



International
Labour
Organization

PROSPECTS

► **Call for proposals from organisations to manage competitive business grants to support cassava and sesame value chain actors, targeting host communities and refugees in Arua, Madi- Okollo and Terego districts**

Background

The International Labour Organization (ILO) is part of a Partnership on Inclusive Jobs and Education for Host Communities, Refugees and other Forcibly Displaced Persons, known as PROSPECTS. The Partnership is a multi-year programme, funded by the Government of the Netherlands, that brings together five agencies (ILO, World Bank, IFC, UNICEF, UNHCR) to devise collaborative and innovative approaches for inclusive job creation and education in contexts characterized by forced displacement. The programme encompasses three pillars, namely Education, Jobs, and Protection and operates in eight countries across East Africa, Horn of Africa and the Middle East employing an area-based approach, in which the partner agencies jointly focus their activities on selected regions in each country. For Uganda, the partner agencies have selected Arua, Madi-Okollo, Terego and Isingiro districts to focus their interventions. Under the partnership, the ILO, together with IFC and World Bank, lead interventions to improve livelihoods of host communities and refugees, including through enterprise development. Please find more information on prospects here: www.ilo.org/prospects

Context: The ILO approach

The partnership is focused on enhancing the Local Economic Development of the target districts to create increased economic opportunities for host communities and refugees. The ILO through the Approach to Inclusive Market Systems (AIMS), seeks to implement market-based approaches to support livelihoods in refugee and host communities. AIMS is based on the assumption that, in order for refugees and members of host communities to build sustainable livelihoods, two conditions must be fulfilled:

- There needs to be opportunities in the market, either for self-employment if a certain good or service is demanded, or for salaried employment if employers are looking for employees.
- People need the necessary skills and competencies to access existing market opportunities.

As such, AIMS introduces a push-pull approach, where push interventions aim to develop skills and capacities of refugees and members of host communities, and pull interventions aim to develop sectors and value chains, creating opportunities for refugees and members of host communities.

To understand the context, the ILO conducted an integrated enterprise and market systems assessment in Arua, Madi-Okollo and Terego districts in Uganda in 2019, "Paving the way for better jobs and improving livelihoods for refugees and host communities." <https://bit.ly/PavingTheWay-Uganda>. The purpose of the assessment was to identify sectors and value chains with potential for growth, profitability and employment for both host communities and refugees and identify some of the systemic challenges to inclusive value chain development.

The assessment identified the agricultural sector as the most economically viable with cassava and sesame (simsim) as value chains that could be developed to include both host communities and refugees in the labour market as well as create more and better livelihood opportunities. Based on the findings from the assessment, the ILO, in collaboration with national partners, will co-develop a market-based interventions to tackle systemic challenges and develop these two value chains in a way that is inclusive of refugees and members of host communities.

Key Systemic Constraints identified: Cassava

Both refugees and host communities engage in growing cassava. Cassava producers are scattered throughout the districts and intercrop predominantly with maize and beans. These producers sell the cassava to rural retailers and/or aggregators in fresh form or after limited processing it into chips. Other farmers also function as retailers by selling fresh tubers and chips directly to consumers, mainly households and local restaurants. The assessment identified limited access to quality vines as one of the constraints, which affects production and productivity of cassava. Secondly, small scale farmers were selling their fresh cassava tubers individually, without bulking to increase volumes, which limited their bargaining power. There was also poor post-harvest handling and limited value addition or processing, which results into quick product deterioration and loss of value for all actors along the value chain, as cassava is a highly perishable product in its raw form.

Key systemic constraints identified: Sesame

Sesame continues to gain interest as a commercial crop, attracting smallholder farmers as a result of being a high-value crop with growing prices. In Uganda, commercial uses for sesame are expanding and include use in oil extraction, confectionery and animal feeds. At the time of the assessment, all sesame exports from Uganda were in the form of raw seed rather than oil and other processed products. This limits the value gain for the producers and marketers in the sesame value chain in Uganda.

The assessment identified limited access of quality seeds as a constraint that effects productivity by smallholder farmers. Relatedly, lack of coordination among chain actors in production, aggregation, marketing and financial provision, was noted which limits negotiating positions of the actors and their earning capacity. Underdeveloped simsim processing and food handling technologies was identified as another constraint.

The ILO interventions and investment

ILO Interventions will focus on addressing some of the constraints at post production level in the two value chains to enhance processing and market access while minimizing post-harvest losses. However, considering ILO's approach to strengthening market systems involves working through key actors along the value chains, ILO will not intervene directly. Instead, the ILO is seeking to partner with organizations that have experience in capital/grant management as well as market systems strengthening to manage the Fund of US\$ 400,000 for one year. The identified organization (Fund Manager) will disburse the funds in the form of grants to value chain actors to support them address the systemic constraints identified in the cassava and sesame value chains. The identified partner will administer the grants to selected enterprises that present viable proposals and are ready to contribute 30% complementary funding of their proposals to strengthen the value chains and ultimately improve economic opportunities for host community and refugee communities in Arua, Madi-Okollo and Terego districts.¹ The grants will be complemented with targeted business development, financial education and skills training that will be coordinated by the Fund Manager, in collaboration with ILO, to address specific needs of the selected enterprises.

