



Eastern Africa Farmers Federation

P.O Box 13747-00800
David Osieli Road house 205
Off Waiyaki Way, Westlands

Tel: +254-204-451-691
E-mail: info@eaffu.org
<http://www.eaffu.org>

Ref: EAFF/GSRN/007/TA001/2020

REQUEST FOR PROPOSALS

Terms of References (ToRs) for a for a Maize value chain study in Burundi, Democratic Republic of Congo, Kenya, Rwanda, South Sudan, Tanzania and Uganda.

HOW TO APPLY

EAFF invites qualified consultants to provide quotation for provision of consultancy services as per the attached Terms of Reference (ToR). Kindly send us your technical and financial offers via email by 20th February 2020. Submitted bids should indicate the price per unit and should be valid for a period of 30 days from the date of signing the contract. We are looking for a consultant who has network in the selected countries of the study, will not require to travel there and is immediately available to start.

Email address: norbert@eaffu.org

Addressed to

The Chief Executive Officer

Eastern Africa Farmers Federation (EAFF)

David Osieli Road, House 205

Westlands



Eastern Africa Farmers Federation

P.O Box 13747-00800
David Osieli Road house 205
Off Waiyaki Way, Westlands

Tel: +254-204-451-691
E-mail: info@eaffu.org
<http://www.eaffu.org>

1. Background

EAFF is a regional farmers' organization whose membership consists of 24 national farmer federations, national cooperative organizations and national commodity associations in ten (10) countries in Eastern Africa - Burundi, Democratic Republic of Congo, Djibouti, Eritrea, Ethiopia, Kenya, Rwanda, South Sudan, Tanzania and Uganda.

Formed in 2001, EAFF's mission is to represent, lobby and advocate for Eastern Africa farmers' interests and build their capacities. The aim is to enhance regional cohesiveness and the social-economic status of Eastern Africa farmers. The federation voices the views and demands of farmers on issues such as: markets, productivity, capacity building, information and fostering regional integration (e.g. through trade and harmonization of relevant policies).

Lobby and advocacy is one of the core functions of EAFF. This function responds directly to one of the pillars of the EAFF strategic plan - "A dynamic regional platform for advocacy for policy development, implementation and accountability promoted". It supports the the main pillar of our strategic orientation which is Making smallholder farmers key value chain players. To that we rolled out an agribusiness strategy that centres on warehousing, inputs, out markets and financial services access.

We prioritized the following 6 commodities i.e. Maize, Rice, Potato, cassava, livestock (diary) and oil crops (mainly Soya) since they are the main crop produced and traded by the majority of smallholder farmers in the region where EAFF operates. These findings came from the regional consultative meeting EAFF held with farmer representatives all our members.

It is well documented that in Eastern Africa countries, agriculture contributes around 20 - 30% to GDP. Trade in agricultural products brings great challenges while also offering very high potential for economic development in rural areas. Intraregional trade strengthens economic areas and brings them closer together. However, this requires common policies.

Over the years, governments made effort to stabilize grains production and availability for the national consumption through subsidies on inputs, price control via national food reserve agencies and more often in some of these countries import permits are issued or export bans in order to deal with shortages for national consumption caused by a severe drought.



Eastern Africa Farmers Federation

P.O Box 13747-00800
David Osieli Road house 205
Off Waiyaki Way, Westlands

Tel: +254-204-451-691
E-mail: info@eaffu.org
<http://www.eaffu.org>

EAFF's review of regional trade framework highlights some relevant known facts:

- The value of intra-EAC trade is low and declining: From \$5.1 billion in 2015 to \$4.4 billion in 2016 (or 20% of total EAC trade) with key agriculture commodities being maize, rice and sorghum;
- The remainder (nearly 80%) of EAC trade is outside the region (especially with China, India, the European Union and the United Arab Emirates);
- Informal trade within the EAC region is estimated to be as high as 60% of formal trade;
- Regional trade is hindered by cumbersome administrative procedures, high transaction costs and low competitiveness; Technical regulations and sanitary & phytosanitary requirements are not harmonised; Customs procedures, rules of origin and police roadblocks are major trade barriers;
- Variable standards and the inconsistent application of standards extend the time needed for clearing borders and increase transaction costs for cross-border trade
- The EAC tried to address trade barriers through tax exemptions on products from the EAC region; the Single Electronic Window System, One Stop Border Points or the Simplified Trade Regime; A Customs Union Protocol was proposed advocating to remove internal tariffs in the region;
- National agriculture policy orientation differs significantly between EAFF countries with measures being (i) consumer-oriented (focus on staple crops and food reserves); (ii) producer-oriented (with input subsidies, price regulation); or (iii) trade-oriented (e.g. import tariffs, export subsidies);

EAFF aims to build the capacities of her member organizations to provide relevant economic services to their members. By building their capacities, EAFF intends to ensure that farmer organizations play a more effective and beneficial role in the various activities along the Maize value chain. EAFF's aim to also understand agriculture trade policy landscape in the selected countries and how this promotes or inhibits crossborder trade. The ultimate goal is to strengthen the capacity of EAFF and its NFO members to develop strategies for influencing national and regional agricultural trade policies.

