

EXTERNAL STUDY: DEFINING AND ASSESSING SYSTEMIC CHANGE ACROSS PERMA-I AND II IN RELATION TO MARKET SYSTEMS RESILIENCE CAPACITIES—SCOPE OF WORK

Program

Promoting the Economic Revival of Micro Businesses and Agriculture II (PERMA II)

Implemented By: Mercy Corps Iraq

Project Locations: Ninawa (Al-Hamdaniya), Salah al-Din, (Baiji, Samara, Tikrit)

Project Start Date: 10 March 2022

Project End Date: 09 February 2025

Study Title: *Defining and Assessing Systemic Change across PERMA-I and II in relation to Market Systems Resilience Capacities.*

Study Start Date: November (TBD)

Study End Date: November/December (TBD)

Funded By: Agence Française de Développement (AFD)

Study Purpose

Mercy Corps is seeking applicants among firms to design and carry out an action research study on understanding system-level changes resulting from PERMA-I and PERMA-II activities and interventions to provide Mercy Corps with a practical and evidence-based insights into market systems and systemic change adjacent to programming. The applicant(s) will examine how access to finance has evolved during the implementation of PERMA programming in NW Iraq, particularly in Ninawa and Salah al-Din in relationship to an established Market Systems Resilience Framework (i.e., drawing from the existing MCIQ Systemic Change Framework and the [USAID Market Systems Resilience Framework](#)). The applicant(s) will define Systems-Level Changes in the context of NW Iraq to measure and assess outcomes that indicate growth, that identify key factors of adaptation and adoption (i.e., behaviour and practice) that have driven improved business practices, development and expansion of services, and the entry of new market players—to inform current programming under PERMA-II, as well as for the potential design and support of future market-based interventions. Additionally, the study will examine the appropriateness and effectiveness of PERMA approaches for market actors, where the outcomes of this study will be used to inform private sector partnerships in finance, agribusinesses, government, the donor community, and among and between INGOs and CBOs, et al.

Program Background and Details

Background

Mercy Corps is a non-profit organization made up of a team of more than 5,500 global humanitarians who partner with communities, corporations, and governments to transform lives in more than 40 countries around the world. Our mission is to alleviate suffering, poverty, and oppression by helping people build secure, productive, and just communities.

Mercy Corps has been present in Iraq since 2003, which has allowed the team to develop a broad network of community relationships, and a deep understanding of conflict-affected populations' needs. In 2019, Mercy Corps started implementing a market system approach through its PERMA I program. PERMA I is a twin program of PERMA II and it was implemented in Al-Hamdaniya district in Ninawa from 2019 to 2022.

Program Description

The Promoting the Economic Revival of Micro Businesses and Agriculture 2 (PERMA 2) programme will transform the lives of over 10,000 vulnerable households in Al-Hamdaniya district of Ninewa, and Baiji, Tikrit and Samarra districts of Salah al-Din, through an integrated and inclusive approach to rehabilitate economic activities in the agriculture sector by linking agriculture producers and micro, small and medium enterprises (MSMEs) with access to financial services, developing their capacity to improve revenue, and fostering social cohesion to rebuild economic relationships. By strengthening these functions simultaneously, PERMA 2 will aim to

- 1) Continue to strengthen the financial inclusion of agricultural MSMEs;
- 2) Develop more inclusive agricultural value chains for smallholder farmers, particularly returnees, women and youth; and
- 3) Strengthen the social cohesion between ethnic minorities, as well as returnees and *remainees* in Ninewa and Salah al-Din.

PERMA 2 is facilitated through a consortium, led by Mercy Corps and implemented through a partnership with Triangle Génération Humanitaire (TGH) and Public Aid Organization (PAO).

Theory of Change:

PERMA II's goal is to improve the resilience capacity of farmer households in Al-Hamdaniya district of Ninewa, and Baiji, Tikrit and Samarra districts of Salah al-Din, by addressing system level constraints in the governance, agriculture, and financial sectors to achieve inclusive economic growth for over 10,000 farmer households. This goal is underpinned by the following Theory of Change (ToC):

IF the capacities of the agriculture, finance and governance systems are strengthened using a climate sensitive, financially inclusive, gender, youth and conflict sensitive approach and IF investments are made in agricultural infrastructure, private sector development, quality and affordable inputs and technology, and financial services THEN smallholder farmers' productivity and income will increase, and they will be more resilient to future shocks and stresses.

