



**TERMS OF REFERENCE AND SCOPE OF SERVICES**

**KENYA JOBS AND ECONOMIC TRANSFORMATION PROJECT (KJET)**

**(P179381)**

**COMPONENT 2: ENHANCING MSME CLUSTER COMPETITIVENESS**

**TERMS OF REFERENCE (TOR) FOR VALUE CHAIN MAPPING AND  
ANALYSIS**

**JANUARY 2025**

## **1. PROJECT BACKGROUND**

The Kenya Jobs and Economic Transformation (KJET) Project is a World Bank funded project whose project development objective is to increase private sector investments, access to markets and sustainable finance to create and improve jobs. The project targets to create and improve productivity of select MSME clusters based on priority value chains envisioned under the Bottom-up Economic Transformation Agenda (BETA). The specific goals of the project are:

- i. Enhancing inclusive, high quality, resilient and sustainable job creation
- ii. Strengthening business and investment environment.
- iii. Strengthen competitiveness & build capacity of MSME clusters.
- iv. Enhance market access for MSMEs.
- v. Scaling up green MSME Financing.

The project will be implemented in four components, which are:

- i. Component 1: Strengthening Business and Investment Enabling Reforms
- ii. Component 2: Enhancing MSME Cluster Competitiveness
- iii. Component 3: Scaling Up Green Financing and Strengthening Climatic Resilience for SMEs
- iv. Component 4: Project Management, Monitoring and Evaluation

The Micro and Small Enterprises Authority (MSEA) is responsible for implementation of Component 2 of the Project on Enhancing MSME Cluster Competitiveness. This component will target market failures that constrain linkages between MSMEs and downstream buyers and MSME firm capabilities. It will support capacity-building for the Government of Kenya (GoK) on MSME-centric cluster development as well as business development services and co-investment in machinery and equipment for organized local clusters of MSMEs.

These activities will enhance the market access, linkages, and capabilities of MSMEs, in turn contributing to higher revenue, productivity, and job generation. This component will leverage, align with, and expand existing GoK initiatives for MSME support such as Constituency Industrial Development Centers (CIDs).

## **2. OBJECTIVE OF THE ASSIGNMENT**

As part of its Bottom-up Economic Transformation Agenda, the Government of Kenya has designated value chain development as a key strategy to bolster growth and competitiveness. The approach involves sectoral value chain mapping, with the goal of fortifying local value chains led by Kenyan Micro, Small, and Medium Enterprises (MSMEs). The objective is to elevate these value chains, assessing strengths, weaknesses, commercial viability, constraints, as well as environmental and social

sustainability characteristics. This initiative ultimately seeks to transform these local value chains into larger industries and companies.

In this endeavor, the Government has prioritized 9 value chains under BETA with the aim of transforming the agriculture sector, increase productivity, eradicate hunger, reduce the cost of living, facilitate import substitution, create jobs, and promote inclusive growth.

This purpose of this consultancy is to undertake a value chain mapping exercise that focuses on the 9 priority value chains identified under the Bottom-up Economic Transformation Agenda (BETA).

MSEA invites eligible firms to undertake the value chain scoping exercise and develop a comprehensive Value Chain mapping report focusing on the priority value chains identified under the Bottom-up Economic Transformation Agenda (BETA). This should be completed with a period of 4 months from the award of the Consultancy. Interested Consultants should provide information demonstrating that they have the required qualifications and relevant experience to perform the exercise.

### **3. SCOPE OF WORK**

The scope of work for value chain mapping/analysis includes but is not limited to:

- i. Analyze the estimated distribution of MSMEs across the priority value across the 47 Counties of Kenya;
- ii. Value chain mapping of actors, process stages, monetary flows, governance and power structures, information and knowledge flows from input, production, processing to consumption level per value chain;
- iii. Analyze the value addition levels of various products across the priority value chains indicating the current value addition types per value chains (what finished products are being produced per value chain);
- iv. Analyze the level of technology adoption within these value chains and the gaps therein;
- v. Economic analysis, production and market costs and revenues, value additions and profit margin along the chain including income and employment, with a specific focus on MSMEs;
- vi. Map the input suppliers and producers per value chain, market players/stakeholders per value chains and the market dynamics per value chain;
- vii. Identify constraints and opportunities at each stages of value chain and leverage points;
- viii. Develop innovative solutions and a summary of recommendations to the challenges faced by MSMEs per value chain;
- ix. Provide policy recommendations on value chain development and support.

#### **4. MSEA's OBLIGATIONS**

The Authority shall;

- i. Verify that the report covers the required scope in terms of value chains and geographical coverage;
- ii. Provide linkages to MSMEs across the country for purposes of informant interview;
- iii. Provide any relevant information and advise on the improvements to the content based on the experiences, feedback and international evidence;
- iv. Review and provide feedback for modification of the mapping report;
- v. Provide introductory letters where necessary to facilitate the mapping process;
- vi. Organise workshops to share findings and progress of the assignment;
- vii. Review and approve submitted reports;

#### **5. DELIVERABLES /SPECIFIC OUTPUTS EXPECTED FROM CONSULTANT**

- i. Inception report – submitted within 2 weeks after the commencement of the contract;
- ii. Values chain analysis report on the priority value chains identified under the Bottom-up Economic Transformation Agenda (BETA);
- iii. Conduct a validation forum with stakeholders to validate the findings of the analysis;
- iv. Final draft report including incorporating stakeholder's view as well as recommendations
- v. A PowerPoint presentation summarizing the report;

#### **6. SELECTION CRITERIA**

The firms interested in providing value chain mapping must have:

- a) Experts of the firm needs to possess a Master's degree in business administration, marketing, Economics, Agribusiness, commodity value chain, environmental studies, social development, public policy, and/ or other related fields;
- b) 7-10 years experience specializing in Market Analysis and Value Chain Analysis;
- c) Experience in publishing at least 2 documents on Value Chain Analysis;
- d) Recent experience working with International Agencies;
- e) Expert in value chain assessment methodology
- f) Excellent knowledge of value chains, marketing systems and private sector development
- g) Ability to take on assignments that require travel, mission and appointment to field location

- h) Demonstrate an understanding of technology adoption for innovativeness and creativity.
- i) Prior experience working in the Kenyan context and in at least 4 of the BETA priority sectors;
- j) Excellent communication, analytical, and interpersonal skills; and,
- k) Proficiency in written and spoken English and Swahili

#### **7. LOCATION**

The assignment will be carried out targeting all the 47 counties in Kenya.

#### **8. TIME FRAME AND DURATION**

The firm will be engaged for a period of 2 months. The assignment will commence immediately upon contract is signing.

#### **9. REPORTING**

The firm will report to the Director General/Chief Executive Officer of the Micro and Small Enterprises Authority.