

## Terms of Reference (ToR)

Title: Programme "Green innovation Centers for the agriculture and food sector"

Commissioned by: Federal Ministry for Economic Cooperation and Development (BMZ)

Implemented by: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

### I. Background

The BMZ's special initiative "ONE World, no Hunger" aims to make a considerable contribution to decreasing poverty and hunger. To boost productivity in the agricultural sector as a means of increasing rural incomes and food security through a broad-based implementation of agricultural innovations is part of the special initiative's strategy. The Global Project "Green Innovation Centers in the Agriculture and Food Sector" contributes to the implementation of this strategy.

Ethiopia's society is mainly shaped by agriculture. Agriculture provides the livelihood for 79% of the population and accounts for 40% of the overall economic output. In spite of impressive economic growth in the agricultural sector, productivity remains low when compared to a global scale. While there is significant potential in agriculture, large quantities of food are being imported. 29% of the population lives below the national poverty line, and 37% of the population are malnourished. The population of the administrative district of Arsi, which is the priority target area of the Green Innovation Centre, is lacking innovations to enhance income and employment opportunities in the agri-food sector and to improve regional food supplies (core problem).

The outcome of the project is defined as follows: *"In designated rural areas of Ethiopia, innovations in the agri-food sector have led to improvements in income of smallholders, in employment and in regional food supplies."*

The project is being implemented in the Ethiopian wheat belt and is initially confined to five districts (*woredas*) of the administrative region of Arsi, with a population of more than 550,000 people. Based on a value chain approach, the project primarily focuses on promoting smallholders' wheat and faba bean production. Tried-and-tested economic innovations are disseminated through existing institutions from the area of consulting, the cooperative sector and the private sector. The partner organizations' capacity is strengthened, and resources to facilitate the dissemination of selected technical, managerial and institutional innovations are provided. As an integral part of the project, women and young people are specifically addressed.

The project approach to reach the goal of project's first phase is to put a focus on training farmers on the use of innovations to improve their farming practices and showcase the benefits of selected interventions. Best farming practices in cropping wheat and faba beans are to be disseminated, adopted and practiced from the start to the end of the two value chains following an integrated approach. The resulting increase in income for smallholder farmers is expected to open up better market opportunities.

The project also cooperates with the programmes *"Contributing to sustainable agricultural productivity in Ethiopia/SSAP"* and *"Agricultural Mechanization and Technology for Smallholder Productivity (AMTP)"*. The project is embedded in a broad-based development policy approach and is coherent with the *Agricultural Growth Programme (AGP)*, a national flagship project. The project has a runtime from 11/2014 to 09/2019, with a German technical cooperation contribution of up to EUR 14,100,000.

## II. Objective of the assignment

The main objective of this consultancy is to provide a consolidated service of impact monitoring for productivity and gross margin development of small scale farmers in the Arsi region (differentiated by wheat and faba bean producers). Following consistent methodologies will be crucial to enable the project to assess the key performance indicators. As the Global project is simultaneously implemented in 13 individual countries, the main challenge is to produce/create data which later can be aggregated on a global scale in order to be able to report on the overall impact of the Global project. In order to guarantee comparability of data, detailed guidelines and sets of questions were prepared in the global project's steering structure in Germany. Hence, the objective of this assignment is to collect the required data in the target region, while closely following the provided and globally agreed methodology.

The following indicators were selected to monitor the project's impact on the target group and are relevant in the framework of this assignment.

- I. Indicator 1: In the 20,000 supported small scale agricultural enterprises of the selected rural regions, the average income based on the sales of products of the wheat and faba bean VC has increased by 15%.