PERMA II consists of the below three main objectives:

OBJECTIVE 1: Financial institutions are providing appropriate and affordable financial services to enable MSMEs to start, re-start and grow agricultural activities

OBJECTIVE 2: Small-scale farmers have improved access to services, inputs, information, infrastructure and markets that increase their productivity and profitability

OBJECTIVE 3: Local institutions and leaders are promoting intra- and inter-community interactions that contribute to the reintegration of returnees in the agricultural sector and conflict-resolution

Context of Access to Finance in Iraq

Iraq's economic development has faced significant challenges due to prolonged periods of war, conflict, and political instability. The occupation by ISIS further hindered progress, causing extensive damage to life and property, disrupting the social fabric, particularly in regions like Ninewa and Salah al-Din. Government subsidies and development support have often created a tacit dependency among the vulnerable population rather than fostering resilience.

Access to finance is a critical issue for smallholder farmers and micro-businesses, especially those in the agricultural sector. Iraq's financial system is underdeveloped, ranking low in financial inclusion within the MENA region. Financial institutions are risk-averse and predominantly urban-focused, contributing to a widespread mistrust of banking systems among the general population.

Proposed partnerships under PERMA-II have aimed to address these issues by opening lending

options to both agricultural and non-agricultural sectors, fostering inclusive financial systems and encouraging participation from women and youth. However, cultural and social factors contribute to the low engagement of women and youth in agriculture, with the sector seen as unattractive. PERMA II programming has engaged in financial derisking activities aimed at incentivizing agricultural investment among farmers and micro/small and medium enterprises.

A significant constraint for Iraqi microfinance institutions (MFIs) has been their lack of liquidity, as they cannot accept savings as collateral, and cannot easily access wholesale loans of their own from larger financial institutions or investment capital funds. These institutions rely on past grant funds and income generated from loan interest and fees. Due to limited loan funds, MFIs often prioritize sectors other than agriculture which is perceived as high-risk.

To address these challenges, PERMA has piloted a credit guarantee scheme (CGS) within a revolving loan fund (RLF) in collaboration with Iraqi microfinance institutions (MFIs) through the establishment of an Agricultural Investment Fund (AIF) and a Small and Medium Enterprise Investment Fund (SMEIF) to enhance financial access for agriculture, women, and youth. Despite the short duration of these pilots, they have provided valuable learning experiences for PERMA and its partner MFIs. The programmatic support optimized during these pilots was aimed at improving lending platforms on offer by MFIs to include agriculture and MSMEs, expanded customer outreach, and reduced loan processing times. However, expectations for reducing guarantee requirements and offering differentiated products were not fully realized.

Study Design

Objectives:

1. To understand how and where PERMA-II market actors are situated within the [USAID Market Systems Resilience Framework](#)
2. To understand how systems-level changes can be defined, and the extent that tangible outcomes that signify growth, even if localized, can demonstrate the effectiveness of PERMA-I and II activities and programming.
3. To understand and identify what key factors, if any, have led to greater adaptation and adoption of better business practices, expansion of services, and new market entrants.
4. To coordinate study design planning, data collection and discussion of findings with MCIQ internal study on SILC groups and financial inclusion.
5. To provide inputs that will inform design, relevant learning questions and indicators ahead of the PERMA-II final evaluation and to update the MCIQ Systemic Change Framework.

Study Questions*:

1. Can market resilience profiles be defined for PERMA participants and partners (e.g., utilizing the MCIQ/[USAID Market Systems Resilience Framework](#), for agribusiness, MFIs, support actors, large and small farmers/communities, SILCs)?
2. What has been the impact of access to finance and derisking for market systems actors in relations to their market resilience over time from PERMA-I to PERMA-II? How has the impact been different for different community groups including marginalized groups? (Women, youth, PWDs, IDPs/refugees, ethnic and religious minorities, etc.)? Have derisking mechanisms under PERMA-II been sufficient in growing access to finance for the agriculture

* Note: these questions are expected to be adjusted in collaboration with the consultant or service provider.

sector? Have PERMA derisking mechanisms stimulated alternate risk mitigation strategies for finance actors and other businesses in the ag. sector?

