



Terms of Reference

Consultancy for conducting a rapid cooperative needs assessment in Kenya

1. Introduction

a. Context

Kenya was for the longest time the largest refugee hosting country in Africa with Dadaab camp as the largest camp in Africa. Displacement has often been protracted, running to almost three decades for some for instance those that fled from Somalia in the early 1990s. Even when situations in countries of origin have seemed to improve as was the case in S. Sudan, it was not long before conflict erupted again and S. Sudanese refugees were back in the camps especially in Kakuma in Turkana County.

The refugee hosting counties in Kenya are some of the most underserved and least developed. Though this is slowly changing with devolution, levels of economic development generally remain low compared to other parts of the country. For a long time, the focus has been on provision of humanitarian assistance to refugees, which has created an ecosystem of its own, but one that has not necessarily paid attention to labour market dynamics.

With the roll out of the devolved system in Kenya, the counties are taking lead in driving their development agenda and especially through defining priorities through the County Integrated Development Plans (CIDP) – these are 5 year strategic plans that define areas of focus and gaps in interventions that the counties, national government and development partners work towards addressing.

In Turkana County, for the first time, the CIDP II of 2018-2022 recognises refugees as a key constituent that contributes to the economic development of the county. At the same time, it is cognisant of challenges in the labour market including relevant /skills to drive forth-emerging sectors like oil and gas and the need for more economic development through growth of local enterprises, development of value chains, attracting large private sector and creating an environment that enables investment.

Up to 180,000 refugees are hosted in Turkana West constituting up to 40% of the population of the sub county. Of this refugee population, 46% are women and girls according to the UNHCR. Conditions for economic activity are challenging, as the area is resource-poor, remote and refugees' are constrained in their freedom of movement and right to work. While Kenya is a pilot country for the Comprehensive Refugee Response Framework (CRRF), key enablers of meaningful socio economic inclusion especially freedom of movement lacks. Whereas refugees are allowed by law to engage in gainful employment, the number of those accessing work permits remains low. The process of acquiring work permits remains unpredictable without a clear indication on time lines and requirements. For refugee entrepreneurs, the limitation on mobility has meant sourcing locally for produce, which may not support their growth.

In response to this situation, PROSPECTS, a four-year innovative inter-agency partnership between the Government of Netherlands, the World Bank, IFC, ILO, UNHCR and UNICEF was established. The goal of the partnership is to strengthen the socio-economic enabling environments of communities that host different forcibly displaced populations to ensure sustainable decent work, training and education opportunities, as the policy, legislative and regulatory frameworks facilitate this integration process. ILO is implementing a range of interventions under this partnership. For Kenya, the partner agencies have selected two focus counties for further analysis: Kalobeyei and Kakuma camp (**Turkana County**) and Dadaab Camp (**Garissa County**).

b. The Cooperative Advantage

Cooperatives play a major self-help role in rural areas, particularly where private businesses hesitate to go and public authorities do not provide basic services. They are instrumental in providing opportunities for productive employment, as well as offering health care, education, potable water, improved sanitation, roads, and market access, while giving a stronger voice to rural populations. Agricultural cooperatives provide strong economic benefits to farmers, through sharing and pooling of resources, improved access to markets, higher returns for their products, and strengthened bargaining position.¹

Box 1: What is a Cooperative?

A cooperative is defined by the International Co-operative Alliance and the International Labour Organization as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.”

Source: The ILO Promotion of Cooperatives Recommendation, 2002 (No. 193)

Cooperative development in Kenya, like in most African countries, has generally traversed two main eras, namely, the era of state control and that of liberalization. The first era, which saw the origin and substantial growth of cooperatives under state direction, conditioned these organizations to emerge as dependent agents and/ or clients of the state and other semi-public agencies.² By serving as instruments for implementing government socio-economic policies, cooperatives were engulfed into state politics to the extent that the failures of state policies found expression in the cooperative movement. Such failures contributed to calls for the liberalization of the cooperative movement in the early 1990s³.