*Base value: Wheat: 773 EUR/ha (18.059 ETB/ha)  
Faba bean 793 EUR/ha (18.515 ETB/ha)*  
*Target value: Wheat: 889 EUR/ha (20.768 ETB/ha);  
Faba bean 912 EUR/ha (21.292 ETB/ha)*

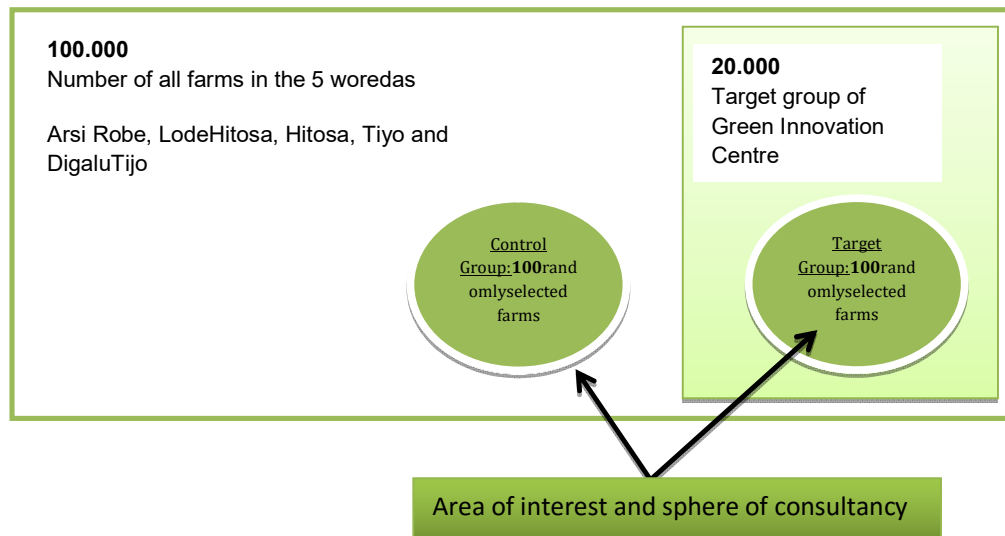
- II. Indicator 3: Productivity of small scale farm enterprises of the selected VC has increased by 15%.

*Base value: VC Wheat 2.8 t/ha (Soil-) Productivity;  
VC Faba Bean 1.7 t/ha (Soil-) Productivity*  
*Target Value: VC Wheat: 3.2 t/ha (Soil-) Productivity;  
VC Faba Bean: 2.0 t/ha (Soil-) Productivity*

The Firm will be responsible to undertake the monitoring activities according to the above mentioned framework to measure the impact of the interventions taken by the project in order to compare it with the baseline data.

## III. Methodology of data collection

The collection of data will take place in 50 selected Kebeles (see Annex I) of the 5 woredas addressed by the project activities: Arsi Robe, Lode Hitosa, Hitosa, Tiyo and Digalu Tijo. Data will be collected in a total of 200 randomly selected agricultural enterprises of which 100 are part of the project's target group of currently 20,000 farms, the remaining 100 will be chosen from those farms in the target region which currently do not receive a support by the project. The figure below illustrates the underlying framework for the selection of farms to be monitored.



All 200 farm enterprises shall be asked the same set of questions according to the two fields of interest. Questions will be focused on the 2016 growing/harvest season, but wherever possible, data for the 2015 season shall be collected additionally.

*Gross margin:* Using the predefined set of questions (Annex II) the consultants will assess and calculate the gross margin per ha for wheat and faba bean producers in the region.

*Productivity:* Based on the predefined set of question the consultancy will collect data regarding the yield/ha for wheat and faba beans.

Tablet computers will be provided by GIZ in order to assist the data collection process. Before entering the field phase the contracted consultants will be trained in proper use of the tools in order to ensure smooth functionality. Server space for data storage purposes will be provided by GIZ.

#### IV. Qualification & Evaluation:

The following criteria will be used to evaluate the technical offer.

- Appropriateness of suggested concept and work plan (interpretation of objectives)
- Background in data collection especially related to collection of agricultural & socioeconomic data
- Previous experience in providing monitoring data to development institutions
- Staff Concept (individual experience, education etc.)
- Local knowledge of Arsi region

**General:** The consultant firm is responsible to keep regular contact with the concerned stakeholders of the project at the project office and field level (GIZ and the implementing partner IP-Consult).

**Logistics:** The firm is responsible to arrange all logistics related to the consultancy. IP-Consult (Consultant Company responsible for the implementation of field activities on behalf of GIZ) will assist in making the necessary arrangements and provide contacts and orientation in the field.

Annexes:

1. Overview of target region and Kebeles
2. Catalogue of questions