3. What is the relationship between agribusiness partnerships and perceptions around and/or the importance of 'trust'? How does the outlook change, if at all, for different groups (i.e., for women, youth and other marginalized groups (e.g., minority groups, displaced people, persons with disabilities, et al)? What are the barriers that market actors have overcome in NW Iraq related to 'trust' within a context of fragility, recovery and potential conflict/instability? How have any identified systems-level changes grown out of this context and what can be characterized as far as adaptation and responses to instability, fragility and trust between market actors. What defines and or describes the relationship dimensions between the market actors (MFI and Agribusinesses) and the smallholder farmers, loan borrowers, and other overall participating communities of NW Iraq (Ninewa and Salah Al-Din)?
4. What are the major factors influencing/correlated with positive changes and outcomes in business/economic growth among market actors in relations to PERMA-II activities and its adaptive management approach? How have the market actors responded so far to interventions stimulated by targeted agribusiness and MFI partners under PERMA i.e., for finance/microfinance institutions, suppliers, traders, extension/sales agents and farmers/groups)? What are the major factors influencing outcomes in the business growth amongst the PERMA supported market actors? How have they adopted to the changes in the market (i.e., for finance/microfinance institutions, suppliers, traders, extension/sales agents and farmers/groups)?
5. What are the major success stories (3-5) related to systemic change and market systems resilience for market actors? What are the downsides or challenges that remain to overcoming barriers to achieving fundamental systemic level changes that improve relationships, quality, efficiency and scale.

Methodology

The applicant(s) will examine how access to finance has evolved during the implementation of PERMA programming in NW Iraq (Ninewa and Salah al-Din) in relationship to an established Market Systems Resilience Framework applicable to the context of NW Iraq. To measure and assess outcomes that indicate growth, that identify key factors of adaptation and adoption (i.e., behaviour and practice) and that have driven improved business practices, development and expansion of services, and the entry of new market players, the consultant/firm will develop a proposal for the following:

Approach: The applicant(s) will develop a comprehensive mixed-methods study, integrating both qualitative and quantitative approaches to capture a holistic view of changes.

Scope: The applicant(s) will focus on key areas impacted by PERMA initiatives, specifically in the regions of Ninewa and Salah al-Din.

Data Collection and Analysis

It is expected that the applicant(s) will organize, code and analyse the data collected, using appropriate quantitative and qualitative analysis techniques to produce an integrated analytical report of key findings and recommendations with a strong emphasis on the triangulation and validation of data and findings. Cross-validation of findings from both quantitative and qualitative data sources to ensure robustness and reliability of conclusions through Outcome Mapping and Case Studies to illustrate tangible impacts, showcasing examples of growth and successful adaptation of business practices. The consultants/firm will engage in a **Document Review** and analysis of program reports, policy documents, historical data, and previous evaluations of PERMA-I and PERMA-II. This will provide context and background information to understand the evolution of the programs. Data collection will include:

1. Quantitative Data and Analysis:

- Surveys: Use structured surveys targeting smallholder farmers, micro-business owners, and MFIs. Questions will cover access to finance, loan usage, business growth, and perceived changes since the implementation of PERMA programs.
 - o Survey design should reference modules aimed at collecting data around demographic and business/market activities for different actors, as well as for indicators derived from the derived from the USAID Market Systems Resilience Framework indicators proposed by the applicant(s) for the MSR analysis of “reactive” vs “proactive”, “behavioural” vs “structural” domains.
- Financial Records Analysis: Collect financial data from partner MFIs, including loan disbursement volumes, repayment rates, customer acquisition metrics, and portfolio growth.

Quantitative Analysis:

- Descriptive Statistics: Generate summary statistics to identify trends in data related to financial access, loan utilization, business performance, and demographic variables.
- Comparative Analysis: Use statistical methods to compare financial metrics and performance indicators between the periods of PERMA-I and PERMA-II, highlighting significant changes and trends.
- Correlation and Regression Analysis: Explore relationships between financial access and business growth, identifying factors that significantly influence outcomes.

