshops are needed with key stakeholders
* A first draft report should be developed for review by Nawiri, with clear, actionable recommendations
* A final report should then be completed, with the consultant incorporating feedback and input from the relevant teams

**Team Composition / Team Lead Competencies**

The consultant/ consultancy firm will have at least 10 years’ experience in undertaking labor market assessments in Kenya. Experience working with marginalized communities, especially in the ASAL areas of Turkana and Samburu Counties is an added advantage. The lead consultant should demonstrate prior experience in qualitative and quantitative data analysis and reporting demonstrated through reference to similar assignments undertaken in the past. The consultancy team should be comprised of trained interviewers, transcribers and all equipment’s needed for data collection.

**Expected roles of the consultant/consultancy firm** The lead consultant/ consultancy firm shall provide the following Services:

* Provide input in the finalization of the research design in partnership with Nawiri consortium partners
* Develop detailed work plan for the assignment
* Undertake secondary literature review of all available relevant Nawiri and other partner’s information.
* Design the research plan, sampling criteria, data collection methodologies and Develop data analysis plan.
* Develop a research inception report and share with Nawiri for feedback
* Use feedback on inception report to refine the research methodology and plan
* Recruit, train, supervise and deploy enumerators to the field
* Obtain approvals from relevant authorities
* Pre-test, adapt and finalize data collection tools
* Facilitate field data collection activities sing approved tools
* Plan, Manage and Supervise all aspects of data collection in the two counties including logistics.
* Undertake data verification, cleaning and quality assessments
* Facilitate data analysis, write draft reports and share with Nawiri for review
* Present draft reports for validation by stakeholders
* Participate in check in calls with Nawiri team to update the team on progress of each step in the work plan.
* Use feedback from Nawiri and stakeholders to write a final report
* Share the final report with Nawiri

**Task Manager/Reporting**

The consultant(s) will work under the management of the Alternative Livelihoods and Inclusive Markets advisor or delegate.

**Ownership/Control of Work Product/Publication**

Ownership and control of all work products and learning outputs related to this scope of work and partner engagement shall belong to Mercy Corps. Any use of material, learnings or publications derived from the work product will require prior written approval from Mercy Corps.

**Specific Deliverables include:**

* Inception report covering; Study protocol and instruments (for Nawiri review and approval), Study work plan and detailed study budget covering consultancy fees, travel and accommodation, per diems, enumerators fees.
* All recordings, all questionnaires and analysis files
* Draft report
* Final report

# Timeline, Budget & Terms of Payment

This consultancy will be effective for a period of up to 40 working days, between the months of February and March 2021.

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| **Activity/Task** | **Duration of activity**  |
| Develop a detailed work plan and draft research methodology | 1 day |
|  Inception meeting and inception report from consultant to review methodology | 0.5 days |
| Conduct desk review, Development of quantitative and qualitative tools and plan for data collection | 4 days |
| Meeting to discuss revised inception report on secondary data, share research tools and plan for data collection and map LMA actors in each county | 0.5 days |
| Facilitate training on overall Labor Market Assessment tools with the USAID NAWIRI team and researchers, inclusive of translating and piloting tools  | 6 days(3 per county) |
| Conduct KIIs and FGDs 5 days per county | 10 days |
| Clean Data, Translate, transcribe, code and analyze data with research team and support from USAID NAWIRI M&E team  | 7 days |
| Report writing | 5 days |
| Sharing draft report with Nawiri | 1 day  |
| Stakeholders validation workshop(2 in No. one per county) | 2 days |
| Incorporate feedback into Draft 2 of report and submitting to Nawiri | 2 days |
| Submission of final report  | 1 day |
| Total | 40 days |

Nawiri Finance manager or delegate will make payment for services based on approval of the deliverables. Nawiri plans to publish the report on 5th April 2021. While Mercy Corps does not anticipate the date of the publication to change, Mercy Corps will provide sufficient notice of not less than 3 days of any changes on the date of the publication.

Please respond to this RFQ with 20-pages (max) proposal that summarizes your suitability to complete the above assignment while highlighting your experience in delivering similar assignments including links to at least 4 studies conducted or reports published by you/your organization. At a bare minimum, the proposal should contain:

1. **Executive Summary**: This should provide an overview of the organization, its service offering and markets/clients served.
2. **Team**: Team composition of the bidding firm including relevant work experience and current roles.
3. **Project delivery plan**: Should demonstrate how the consultant will work towards completing the project.
4. **Cost Summary**: A detailed cost for the services rendered. A note on transportation, Mercy Corps will meet the cost of transportation, accommodation and meals during survey sessions. As such, this budget items should be excluded from the cost budget.
5. **Work portfolio**: A brief bio description of at least (4) relevant past projects and accompanying documents, such as links to prior studies or reports undertaken in the past.
6. **References**: A minimum of three (3) references including the name of the person(s) who may be contacted, title of the person, email address and phone number. The reference list should be indicative of the scope and magnitude of previously completed works.

Proposals must be sent **digitally by 1700 hrs. on** Friday 12th February 2021to**tenders@mercycorps.org**