



**FEDERAL GOVERNMENT OF SOMALIA  
THE MINISTRY OF COMMERCE AND INDUSTRY**

**TERMS OF REFERENCE**

**CONSULTANCY SERVICES TO DEVELOP THE NATIONAL TRADE POLICY FOR  
SOMALIA 2025-2029.**

**February 2025**

## 1. Background

The Ministry of Commerce and Industries of Somalia is responsible for facilitating trade and improving the competitiveness of the country's businesses through three main categories: policy, legal framework, and management. The Ministry formulates, develops, and implements policies to strengthen commerce, promote domestic industries to promote exports and foreign investment in the country, and enhance the use of advanced technologies for increased productivity. In addition, it oversees the creation and enforcement of relevant investment laws and regulatory frameworks. Furthermore, the Ministry manages and collaborates on the collection, research, and sharing of commerce and industry information to attract investment, while also focusing on capacity development and advancement of skills within the country and ministry staff.

Under the Horn of Africa Initiative, the World Bank is funding the De-Risking, Inclusion and Value Enhancement of Pastoral Economies Project (DRIVE) and the Ministry of Commerce and Industries is one of the project beneficiaries. DRIVE Project aims to protect pastoralists against drought shocks, using a package of financial services including drought insurance, payment, savings, and provision of credit funding, and to connect the pastoralists better to markets by upgrading the livestock value chains and facilitating the regional livestock trade. This project is regional, and Djibouti, Ethiopia, Kenya, and Somalia are the participating countries. The development objective of the Project is to enhance de-risking, financial inclusion, and value addition of pastoral economies in the HoA.

Trade is a cornerstone of Somalia's economic development, offering opportunities to promote exports, attract investments, and stimulate job creation. With Somalia's accession to regional and international trade agreements such as the African Continental Free Trade Area (AfCFTA), Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC), and World Trade Organization (WTO), a comprehensive National Trade Policy is essential to guide the country's integration into global markets.

The National Trade Policy will provide a framework to harmonize trade laws, promote industrialization, and leverage Somalia's comparative advantages in sectors such as agriculture, fisheries, and livestock. It will align with Somalia's National Development Plan and global best practices, ensuring sustainable economic growth and poverty reduction.

### Importance of the National Trade Policy.

1. **Integration into Regional and Global Markets:** Supports Somalia's commitments under AfCFTA, COMESA, EAC and WTO by enhancing trade facilitation and competitiveness.
2. **Economic Growth:** Promotes industrialization, value addition, and diversification of exports.
3. **Policy Coherence:** Aligns trade-related laws and regulations to create a predictable and business-friendly environment.
4. **Job Creation:** Expands opportunities for employment, especially for youth and women, by enhancing productive sectors.
5. **Investment Promotion:** Encourages local and foreign investments through clear and consistent trade policies.

## **2. Objectives**

1. Develop a comprehensive National Trade Policy framework aligned with regional and international commitments..
2. Establish a framework for export promotion, trade facilitation, and regulatory and harmonization of trade policies.
3. Enhance Somalia's trade competitiveness by addressing barriers to trade.
4. Promote value addition in key export sectors such as agriculture, livestock, and fisheries.
5. Harmonize trade-related laws and regulations to align with global best practices more importantly with such Somalia context.
6. Foster a business-friendly environment through streamlined, export growth, competitiveness trade facilitation measures.
7. Strengthen institutional capacity for trade policy implementation and monitoring.
8. Encourage small and medium enterprises (SMEs) to participate in regional and global value chains.
9. Ensure the policy reflects input from all stakeholders, including government, private sector, and civil society.
10. Promote inclusive trade, emphasizing gender equality and environmental sustainability.
11. Establish an actionable roadmap for policy implementation and monitoring.

## **3. Scope of Work for the Development of Somalia's National Trade Policy**

The development of Somalia's National Trade Policy involves a comprehensive approach to streamline trade processes, improve policy coherence, and enhance competitiveness in alignment with international, regional, and national objectives. The consultant(s) will undertake the following activities to ensure a robust, efficient, and sustainable policy framework that fosters trade-driven economic growth and aligns with Somalia's commitments under regional and international economic blocs.

### **1. Assessment of Existing Trade Framework and Practices**

- a) Conduct a detailed review of Somalia's current trade policies, legal frameworks, regulations, and administrative processes impacting trade.
- b) Evaluate the roles and responsibilities of key institutions involved in trade, identifying gaps, overlaps, and opportunities for improvement.
- c) Benchmark Somalia's trade environment against international best practices and the trade policies of regional peers, such as those in EAC, COMESA.