2. Qualitative Data and Analysis:

- **Key Informant Interviews (KIIs):** Conduct semi-structured interviews with a diverse group of stakeholders, including MFI representatives, PERMA staff, government officials, and project participants. Interviews will explore personal experiences, perceived impacts, and challenges faced.
- **Focus Group Discussions (FGDs):** Organize focus groups with women, youth, and other community members to discuss their experiences with financial access and business opportunities, and their engagement with PERMA initiatives. FGDs among local agribusiness actors will be organized along the lines of dividing between women, youth and other marginalized groups (e.g., minority groups, displaced people, persons with disabilities, et al), as necessary and according to the dictates of respecting appropriate contextual norms that will ease FGD facilitation and engagement.

Qualitative Analysis:

- Thematic Analysis: Analyse interview and focus group data to identify key themes and patterns related to systems-level changes, resilience, and stakeholder perceptions.
- Framework Analysis: Map qualitative insights against the MCIQ/USAID Market Systems Resilience Framework, examining how different market actors contribute to or hinder resilience.

3. Expected Outcomes of the Study:

- A detailed understanding of the evolution of financial access and system-level changes facilitated by PERMA programs.
- Clear insights into how market actors are positioned within the resilience framework, highlighting areas of strength and opportunities for improvement.
- Identification of key drivers and barriers to the adoption of improved practices and market participation, including drivers and barriers specific to women, youth and other marginalized groups (IDPs/Refugees, People with Disabilities, Ethnic and Religious Minorities).
- Strategic recommendations for enhancing financial inclusion, resilience, and market

system functionality in NW Iraq, as well as with respect to different groups (i.e., women, youth and other marginalized groups: minority groups, displaced people, persons with disabilities, et al).

- Sampling: the proposed sampling methodology should include a breakdown in conformity with the table below, for different PERMA participants and other groups, for sampling across PERMA I & II participants, as well as non-PERMA market actors, by filling in the shaded regions:

Table 1 – Sampling Breakdown According to Participant Groups and Demographics

Program Participants Proposed for the Study	Organization (MC, TGH, PAO)	Total PERMA-II Program Participants / (No. Female)	Total PERMA-I Program Participants / (No. Female)	Proposed Sample Size for Quant Support Tool w/ MSR Indicators PERMA vs. Non-Perma Participants (separated by "/")	Proposed Sample Size for Qual Support Tool for KIs for PERMA / Non-Perma Participants (separated by "/")	Proposed Sample Size for Qual Support Tool for FGDs for PERMA / Non-Perma Participants (separated by "/")	Study Questions that will be answered
MFIs (PERMA-supported partners themselves)	MC	3	3				
MF LOAN RECIPIENTS from AIF loan clients/recipients	MC	917 (3)	0				
MF LOAN RECIPIENTS from SMEIF loan clients/recipients	MC	764 (105)	273 (38)				
INPUT SUPPLIERS (PERMA-supported partners themselves)	MC & TGH	19 (0)	3 (0)				
AGRIBUSINESS (agents who are building business relationships with PERMA-supported input suppliers)	MC	11 (0)	0 (0)				
AGRIBUSINESS (splitting between different types of inputs, Solar Power Irrigation: seeds, agro chemicals, etc.) promoted demo farmer	MC +TGH	87 (2)	244 (67)				
Input Supplier-supported FARMERS (e.g., who were linked with equipment, supplies and inputs for demo farms/farmers, field days events; irrigation technologies, milk processing, veterinary clinic operators, etc.)	TGH + MC	3,371 (544)	2,232 (104)				
WOMEN	All	30%					
YOUTH	All	20%					
Returnee/Vulnerable	All	50%					

This description of the desired methodology for the study *Defining and Assessing Systemic Change across PERMA-I and II in relationship to Market Systems Resilience Capacities* aims to provide a nuanced overview of the desired approaches to data collection and analysis in assessing the impact and effectiveness of PERMA programming. It will be the applicant(s) responsibility to appropriately and adequately define and elaborate their methodological approaches for individual proposals. The applicant(s) proposal should also outline potential limitations for this study that may include, but are not specifically limited to:

- Potential biases in self-reported data from surveys and interviews.
- Challenges in generalizing findings beyond the specific regions and contexts studied.