While the role of EAFF is to deepen regional integration of farmers of the EAC, part of COMESA and IGAD in our geographic jurisdiction. However, The role of FOs in the process of shaping agricultural trade policies is often not sufficiently recognised. This is leading to the growing



Eastern Africa Farmers Federation

P.O Box 13747-00800
David Osieli Road house 205
Off Waiyaki Way, Westlands

Tel: +254-204-451-691
E-mail: info@eaffu.org
<http://www.eaffu.org>

importance of jointly developing strategies to achieve a regional trade policy that is beneficial for the members of the FOs and promote intra regional trade in key commodities.

Therefore, EAFF wants to develop and strengthen its capacity as well as the capacity of its member organisations regarding agricultural trade policies. By enhancing EAFF's and the organisations' knowledge and skills, the importance of lobbying for members will be emphasised and thus, developing effective engagement strategies.

2. The objective of this assignment

In order to support farmer organizations of EAFF, in the 7 selected countries, to engage effectively in Maize Cross border trade, EAFF is seeking the service of a qualified consultant to conduct a comprehensive value chain analysis for Maize.

3. The approach:

1. Conduct a comprehensive value chain analysis for Maize. The value chain analysis is expected to address all aspects of the value chain, with an emphasis on the actual value of the commodity along the chain. More specifically:
 - a. An analysis of the input supply side of the sector. What are the main challenges facing production, import, distribution and uptake of improved agricultural inputs for this commodity? Who are the main suppliers of improved inputs? Provide estimates of the prices of these inputs, as percentage of the final output for this commodity.
 - b. An analysis of the production side of the value chain - What are the average yield levels in the region? What are the major factors for good yield performance? what are the major factors affecting yield performance?
 - c. A comprehensive market analysis describing the main buyers of the commodity (including traders, processors, wholesale and retail markets, institutions, among others), the market structure, the different options for value addition for the commodity, a brief analysis of the price trends for the commodity (when is the commodity in highest demand, what prices do the different buyers pay, etc).
 - d. A stakeholder analysis: describe the main stakeholders in the sector, and their different roles along the value chain. It is important that the consultant does not mention generic stakeholder categories, but instead provide specific names. For example, instead of mentioning "traders" as a stakeholder, the consultant should mention "ABC



Eastern Africa Farmers Federation

P.O Box 13747-00800
David Osieli Road house 205
Off Waiyaki Way, Westlands

Tel: +254-204-451-691
E-mail: info@eaffu.org
<http://www.eaffu.org>

trading company limited". The consultant is expected to physically meet some of the stakeholders for whom information is either not present, or not updated.

- e. Crossborder trade in Maize analysis: The analysis of current situation on intra-regional trade in Maize; challenges and opportunities? What are the specific problem that the farmer organization need to address to be able to participate effectively in structured trade systems in Maize; Compile a mapping of relevant stakeholders
2. Analysis and documentation of agriculture and trade policy instruments existing in these countries: These trade instruments can cover a wide spectrum that includes environmental policy, grades & standards, animal health policies, land tenure regulation etc. The study should show how The existing “policy eco-system” interacts with those in neighbouring countries and 1) hinder or 2) promote cross border trade. This analysis will result into recommendations on how enabling national trade policies can thus translate into comparative trade advantages at a regional level.

Trade policy instruments can be divided as follows:

3. Table 1: Categories of Trade Policies

Direct influence on market outcomes	
<u>External</u> regulations	Import tariffs and export taxes; import / export quotas
<u>Domestic</u> regulations	Domestic taxes, subsidies, price regulation, production quota, land tenure
Indirect influence on market outcomes	
Public regulations	Sanitary & phytosanitary requirements; Regulation on inputs such as use of fertilisers, pesticides; Regulation on products and production processes, e.g. animal welfare, genetically modified crops, landscape protection



Eastern Africa Farmers Federation

P.O Box 13747-00800
David Osieli Road house 205
Off Waiyaki Way, Westlands

Tel: +254-204-451-691
E-mail: info@eaffu.org
<http://www.eaffu.org>

4. Deliverables of this assignment

The deliverable of this consultancy is an depth Maize value chain analysis report:

Comprehensively addressing the questions above. The report shall have following components:

1. The value chain analysis with recommendation on entry points for farmer organizations to become key value chain actors or promote their own agribusinesses along the chain;
2. Recommendations on the capacity development for farmer organizations in agricultural trade policy
3. A practical policy lobbying master plan for farmer organization guiding EAFF and its NFOs on strategies aiming to influence regional agricultural trade policies and increase the role of farmers' organizations in the policy making process;
4. Identified common indicators/guidelines on how to monitor and measure progress in influencing trade policies