Cooperatives are recognized by the government to be a major contributor to national development, as cooperatives are found in almost all sectors of the economy. There are over 22,000 registered cooperative societies in Kenya representing over 10 million members.⁴ Currently the types of cooperatives that are active in Kenya include agriculture and non-agriculture cooperatives. Agricultural cooperatives engage in the marketing of members’ produce as their main activity, though some cooperatives, such as coffee and dairy cooperatives, have ventured into manufacturing in a bid to add value to produce in order to earn a higher return before it is marketed. Other cooperatives

¹ ILO: *Cooperatives for People-Centred Rural Development*, Rural Policy Brief (2011)

² The first cooperative society in Kenya was registered in 1908 and was the preserve of white settlers to develop and market their agricultural crops. See: Otieno S.: *The role of cooperatives in social and economic development of Kenya and actions required to accelerate growth and development of the sector in Africa* (2019).

³ ILO: *Surviving liberalization: the cooperative movement in Kenya* (2009)

⁴ Source: State department of cooperatives, 2017

found in the agricultural sector include fishery, farm purchase and multi-produce cooperatives, which market agricultural produce and mobilize savings to purchase land for members. Non-agricultural cooperatives are involved in finance, housing, consumer, crafts, insurance, transport and the informal economy. In the financial sector, the Cooperative Bank and SACCOs provide savings and credit services, while housing cooperatives assist with the provision of affordable shelter as their main activity. Consumer and craft cooperatives market their respective commodities, while cooperatives in the transport and informal economy engage in savings and credit activities (Wanyama, 2008: 92-3). The Cooperative Insurance Company (CIC) is the flagship of the cooperative movement in the provision of insurance services.⁵With the cooperative movement playing such a significant role in economic development, the Government has over the years maintained an institutional framework to develop the movement.

More recently, in Kenya cooperatives have been bringing together refugees and host community members for social-economic empowerment. As a way of illustration, refugees and host community members have formed cooperatives in Turkana, especially savings and credit cooperatives (SACCOs) to provide better services to themselves as members and improving their livelihoods.⁶ Such initiatives have benefitted from the support of local authorities.⁷

This phenomenon has been confirmed by a recent ILO research which aimed at identifying good practices, capturing lessons learned and taking note of potential areas of innovation by cooperatives and other social and solidarity economy organizations working in displacement contexts, with a view to enhancing their role in crisis response and promoting decent work.⁸

Box 2: Pathways for engagement of cooperatives with host and displaced populations

Cooperatives are engaging with host and displaced populations in many ways:

- Host community cooperatives provide services to displaced persons
- Host community cooperatives recruit displaced persons as workers
- Host community cooperatives include displaced persons as members
- Host communities provide capacity building and training for displaced persons to set up their own cooperatives
- Displaced persons form cooperatives provide services for themselves or their host community
- Displaced persons and host communities organized into cooperatives by an international organization provide services for themselves or the host community
- Returning displaced persons rebuild their own communities through cooperatives

Source: ILO (2020)

2. Scope of the assignment

⁵ ILO (2009)

⁶ See for instance: AAH: *Turkana West Integrated Savings and Credit Cooperative Society Launched* (2018)

⁷ See for the instance the role of Turkana County Cooperative officials in UNHCR: *Kenya Factsheet* (2020), available at https://www.unhcr.org/ke/wp-content/uploads/sites/2/2020/02/UNHCR_Kenya_Operation_Factsheet-January-2020-.pdf

⁸ ILO: Mapping responses by cooperatives and social and solidarity economy organizations to forced displacement (2020); available at https://www.ilo.org/wcmsp5/groups/public/---dgreports/---ddg_p/documents/publication/wcms_742930.pdf

Under the supervision of the ILO Chief Technical Advisor of PROSPECTS in Kenya, the National Programme Officer Enterprise and the Enterprise Technical Specialist Enterprise and Market Systems Development. In close collaboration with ILO's Cooperatives Unit, the consultant is expected to conduct a rapid needs assessment of cooperatives, and other similar member-based organizations engaged in livestock and vegetable value chains in Garissa county, and explore the role and performance of public and private support organizations (i.e. government institutions, secondary cooperatives, social partners, refugee/IDP run organizations, cooperative business development service providers, training institutes, NGOs etc.) operating in **Garissa** county. The needs assessment will also analyse potential of informal farmers/producers/women/youth groups and similar organizations to coalesce into cooperative enterprises and formal organizations.

The main objective of the assessment is to understand the current situation of cooperatives, farmers/producers groups, and other similar organizations in the target region and value chains, particularly their capacities, strengths, weaknesses and needs. In addition, the assessment will identify most suitable pathways (among the ones mentioned in Box 2) in the current context based on findings as well as interviews of key stakeholders.