- *Data availability and quality issues due to a complex and dynamic environment in NW Iraq.*

Study Roles and Responsibilities

Team Composition

Ideally, the study will be led by the selected applicant(s) and their in-country team. Mercy Corps' preference is that the selected applicant(s) will draw on their own resources to hire and manage enumerators and data collection processes, hiring of enumerators, resources for translation, et al. independently. However, if this is not possible or unnecessarily prohibitive, Mercy Corps team members and our contracted enumerators may support the study's data collection (though tools, sampling, and associated planning will remain the responsibility of the applicant(s)). If the applicant(s) hopes to draw on Mercy Corps' resources to support data collection, payments to enumerators will be managed independently by Mercy Corps and will be deducted from this activity's allocated budget. In this scenario, the applicant should still provide an estimated budget for these efforts (based on the rest of the proposed bid information) which will be considered by Mercy Corps during the application's study.

The team is expected to consist of members with thorough contextual knowledge and study expertise. Mercy Corps anticipates the team will be made up of either all local or a combination of local and international members and will have equal gender representation. Key team members should have a demonstrated track record of research and study excellence and should be well-prepared to conduct study in a complex context. The composition and number of team members is deliberately not defined.

The consultant will report to Mercy Corps Iraq's Monitoring, Evaluation, and Learning (MEL) Coordinator, who will facilitate communication with the in-country Program and MEL teams, as well as Regional/Global Technical Leads, as needed.

The consultant will work closely with Mercy Corps' Consortium Manager, Agribusiness Manager, Program Performance and Quality Director, MEL coordinator and MEL MSD Consultant. These individuals will be involved in: (a) deliverable reviews, (b) coordination and communication with local stakeholders, and/or (c) navigation of program documentation and materials.

Desired Qualifications for Applicant(s)

Essential:

- Demonstrated expertise and experience conducting research tied to market systems, systemic change and value chain assessments
- Demonstrated expertise in smallholder agriculture, and
- At least three years of experience designing qualitative and quantitative data tools and research methodologies.

Other desirable:

- Language expertise in English (required) and Arabic (highly desirable);
- Experience working in the Middle East (required) and contextual knowledge of Iraq and the implementation areas (preferred);
- Prior work or study experience in Iraq (preferred); and
- Exceptional report-writing skills.

Study Deliverables and Timelines

Mercy Corps anticipates the applicant(s) will work for an estimated 30 **working days**, between November, 2024 until December, 2024. The main study data collection period is expected to begin by November (TBD), and conclude by December (TBD), 2024. An introductory meeting

between the selected applicant(s) and Mercy Corps' program and MEL teams for kick-off anticipated for November, 2024. The selected applicant(s) will produce a final study report (incorporating and responding to Mercy Corps' feedback), to be finalised and submitted by end of November/beginning of December 2024.

Responsible Party	Deliverable	Duration	ESTIMATED DELIVERABLE DEADLINES
External consultant	INCEPTION REPORT: Following desk review of program documents (e.g., proposals, implementation plans, strategy documents, existing databases and datasets, and the Phase I study) the consultant will develop an inception report that outlines the study design, methodologies, and all study tools, as well as work plan and GANTT chart	5 days	TBD November 2024
External consultant	Address feedback on the inception report and study tools, and resubmit for approval	1 days	TBD
External consultant	STUDY INSTRUMENTS: Instruments finalized, translated into Arabic, and tested.	4 days	TBD
External consultant	DATA COLLECTION AND ANALYSIS: Oversee data collection and analysis, including hiring and training enumerators and pre-testing data collection instruments	12 days	TBD
External consultant	DRAFT REPORT: Prepare the draft study report, including an executive summary and findings/recs.	4 days	TBD November 2024
External consultant	FINAL REPORT AND SLIDE DECK: Finalize study report and incorporate Mercy Corps' feedback. Prepare a separate slide deck with talking points that summarize key findings and lessons learned.	3 days	TBD
External consultant	PRESENTATION: Conduct a presentation of findings and learning for key Mercy Corps personnel and stakeholders.	1 day	TBD November/December 2024

Key Deliverables

1. **Inception Report**
2. **Final Report, Full Length**
3. **Short Report (standalone document)**
4. **Presentation of Findings Slide Deck**
5. **Raw Data and Analyses**
6. **Study Instruments and Data Collection Tools**

