

Illustrative example of Terms of Reference

What follows is intended on an indicative basis only to show possible elements and approaches that might be adopted in drafting TORs.

It is intended for cases where a consultancy team is used, with or without formal involvement of the development agency’s own staff in conducting the analysis. However, if a consultancy team is used, it is highly desirable for agency staff to be actively engaged throughout, to the extent possible as part of the team.

<u>Political Economy Analysis of the Agriculture and Agribusiness sectors in Western Arcadia</u>	
<p>1. Objectives</p> <p>The objective of this analysis is to answer the question: What political economy factors influence policy and institutions in the agriculture and agribusiness sector (“agriculture sector”) such that on a sustainable basis they benefit poor people in Western Arcadia, or are unsuccessful in doing this? The analysis will make recommendations for the development agency’s policy and programming.</p> <p>The analysis is intended primarily to inform the development agency’s strategy / programme design / dialogue with government etc.</p>	<p>Clarity on the objective is highly desirable as it will inform much else, such as team composition, level of disaggregation, extent of public dissemination, etc</p>
<p>2. Outputs</p> <p>The outputs from the assignment will be a report and consultative process covering the following:</p> <p>A. Country-level Political Economy Analysis (PEA): An analysis of the country-level political and economic dynamics that affect the scope for successful development of the agriculture sector and in the Western part of the country. This analysis will include the domestic effects of regional and international influences.</p> <p>B. Sector PEA: A sector PEA of agriculture and agribusiness in Western Arcadia focussed on the structures, institutions and stakeholders that shape the agriculture sector in the Region.</p> <p>C. The Western Region: An analysis of specific factors that differentiate the Region and affect prospects for successful development of the sector</p> <p>D. Problem and opportunity analysis: Identification of bottlenecks and opportunities related to political economy for raising the incomes and well-being of the rural populations through interventions in the agriculture sector.</p>	<p>This should be as much a process as a report, with consultations both within and beyond the development agency.</p> <p>The country-level work in particular is likely to be able to draw on pre-existing work, identified during the literature review</p>
<p>3. Scope of Work</p> <p>A. Conduct a PEA of the agriculture and agribusiness sector in Western Arcadia focusing on:</p>	<p>The scope of work will be guided by the analytical framework adopted. The</p>

<p>B. Provide Recommendations on</p> <ol style="list-style-type: none"> 1. political economy factors to take into account to ensure success of programmes in the agriculture sector in Western Arcadia 2. what type of interventions in the agriculture sector in Western Arcadia would be most suitable given the political economy of the sector. Consider the conflict-sensitivity of different interventions. 3. interventions that would help influence the political economy of agriculture in Western Arcadia towards more pro-poor and stabilising outcomes 	<p>focussed.</p> <p>The recommendations should emerge only after the stages of analysing the PE factors and specifying How Change Happens (the theory of change). Drawing out the recommendations should be done with the active involvement of the development agency's staff</p>
<p>4. Methodology</p> <p>The methodology, which will be based on a framework for PE analysis, should be spelled out in the Inception Report.</p> <p>The analysis will utilise a combination of desk based research and field work, making full use of existing literature sources.</p> <p>Specific Activities</p> <ul style="list-style-type: none"> • Desk based research to review available literature related to the political economy of agriculture sector in Arcadia. The analysis should build on existing work, such as the following • Meet with (individually and/or in groups) a range of actors in both the capital city and in the different sub-regions of Western Arcadia, including but not limited to: <ul style="list-style-type: none"> ○ Private-sector including agri-businesses ○ Central and Local Government and Government agencies ○ Civil society ○ Producers and farmers ○ Development agency programmes 	<p>The Inception Report is key to obtain buy-in to the method from the Steering Group and others, especially if more than one development agency is involved.</p> <p>The literature review is essential, to build on what has been done, and to ensure cost-effectiveness</p> <p>A mix of individual meetings and small groups is likely to be best. A key aim is triangulation of information sources.</p>
<p>5. Activities and outputs</p> <p>The work will be implemented in three phases:</p> <ul style="list-style-type: none"> • Phase 1 : develop an agreed approach and analytical framework • Phase 2 : carry out the analysis, propose a theory of change, develop recommendations, and draft the PEA • Phase 3 : feedback, reporting and finalising. <p>The team will work closely with a Steering Group comprising XXXX. At a minimum there will be an initial briefing during the first week; co-ordination sessions every week / two weeks; a workshop with donor staff to discuss the emerging analysis and to begin to draw out the recommendations; and a final workshop to present the draft report.</p> <ul style="list-style-type: none"> • An inception report, to be submitted X days/weeks after the commencement of the assignment (maximum XX pages), capturing: 	<p>A Steering Group is highly desirable.</p> <p>The inception report is crucial, not least because many choices among competing priorities will have</p>

