



Call for Expression of Interest

Livelihoods and Market Assessment

Generating Better Livelihoods for Grant Recipients Project

August 2022

Prepared by FinMark Trust

1. About FinMark Trust

FinMark Trust (FMT) is an independent trust whose purpose is to make financial markets work for the poor by promoting financial inclusion and regional financial integration. FMT does this by conducting research to identify the systemic constraints that prevent consumers from accessing financial markets, and by advocating for change based on research findings. Thus, FMT has a catalytic role, driven by its purpose to start processes of change that ultimately lead to the development of inclusive financial systems that can benefit all sectors.

2. Background and contextual information

More than twenty years ago, South Africa embarked on a strategy to renew its social welfare system as part of the country's transformation and inclusive growth objectives. Policy and legislative amendments were enacted, and a nationally integrated welfare system was created for all South Africans. This new strategy led to amongst others, the introduction of social grants, targeted at categories of people who are vulnerable to poverty and in need of state support. The South African Social Security Agency (SASSA) was given the responsibility of administering, managing, and paying all social assistance in South Africa. Over the years the social assistance provided by the government in the form of grants has become a much-needed source of primary or supplementary income for many households in the country.

A World Bank report on the status of poverty and inequality in South Africa highlights that the government's investment in education, health services, social development, public transport, housing, and local amenities as a redistributive measure has played a huge role in the government's efforts to reduce poverty and inequality (World Bank, 2018a). Opinion pieces and studies conducted both locally and globally have indicated that social grants can reduce poverty and inequality (Meyer, 2021; Osei, unknown). It has also been shown that grants can enhance human capacity with direct human development benefits for beneficiaries and their households (World bank, 2018b). Social grants are, therefore, an essential mechanism to be used in fighting poverty and as a gateway for beneficiaries to interact with the financial services system and the broader economy.

The South African government, through SASSA, disburses more than 18 million social grants to over 12 million¹ people monthly (SASSA, 2021). Most of these grants are for child support (seventy per cent), followed by the older persons grants (twenty per cent) and the remainder are made up of the disability, war veterans, foster care, care dependency and grant in aid grants. Majority of the grant recipients are women (70,4%) (SASSA, 2021).

The number of social grants beneficiaries increased from 12 million in 2007/8 to 18 million in 2020/2021 and the value of grant payments has more than tripled from R62 million in 2007/8 to R199 million² in 2020/2021. The annual growth rate of grant payments is well above the GDP growth rate thus making it unsustainable to maintain in the long term. Therefore, there is an urgent need to

¹ The figure excludes the Covid-19 SRD grant

² The figure excludes the Covid-19 SRD grant

develop initiatives and programmes that leverage the grant distribution scheme as a catalyst to achieving better livelihoods, focusing on addressing skills gaps and job creation among social grant recipients.

The Generating Better Livelihoods for Grant Recipients Project is one such initiative and it is aimed at linking child support grant recipients, mostly young mothers to other economic opportunities. The project is being implemented in partnership with the Department of Social Development, SASSA, NDA and BRAC who is providing both technical and financial support to the project. BRAC has been implementing the graduation approach for over 20 years and the initiative is a combination of comprehensive, multi-dimensional and sequenced interventions that create a 'big push' to propel the extreme poor from poverty. However, we acknowledge that poor people face several barriers preventing them from successfully accessing other economic opportunities and these barriers need to be well understood prior to designing support interventions.

To understand the vulnerabilities faced by the recipients and the available livelihood opportunities in their respective communities, a livelihoods and market assessment would be conducted. The results of the assessments would indicate the list of vulnerabilities that would need to be addressed in order to successfully link recipients to existing and new livelihoods opportunity. Therefore, FMT seeks to appoint a consultant(s) to conduct the assessments in the six districts where the project will be piloted.

3. Objectives of the livelihoods and market assessment

The livelihoods assessment is aimed at identifying key vulnerabilities, needs, and opportunities available to people living in extreme poverty in their local environment while the goal of the market assessment is to determine a menu of profitable livelihood options relevant for both formal employment and entrepreneurship pathways in selected provinces, regions/districts and local³. The overall objective is to utilise the results of the assessments to design support packages that would address the identified vulnerabilities thus enabling recipients to actively participate in sustainable economic opportunities.

4. Scope of Work / Approach

FinMark Trust (FMT) seeks to appoint a consulting firm to conduct two assessments, a livelihoods and market assessment in six districts within three of South Africa's provinces namely, Gauteng, KwaZulu-Natal, and the Northern Cape. The scope of the assessments will entail:

- A. Conducting desk reviews of livelihoods (e.g., socio-economic, gender, youth, etc.) and market studies commissioned by government ministries, development partners, or civil society in South Africa and relevant provinces;
- B. Designing all data collection tools required to collect the assessment data;

³ The exact districts will be revealed at a later stage.