Final Report Format

The final report should not exceed 30 pages, excluding annexes and appendices. The content of the written report should be coherently structured with a logical progression. Data and information should be presented, analysed, and interpreted clearly and systematically, with a clear line of evidence supporting the report's conclusions and recommendations. The basic structure of the report should resemble the following:

1. **Cover Page**
2. **List of Acronyms**
3. **Table of Contents**
4. **Executive Summary** (5 pages maximum): This section should serve as a clear and concise, stand-alone document that gives readers the essential contents of the study

report, and should include a summary of major findings, lessons learned, and recommendations.

5. Background

- 6. Methodology and Limitations:** This section should provide sufficient information for readers to judge the accuracy of the report and its findings. It should address constraints and limitations of the methodology, and the implications of these limitations on the study's findings (including if and why any of the study's findings are inconclusive).

The methodology section should also include breakdown of the sample coverage according to the shaded areas found in *Table 1 – Sampling Breakdown According to Participant Groups and Demographics* above.

- 7. Findings/Results:** This section should provide answers to the study's questions and should include data represented in tables, charts, graphs, and other figures. Additionally, contextual analysis and explanations of the data should be provided in narrative form.
- 8. Synthesis, Recommendations, and Lessons Learned:** This section should interpret the study's data and results and make concrete recommendations for current or future program improvements. Focus should also be given on drawing out organizational lessons learned, and generally commenting on the compiled data and results. Everything presented in this section should be directly linked to information presented in the study's Results section.
- 9. Success Stories, and Best Practice Cases:** Highlight at least two specific participants, interventions, and/or locations and discuss, in detail, what was effective in these cases and the ways in which they exemplify good practice.
- 10. Annexes, and Appendices:** These additional files should include: (a) all data collection instruments in English and their Arabic translations, (b) a list of stakeholder groups detailed by number and type of interactions; (c) this scope of work (SOW), (d) qualitative protocols developed and used in the study, (e) data sets (these can be provided in electronic format), and (f) required photographs, participant profiles, or other special documentation needed.

Study Logistics

Costs associated with travel are the responsibility of the consultant. The consultant will be responsible for arranging their own accommodation, though Mercy Corps can provide guidance and recommendations if needed. The consultant is also responsible for arranging their own airfare and in-country transportation. Mercy Corps can support access to field and implementation sites. Mercy Corps' MEL and PERMA Program teams will be available to work directly with the consultant throughout the duration of the study, and can answer questions as they emerge.

Assessment & Award of the Assignment

Application Guidelines

Interested applicants should submit a technical and financial proposal to Mercy Corps (not more than 20 pages) that includes the following:

1. Consultant profile, including list of similar assignments (preferably with INGOs) and CVs of key study team members;
2. Technical proposal detailing the methodology and its responsiveness to the SOW;
3. At least two sample study report or a similar assessment (preferably in Iraq);
4. Project timeline and work plan;
5. At least two references for similar work completed;
6. Full financial proposal, including a detailed budget with all associated expenses (provide

breakdowns: international and national flights, accommodation, data collection etc.); and
 7. Relevant registration and tax certificate(s).

Application Deadline: Applications (ITP) will close 6 business days after this opportunity is posted. Mercy Corps will evaluate the submitted technical and financial proposals, and award the assignment based on technical and financial feasibility. Mercy Corps reserves the right to accept or reject one or all proposals received without assigning any reason and is not bound to accept the lowest or the highest bidder. Only those consultants shortlisted will be contacted. Any subcontracting under this study consultancy will not be accepted.

Application Guidelines

Criteria	Weight
Consultant profile and expertise, based on an overview of the firm profile and CVs for all team members proposed (profile max 2 pages, CVs max 3 pages each)	15%
Technical proposal, including methodology and its responsiveness to SOW (Max 10 pages)	40%
Quality and relevance of sample work product (similar study and/or research publications)	10%
Detailed Timeline and Work Plan with deliverables	10%
Financial Proposal (detailed budget with Price/Cost estimates for all work)	25%
Verification of all registration and certificates (lack of valid credentials will result in proposals being rejected outright)	
Total	100%