<ul style="list-style-type: none"> ○ Preliminary summary observations ○ Detailed methodology, report outline and timetable <ul style="list-style-type: none"> • A draft and, following comments, final report with a complete PEA, including specific recommendations (maximum XX pages plus annexes). • One or more presentations to development agency staff and/or a public presentation 	<p>to be made early on.</p> <p>Depending on practicalities, this may be done at the draft report stage</p>
<p>6. <u>Required skills and experience</u></p> <p><i>Essential</i></p> <ul style="list-style-type: none"> • At least a Masters degree in international relations, development, political science or economics • Experience completing political economy analyses in developing country contexts • Experience working on agriculture/ agri-business, investment climate reform or private sector development • Proven ability to work as part of a team • Knowledge of and experience working in Arcadia <p><i>Ideally</i></p> <ul style="list-style-type: none"> • Knowledge of the development agency's political economy analysis tools Local languages 	<p>It is generally desirable that, even if consultants are used, the team includes staff of the development agency, especially for those parts of the work that involve drawing out recommendations.</p> <p>The team may well include both local and internationally sourced individuals</p>
<p>7. <u>Timeframe</u></p> <p>The work should commence before XXX and all deliverables to be completed by XXX:</p> <ul style="list-style-type: none"> • Inception report: XXX • Workshop: XXX • Draft report: XXX • Presentation to the development agency: XXX • Final report: XXX 	
<p>8. <u>Reporting and coordination</u></p> <p>XXX will be the main recipient of the report.</p> <p>The team will report to the Steering Group and on a day-to-day basis to XXXX . They will coordinate with the development agency's other scoping and analytical work in the sector.</p>	

<p style="text-align: center;"><u>Annex 1: Background (optional)</u></p> <p>May set out:</p> <ul style="list-style-type: none"> • country and sector context • lessons learned from the past • the development agency's policy and priorities • rationale for the selection of particular issues to be examined by the PEA 	
<p style="text-align: center;"><u>Annex 2: Examples of questions</u></p> <p>a) Regional and international factors. These may include:</p> <ul style="list-style-type: none"> • economic and political arrangements • Relations and/or conflict with neighbouring countries, militias located in border areas • Licit and illicit cross-border trade in high value commodities • The role of development agencies and their developmental, commercial and geo-strategic interests <p>b) Ownership Structure and Financing: What is the balance between public and private ownership? How the sector is financed (e.g. private capital, taxes, donor support)?</p> <p>c) Power Relations: How are power and wealth are distributed within the sector? To what extent is power vested in the hands of specific individuals/groups? How do different interest groups seek to influence policy? Which policies, industries and actors are prioritised in the sector?</p> <p>d) Institutions, Ideologies and Values: What are the main institutions, norms, relationships, values and ideas that shape policy and development outcomes? To what extent may these serve to constrain change?</p> <p>e) Historical legacies: What is the past history of the sector, including previous reform initiatives? How does this influence current stakeholder perception?</p> <p>f) Corruption and rent-seeking: Is there significant corruption and rent-seeking in the sector? Where is this most prevalent (e.g. at point of delivery; procurement; licensing)? Who benefits most from this? How is patronage being used?</p> <p>g) Service Delivery: Who are the primary beneficiaries of service-delivery? Are particular social, regional or ethnic groups, or genders, included/excluded? Are subsidies provided, and which groups benefit most from these?</p> <p>h) Decision-Making: How are decisions made within the agriculture sector? Who is party to these decision-making processes? How do groups and individuals seek to influence agriculture and agri-business policy and who is included and excluded from decision-making?</p>	<p>These are for illustrative purposes only.</p> <p>The team would need to be selective.</p>

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| <ul style="list-style-type: none">i) Implementation Issues: Once made, are decisions implemented? Where are the key bottlenecks in the system? Is failure to implement due to political-economy reasons?j) Potential for Reform: Who are likely to be the “winners” and “losers” from particular reforms? Are there any key reform champions within the sector? Who is likely to resist reforms and why? Are there “second best” reforms which might overcome this opposition?k) Opportunities: Identify opportunities to influence the agriculture sector’s political economy for the better, including through planned programmes.l) The development agency’s policy and programming: Help inform the agency’s policy and programming by identifying feasible solutions to agriculture development challenges, including which reforms will likely be blocked, which may get political traction and which could be achieved through appropriate phasing. Include ‘second-best’ reforms where important changes are likely to be blocked. Help inform risk management and scenario planning by identifying political economy risks and factors affecting them. | |
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