- C. Validating methodology and data collection tools with DSD, SASSA, FinMark Trust and BRAC;
- D. Collecting data through focus group discussions and individual interviews at national, provincial, district and municipal level (face-to-face or virtual);
- E. Analysing data, validating findings, write and submit a report with recommendations.

Due to the varying requirements in terms of qualifications and expertise required for the livelihoods and the market assessment, the consulting firm will be expected to demonstrate that they have capacity and experienced team members to conduct both assessments. The section below provides a detailed breakdown of the scope of work for each of the assessments.

4.1.1 Livelihoods Assessment

- A. **Conduct a desk review** to understand the local context, national policies and priorities, and key stakeholders. This will entail understanding among others:
 1. The economic context - income inequality, urban housing, formal and informal employment, labour, and skills development.
 2. The policy context - social protection programs and legislative framework.
 3. The political context - political parties, welfare and development-oriented approach.
 4. The social context - health, education, gender, urban crime.
 5. The poverty context - drivers, urban poverty, food security, vulnerable groups.
 6. The environmental context - urban infrastructure, flooding, energy access.
- B. **Conduct a community livelihood and resource assessment** to gain more detailed information on the needs and vulnerabilities experienced by people living in poverty, the types of assets and opportunities available to them, as well as to understand the successes and gaps in key basic services and resources. This includes assessing for successes and gaps of interventions aimed at addressing the needs and vulnerabilities of the poor. This will entail:
 1. Collection of primary data on the local context through consultations with the target population, community members, local NGOs, multi- and bi-lateral organizations

4.1.2 Market Assessment

- A. Conduct a **localised market assessment with value chain analysis** of livelihood options for grant recipient households in selected sites and analyse **a variety of the most promising market systems and value chains**, including enterprises/self-employment, vocational and salaried jobs. This should include:
 - Collection and analysis of micro-level data to understand the local market systems, the environment and interplaying dynamics, as well as its consumers, opportunities and bottlenecks in the value chain.

- An assessment of the current and future demand for the core products and services in the identified market systems and value chains
 - Identification of current and potential future or emerging risks for engaging in these market systems and value chains, particularly trends or developments affecting rural and urban poor households including lack of value chain education and empowerment of communities, indebtedness, expenditure towards alcohol, and tribal-based restrictions, as well as risks associated with COVID-19
 - Identification and assessment of policies, institutions and other key elements governing markets and value chains that may affect local market systems and engagement of communities in the design and implementation of development interventions aimed at livelihoods promotion, small and medium enterprise (SME) development, and community economic development in rural and urban contexts.
- B. **Perform a rapid assessment of viable livelihoods** from among promising market systems and value chains to pinpoint opportunities (self-employment, formal wage employment and training, etc.) and risks facing urban and rural poor households in the selected sites and recommend **livelihood options/pathways** that can be managed by households with limited resources and skills who are often disconnected from market opportunities. Livelihood options should take into consideration a relatively short-term window for income generation of 10-12 months.
- C. Landscape local actors supporting the recommended markets for which **linkages or partnerships** may be beneficial to the proposed livelihoods
- D. Formulate potential **asset packages** corresponding to the recommended livelihoods options for households and ensure a costing plan is also included. This entails the following:

5. Required skills and qualifications

Livelihoods Assessment	Market Assessment
<p>Qualifications & Education</p> <ul style="list-style-type: none"> ● All applicants should be adequately staffed with qualified personnel with at least relevant degrees (social protection, economics, development studies, Sociology, etc.) and experience in surveying, qualitative and quantitative research, data analysis, and report writing. 	<p>Qualifications & Education</p> <ul style="list-style-type: none"> ● All applicants should be adequately staffed with qualified personnel with at least relevant Masters degrees (Economics, Urban and Rural Development, Development studies, Sociology, etc.) and experience in surveying, qualitative and quantitative research, market research, data analysis, and report writing.

Livelihoods Assessment	Market Assessment
<ul style="list-style-type: none"> • A degree and managerial experience in NGO, government, or general development. • Individual consultants may be affiliated with an officially registered Not-For-Profit Organization (NPO) (e.g., research institute, academic institution) incorporated and offering similar services. 	<ul style="list-style-type: none"> • Individual consultants may be affiliated with an officially registered not-for-profit organization (e.g., research institute, academic institution) incorporated and offering similar services.
<p>Experience</p> <ul style="list-style-type: none"> • 10-15 years' experience in desk/field research; social protection, poverty alleviation, development in the region, community level engagement, community research. • Demonstrates understanding of government dynamics and qualitative research experience and associated software (e.g., MAXQDA). • Experience in qualitative survey design, tagging data, and qualitative data analysis 	<p>Experience</p> <ul style="list-style-type: none"> • Demonstrated expertise in markets systems analysis, approaches, and assessments conducted in South Africa, in both urban and rural contexts • Expertise in business analysis, including profit and loss projections, risk, etc. • Experience working with/in the private sector and with government departments is an advantage, not required • Experience with resettled populations is an advantage, not required
<p>Competencies</p> <ul style="list-style-type: none"> • Primary data collectors should be sensitive to national and local government dynamics, strong interpersonal skills, interview experience and facilitation skills, agile verbal and conversational skills (for primary data collection). • Local knowledge and local languages will be useful for focus group discussions. • Displays cultural, gender, religion, race, nationality, age sensitivity and adaptability, have local knowledge. 	<p>Competencies</p> <ul style="list-style-type: none"> • Fluency in English for project management staff. Field teams to be fluent in relevant vernacular languages for the regions in which they are working i.e., IsiZulu in KwaZulu-Natal. • Displays cultural, gender, religion, race, nationality, age sensitivity and adaptability, have local knowledge.