Objectives of the grants

- a) Support innovative enterprises in the sesame and cassava value chains that have the potential to increase economic opportunities and improve livelihoods of host communities and refugees through their engagement in the selected value chains in Arua, Madi-Okollo and Terego districts.
- b) Support growth-oriented actors in the cassava and sesame (simsim) value chains (e.g. farmer groups, marketers, processors) that will significantly contribute to increase in production, productivity and competitiveness of the value chains by improving quality of inputs, contributing to market linkages for the producers or value addition to benefit the host communities and refugees.
- c) Promote local economic development by supporting businesses or enterprises that innovatively address the challenges that are faced by host communities and refugees in Arua, Madi-Okollo and Terego districts.
- d) Link the supported enterprises to business development service providers to mentor them to improve on their business practices and access other potential sources of finance to increase on their capital so as to better serve refugees and host communities in the target districts.

Scope of work

The Fund Manager, working in close consultation with ILO will carry out the following functions:

a) Design a grant scheme to strengthen market systems in the cassava and sesame value chains in Arua, Madi-Okollo and Terego districts. This will include;

- Co-creating and designing a detailed grant structure for enterprises in the cassava and sesame value chains that will serve the refugees and host communities. The grants design structure should include a provision for the applying enterprise to commit to contribute 30% own complementary funding that will be used during the delivery of their interventions to refugees and host community.
- Setting up the recruitment system, application process and selection procedures (ensuring the application process is considerate of various accessibility needs and languages for applicants).
- Prepare and launch a call for interested enterprises to express interest, using information dissemination platforms that ensure social and economic inclusion.
- Manage relationships between the successful enterprises and selected business development service providers to ensure continuous access to business development support, coaching and mentorship for grant beneficiaries that will need tailored BDS support.

b) Identify, assess and disburse funds to the selected enterprises

- Define a set of criteria, identify and select grant recipients with the ILO.
- Disburse grants (average \$ 40,000) to selected enterprises.
- Recommend to the ILO any new areas for grant management improvement.

c) Coordinate the provision and linkages to wrap-around services (business development, coaching, mentoring, financial services etc.) to the beneficiary enterprises in collaboration with ILO.

- Work with partners to provide wrap-around supports to grant recipient enterprises.
- Identify BDS needs and additional financial needs of grant beneficiaries, link them to BDS providers for appropriate support and establish mechanisms of BDS engagement to the initiative.
- Link the successful enterprises to Financial Service Providers (FSPs) for them to access more capital as needed.

d) Monitoring, Evaluation and Learning (MEL) of the program

- Monitor use of the grants according to key performance indicators that show tangible impacts on business growth and employment creation for

value chain actors, host communities and refugees in Arua, Madi-Okollo and Terego districts.

- Develop tools to track participation of refugees and host communities along the value chains and enterprises that are benefitting from the grants.
- Administer MEL for both the enterprise recipients of the grants, as well as the overall success of the grants.
- Create and provide periodic reports to ILO on the grants disbursed, linkages to BDS and FSPs, impact of the grants on production, processing and marketing activities in cassava and sesame value chains, job creation, business growth, improvement in the standard of living of the refugees and host communities in the targeted districts.
- Create a peer-to-peer learning community for the grant recipients to generate and share knowledge on the impact of their interventions in improving the lives of refugees and host communities.
- Organise a knowledge dissemination event to share the experiences and lessons learnt.

Eligibility requirements

The ILO will accept applications from organizations which meet the following requirements:

1. Strong understanding of the contextual landscape of entrepreneurship in Uganda, including experience working with enterprises that operate in refugee hosting areas.
2. Demonstrated expertise and experience in capital/grants management for small to medium businesses engaged in agri-business.
3. Demonstrated understanding of market systems and value chain development with capacity/ability to identify, build capacity and work with value chain actors in the selected value chains.
4. Demonstrated experience in managing similar grants and track record of good working relations with local governments, member based and business organizations/associations.
5. Demonstrated expertise and experience in providing technical advice to MSMEs to improve their business management practices, expand and create more economic opportunities.
6. Ability to support linkages of the selected enterprises to business development service providers and FSPs.
7. A strong project management structure, including rigorous financial accounting processes, reporting, and clear roles and responsibilities.
8. Strong systems and capabilities for assessing, capturing and sharing data.
9. Demonstrated commitment to promoting diversity and inclusion.

10. A legal entity in full compliance with government regulatory and taxation requirements with accessibility to the necessary supporting documentation.

Application process

The interested applicants who meet the criteria, should send their technical and financial proposals to: kampala@ilo.org not later than December 9, 2020.

ⁱ The project targets refugees in Rhino Camp and host communities.