Terms Of Reference
Food value Chain Working Group

Background
Since the Israeli Government enacted the full Gaza blockade some 5 years ago, making restrictions on movement of both people and goods in and out of Gaza almost total, the Gazan population has suffered ever-growing infringements of their rights – to water, to economic security, to education, in addition to the most obvious abuses of rights to movement and security. The social impacts of the blockade policy have been massive; some 80% of Gazans are dependent on some form of external aid and poverty, a key driver of vulnerability, and social exclusion is considered to affect even the traditional middle classes. The sense of powerlessness among the population, be it to physically protect one’s family or to put food on the table, is enormous and is resulting in growing disengagement from public life following broad disillusionment with political parties specifically, and with the future as a whole.

Food Insecurity – According to the PCBS assessments, 54% of households in Gaza were food insecure between October 2010 and March 2011 with 12% being vulnerable to food insecurity and 13% being marginally food secure; only 20% of the Gaza population is deemed as food secure. The key problem in attaining and maintaining food security in Gaza is economical access to food; there is food available in the markets in Gaza, however, due to the lack of income earning potential, this food is out of reach for the vast majority of the people in Gaza.

Livelihood Opportunities - The impact of the blockade is having a catastrophic impact on the livelihood opportunities for the majority of Gaza households. As households employ the various coping strategies they forego the opportunity to invest in livelihood options both currently and in the future. When education of children is impacted, then the crisis will continue into future generations. With no end to the economic crisis in sight, negative coping strategies become the norm for these households, with only limited comfort if they are identified as beneficiaries of one of the many NGO-led, donor-supported interventions.

Unemployment - 28% of the Gaza labour force is currently out of work; thought to be amongst the highest figures of unemployment globally. According to UNSCO (The United Nations Special Coordinator for the Middle East Peace Process), the unemployment rate for the 15-to-19-year age group in 2010 reached 72%, while unemployment it was around 66% of those aged between 20 and 24 years. The situation is more serious for young women, whose unemployment rate for the same period rated about 16 % above that of young men.
Background
Value chains are a key tool for understanding how a product moves from the producer to the customer, with focus on segmenting the different activities that add value to the production and sale of a product or service. As such, the value chain perspective provides an important means to understand the business-business relationships, mechanisms for increasing efficiency, and ways to enable business to increase operational efficiency, productivity and add value. It provides a reference point to understand why market actors operate as they do and reasons why they are not responding to address constraints and opportunities in the market, to achieve value added value improvements. Moreover value chain is a vehicle for marketing for the poor(M4P) initiatives and for linking small businesses with the market. Value chains reside at the core of high-impact and sustainable initiatives which capitalizing on market system opportunities, improving productivity, competitiveness, entrepreneurship, and SME growth. Additionally, value chain analysis allows for analysing the impact of different legal, institutional, and infrastructural on goods/services production, and marketing, and thus allows for finding opportunities of improvement and change towards healthier, more effective, and resilient market.

A value chain can be defined as the full range of activities which are required to bring a product or service from conception, through the different phases of production (involving a combination of physical transformation and the input of various producer services), delivery to final customers, and final disposal after use. The chain actors who actually transact a particular product as it moves through the value chain include input (e.g. seed suppliers), farmers, traders, processors, transporters, wholesalers, retailers and final consumers.

Thorough agricultural value chain analyses help policy makers, INGOs, NGOs identify needs and programs that help the agricultural sector becomes more resilient, sustainable and capable of creating livelihoods, promoting economic growth, and increasing incomes for value chain participants. Such interventions would focus on strengthening stakeholders, improving local markets infrastructure, strengthening the institutional and legal environment, promoting collective actions amongst small farmers. In conclusion value chain analysis provides an opportunity for a holistic understanding of the agricultural sector challenges and opportunities, and thus proper programming and interventions.

Objective:

At the country level, the aim of the food value chain working group cluster is learning about the value chain of the major local agricultural products in order to design future interventions that are more effective and efficient in enhancing the resilience of the sector in general and small farmers in specific. Specifically the group will ensure a more coherent and effective and well coordinated food value chain analyses whose results will be disseminated to all partners in order to maximize benefits and minimize duplications.

Scope of Work

- Help conducting a full stakeholder analysis for the value chain of the major local agricultural products.

- Share information about completed or currently undertaken food value chain analyses among group members and potential partner organizations.
- Identify areas or products where there is a need for conducting value chain analysis.

- Coordinate the activities of currently undertaken value chain analyses in order for the group members to facilitate, participate in, and benefit from.

- Develop a programmatic approach to select value chains. Identify gaps and areas of overlap. Engage government counterparts and develop joint and complementary programs to maximize working group involvement throughout the entire lifecycle of the value chains.

- Ensure cooperation with the different levels of the national authorities and dissemination of all results of the food value analysis to all partners including national authorities.

- Based on the results and conclusion of the value chain analysis the group members will discuss and recommend interventions and programs.

**Expected Outcome during 2013-2014**

The anticipated outcomes of this study are:

- Development of the scope of work of the group include its objectives, members’ responsibilities, and expectations.
- Identify strategy priorities for 2013-2014
- Conduct the stakeholder analyses for the major agricultural products
- Assess and review completed value chain analyses
- Share information regarding currently undertake value chain analysis