6. Proposal Content

- A. Consultants should submit a proposal that does not exceed 4 pages. The proposal should highlight and demonstrate the following items:
- a. The consultant's competency to conduct the assessments.
 - b. A brief background on the proposed consulting team specifying the degree to which the individuals have collaborated on past assignments;
 - Qualifications and experience of each consulting team member;
 - Demonstrate how local partners with strong local knowledge would be brought in to support the livelihoods and market assessment.
 - c. References of documented work that demonstrates similar previous assignments.

7. Submission and timing

Proposals: Proposals for the project should be submitted by close of business on **05 September 2022** at **17:00 (SAST)** by email to **Ms. Akhona Mabasa**, AkhonaM@finmark.org.za. The shortlisted candidates will be notified by **16 September 2022**.

Any queries relating to the preparation of the application should be referred to **Ms. Phumelele Ngcobo**, Phumelele@finmark.org.za.

In line with FMT's policy of transparency, answers to queries from one candidate will be circulated to all who indicated their intention to submit a proposal.

8. Safeguarding

The selected service provider has the responsibility to consider and be aware of potential safeguarding issues and the project's potential to integrate gender dimensions and contribute to the advancement of gender equality in addressing the Terms of Reference and be able to demonstrate due diligence in relation to the protection and safeguarding of children and vulnerable groups as per strategies designed to support and manage ongoing risk and abuse, exploitation or neglect of participants in this research project.

Guidance notes to bidders

FinMark Trust reserves the absolute right to use its discretion in the interpretation of these award criteria. The following notes are intended to provide broad guidance only on how proposals will be evaluated. Bidders may be required to clarify their proposals by way of a telephone call or presentation.

"Relevant, demonstrated competence of firm(s) in this area" - you should aim to demonstrate how the firm's collective past experience can be applied (or adapted) to address the specific brief set out in the terms of reference. You are welcome to describe the firm's general experience of financial sector development issues (e.g., in other geographies or topical areas) but the evaluation will focus particularly on the application of that experience for the specific task at hand.

"Demonstrated expertise of key individuals to be involved in this project" – the evaluation places considerable emphasis on the role and demonstrated expertise (i.e., track record) of the key individuals to be involved on the project rather than on the expertise of the firm itself.

"Use of local professional capacity (consulting, analysis, coordination etc.)" – FinMark Trust wishes to ensure that local capacity is used and developed. International firms are therefore encouraged to partner with local organisations.

"Content, quality and originality of proposal" – proposals should address the brief set out in the terms of reference in a comprehensive manner. Bidders should aim for innovation as well as professional presentation. Whilst similar, relevant experience in other markets will be an advantage for a bidder, each market is different and so proposals need to reflect the particular characteristics of that market, as well as the challenge set by the terms of reference.

"Fee basis" – value for money, as well as absolute cost, will be taken into account.

9. Important to note

If no communication has been received from FMT after 1 month of your submission, please consider yourself as unsuccessful.

10. References

Meyer, D. 2021. **South Africa must ascertain how social grants can alleviate the gruesome threesome of poverty, unemployment, and inequality.** *Daily Maverick*. Available from: <https://www.dailymaverick.co.za/article/2021-08-26-south-africa-must-ascertain-how-social-grants-can-alleviate-the-gruesome-threesome-of-poverty-unemployment-and-inequality/> [Access Date: 04 August 2022]

Osei, R.D. (unknown). **Reducing Poverty Through A Social Grants Programme: The Case of Ghana.** Available from: https://web.worldbank.org/archive/website01589/WEB/IMAGES/PARALLE_.PDF [Access Date: 4 August 2022]

SASSA 2021. **Annual Report 2020/21.** <https://www.sassa.gov.za/annual%20reports/Documents/SASSA%20Annual%20Report%20-%202020-21.pdf> [Access Date: 4 August 2022]

World Bank 2018a. **Overcoming Poverty and Inequality in South Africa: An Assessment of Drivers, Constraints and Opportunities**. Available from:
<https://documents1.worldbank.org/curated/en/530481521735906534/pdf/Overcoming-Poverty-and-Inequality-in-South-Africa-An-Assessment-of-Drivers-Constraints-and-Opportunities.pdf>
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<https://openknowledge.worldbank.org/bitstream/handle/10986/30498/33252.pdf?sequence=5&isAllowed=y> [Access Date 4 August 2022]