The assessment should consider the following components:

- Identification of relevant stakeholders in the project target regions: cooperatives farmers/producers organizations and other similar member-based organizations including community development groups, self-help groups, and their support organizations, with a particular focus on those run by or serving displaced populations. The scope of the analysis will include any relevant social and solidarity economy⁹ organizations (e.g. cooperatives, social enterprises¹⁰) involved in the provision of livelihood opportunities to displaced populations
- The relevance of the cooperatives and other similar organizations (as referred above) to the needs of their members especially on how they contribute directly to their livelihoods;
- The assessment of cooperatives, farmers/producers groups and other similar member-based organizations will include, if possible: management, governance, compliance with decent work aspects, gender inclusion, etc., using disaggregated data per gender and age;
- Identify major challenges that are specific to cooperatives, farmers/producers groups and other similar member-based organizations in market-oriented agricultural development in Kenya;
- Study the cooperatives law and policy to find out if it has adequate provision for the inclusion of refugees and displaced persons in the cooperative movement and their participation in cooperatives business.
- Provide a set of recommendations on ways of strengthening cooperatives, farmers/producers groups, and other similar member-based organizations in the target regions; in particular recommendations will aim at identifying ways of enabling refugees and host community members to take full advantage of the cooperative business model to participate in economic progress of host communities by fostering opportunities for decent work and social inclusion.

⁹ Social and solidarity economy can be defined as a concept designating organizations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which have the specific feature of producing goods, services and knowledge while pursuing both economic and social aims and fostering solidarity.” Source: ILO Regional Conference on Social Economy, Africa’s Response to the Global Crisis, October 2009.

¹⁰ With respect to social enterprises see for instance: RefuSHE at <https://www.refushe.org/> or <https://www.ikeasocialentrepreneurship.org/en/social-entrepreneurs/refushe-artisan-collective>

Specific tasks to be covered by this assessment include:

- Review existing relevant literature on cooperatives in Kenya, and provide a brief overview of the state of cooperatives in the country, policy and legislation regarding cooperatives, highlighting specific challenges. The review should look at whether refugees are allowed by legislation to establish or become members of cooperatives ;
- Map all relevant stakeholders, in particular rural cooperatives, farmers/producers groups, community development groups, self-help groups and other social and solidarity economy organizations in the selected value chains in the target regions; ¹¹
- Identify relevant public and private support organizations for cooperatives, farmers/producers groups and other similar member-based organizations (i.e. government institutions, secondary cooperatives, social partners, refugee run organizations, cooperative business development service providers, training institutes, NGOs etc.);
- Prepare standard interview questionnaires for relevant cooperatives, groups, organizations and other necessary tools (e.g. for focus group discussions with producers);
- Identify the strengths and weaknesses of the cooperatives, farmers/producers groups, and other similar organizations in terms of leadership, membership, infrastructure, participation in the markets, and their economic viability;
- Provide an assessment of the challenges and opportunities for cooperatives, farmers/producers and other similar organizations in the selected value chains in the target regions;
- Assess whether cooperatives have access to financial services or provide financial services in the target areas using the members savings;
- Identify and analyse skills gaps and specific training needs for cooperatives, farmers/producers groups, other similar organizations, and their support organizations. This will include a review of ILO tools such as Think.Coop¹², Start.Coop¹³ and MyCoop¹⁴ to assess their relevance;
- Assess the involvement on refugees within existing cooperatives or their own formed cooperatives following their displacement. Analyse whether and refugees are allowed to join or establish a cooperative.
- Produce a needs assessment report based on the above objectives, which includes but is not limited to desk review, stakeholders mapping, analysis of challenges, opportunities, strengths and weaknesses for cooperative development and recommendations for improving the

¹¹ The mapping will provide basic information such as the main crops and produce of each organization, type of organization, membership (disaggregated by sex), production capacity etc.

¹² Think.Coop: Training module to raise awareness on the cooperative business model:
https://www.ilo.org/global/topics/cooperatives/publications/WCMS_616148/lang--en/index.htm

¹³ Start.Coop: Training tool to guide on the establishment of a cooperative:
https://www.ilo.org/global/topics/cooperatives/publications/WCMS_644711/lang--en/index.htm

¹⁴ My.COOP is a training package published in 2011, covering managerial challenges that many agricultural cooperatives face, and based on the idea that strong cooperatives are necessary for a more equitable distribution of income, democracy, and for economic and social development. For more information please visit
<http://moodle.itcilo.org/mycoop/?lang=en>

performance of cooperatives including capacity building, and to guide future ILO's interventions in related value chains.

3. Methodology

The methodology to be followed by the consultant will include the following components:

- a. A desk review of relevant documents related to the cooperative legal framework, selected value chains and performance of cooperatives, farmers/producers groups and other similar member-based organizations in the target regions in particular and in the country in general. The project is to provide documentation it may have available.
- b. Semi-structured interviews and focus group discussions (FGD) with relevant stakeholders such as cooperatives, farmers/producers groups, other similar member-based organizations as well as their support organizations (particularly those serving displaced populations), among others if they exist. The main objective of the interviews will be to gather in-depth information, including perceptions, views and factual information on the current situation and potential for cooperative and farmer/producers groups development and the integration of displaced populations, youth and women in existing cooperatives and farmer/producers groups, (as members or employees). The consultant should take specific measures to ensure the inclusion of forcibly displaced persons, women and youth as interviewees.

An interview/FGD plan as well as the draft interview guide / FGD guide questionnaire should be included in the inception report. The interviews could be done either face to face or remotely. Measures should be taken to ensure that interviews and/or focus group discussions are conducting safely and are in compliance with recommendations and guidance related to COVID19 in the country.

4. Outputs

The final output expected from the consultant is a needs assessment report of a maximum of 40 pages in English.

Specific deliverables expected from the consultant include the following:

Deliverable	Explanation	Time frame	Time required	\$/Day Estimated budget \$
Inception report / work plan	This document should include: - A detailed outline; - Work plan; - Information on the stakeholders to be interviewed; - Specific research questions interview and FGD guide / questionnaire;		5 days	

	- Initial bibliography for the literature review.			
Draft report in English	<p>The report should include:</p> <ul style="list-style-type: none"> - A literature review; - Identification of actors: cooperatives, farmers/producers groups, other similar organizations as well as their support organizations - Assessment of cooperatives, farmers/producers groups and other similar organizations and their strengths, weaknesses and needs based on assessment scope defined above ; - Assessment of capacity building needs of cooperatives, farmers/producers groups, other similar organizations as well as their support organizations <p>Analysis of the cooperatives laws and policies to ensure that they are inclusive of refugees and forcibly displaced persons in cooperatives business</p> <ul style="list-style-type: none"> - Recommendations on the way forward; - Complete list of interviews; - Bibliography; - Annexes with list of organizations and interviewees; interview questionnaires; list of 		15 days (including filed visits)	

	stakeholders identified during the mapping exercise			
Presentation of the the initial findings	A presentation of the results will be made on zoom or Skype to partner organizations after the submission of the initial version of the report		1 day	
Final report in English	Report revised on the basis of the comments provided to the initial report	Within eight weeks of signature	3 days	
Total			24 days	

5. Timeframe

The contract execution will start immediately after the consultant signs the contract, and will be completed within a month after start.

6. Payment schedule

The consultancy is for 24 working days. The consultant will be paid a daily professional fee to be agreed upon by both parties before start of the assignment.

- A first payment of 30% following the submission, to the satisfaction of the ILO, of the inception report, within a week after signing the contract.

- A second payment of 50% following the submission, to the satisfaction of the ILO, of the draft report-

A third (and last) payment of 20%, following the submission of the final report, to the satisfaction of the ILO.

7. Qualifications

Required qualifications include:

- University degree in social sciences or other relevant subjects

- Knowledge and awareness of the Cooperatives structure, legal framework and operations in Kenya
- Knowledge and experience in working in Turkana County
- Specific knowledge on participatory research methods
- Good facilitation, presentation and analytical skills, as well as ability to elaborate high quality research documents
- Language skills: fluency in English, knowledge of local languages of the target regions will be a must (e.g. Kiswahili)
- Familiarity with ICT tools that can be used for regular data collection

Selection Criteria

Interested applicants should submit their expression of interest including technical and financial proposals (Max. 7 pages) and Cvs to E- mail: nboprocurement@ilo.org to reach no later than **Sunday 25th April 2021**, Quoting “**PROSPECTS: Turkana Cooperatives Assessment**”