### **2. Stakeholder Consultations and Needs Assessment**

- a) Engage with public sector stakeholders, including the Ministry of Commerce, customs authorities, port and border agencies, and other relevant institutions, to gather insights and identify challenges.
- b) Consult with private sector stakeholders, including importers, exporters, trade associations, SMEs, and financial institutions, to understand their needs and expectations.

- c) Conduct a comprehensive needs assessment to identify training, capacity-building, and technical assistance requirements for effective policy implementation.

### **3. Development of Policy Framework and Recommendations**

- a) Draft a clear and actionable National Trade Policy framework that addresses Somalia's trade priorities, promotes export diversification, and aligns with international commitments.
- b) Recommend strategies for value addition in key sectors (e.g., agriculture, fisheries, and livestock) to enhance Somalia's trade competitiveness.
- c) Propose mechanisms to reduce non-tariff barriers, improve market access, and encourage regional and global trade integration.
- d)

The National Trade Policy will encompass the following key areas:

Trade Policy Framework – Review of existing policies and strategies governing trade.

Market Access & Trade Facilitation – Strategies to improve access to regional and international markets.

Export Promotion & Industrialization – Policies to enhance competitiveness and value addition.

Investment & Private Sector Development – Measures to attract foreign and domestic investment.

Trade Agreements & Negotiations – Analysis of existing trade agreements and opportunities for new ones.

Digital Trade & E-Commerce – Strategies to enhance digital trade and technology adoption.

Sustainability & Inclusive Growth – Policies for sustainable trade, including environmental and social aspects.

Trade Policy Governance – Institutional framework and stakeholder coordination for effective policy implementation.

### **4. Policy and Regulatory Recommendations**

- a) Review and recommend adjustments to trade-related laws and regulations to align them with international and regional standards.
- b) Propose regulatory reforms to reduce administrative burdens, eliminate redundant procedures, and streamline import/export licensing and permitting processes.
- c) Develop a phased policy implementation plan to integrate the recommended reforms over the short, medium, and long term.

### **5. Institutional Strengthening and Capacity Building**

- a) Develop a capacity-building plan for government institutions to enhance skills in trade diagnostics, negotiation, and policy implementation.
- b) Design training materials to strengthen the institutional capacity of trade-related agencies and promote knowledge sharing.
- c) Recommend frameworks for inter-agency coordination and mechanisms for information sharing to support cohesive policy implementation.

### **6. Drafting and Validation of the National Trade Policy**

- a) Prepare a draft National Trade Policy document, incorporating findings from consultations, reviews, and benchmarking studies.
- b) Ensure alignment with international standards, Somalia's national development goals, and regional trade agreements (AfCFTA, COMESA, and EAC).
- c) Present the draft policy to stakeholders for validation and incorporate their feedback to ensure inclusivity and relevance.

#### **7. Implementation Roadmap and Monitoring Framework**

- a) Develop a detailed implementation roadmap, including timelines, milestones, and responsible entities for the execution of the National Trade Policy for the next five years.
- b) Develop a matrix that provides practical guidance on how to implement the National Trade Policy in a coherent manner. The matrix should identify by each action area the key lead agencies, timeframes, potential sources of funding from development partners, prioritization.
- c) Outline a robust monitoring and evaluation framework with key performance indicators (KPIs), outputs and outcomes that are measurable to track progress and ensure accountability.
- d) Recommend adaptive management strategies to respond to evolving trade needs and challenges.

### **4. Firm Profile**

To successfully undertake the development of Somali Trade Policy 2025-2029, the consulting firm must possess a robust profile with demonstrated expertise in trade facilitation, policy development, and capacity building, particularly in contexts similar to Somalia's. This section outlines the required qualifications, experience, and capabilities of the consulting firm and its proposed team.

**Core Business:** The ideal firm should specialize in economic development consulting with a core focus on trade policy formulation, trade facilitation, and regional and international trade integration.

**Years in Operation:** The firm should have a minimum of 10 years of experience in consulting assignments related to trade policy, trade facilitation, or economic development strategies.

**Specific Experience:** Demonstrated expertise in developing national trade policies or similar assignments, especially for developing or fragile economies. Proven track record of at least one successfully completed assignments involving trade policy development, trade facilitation, or regional trade integration. Familiarity with trade dynamics in East Africa, COMESA, AfCFTA, and EAC regions.

### **Key Expert Profiles for National Trade Facilitation Strategy**

The team tasked with drafting Somalia's National Trade Policy should comprise a group of multidisciplinary experts with specialized knowledge in trade policy, economic analysis, legal frameworks, and stakeholder engagement. Below is the proposed team structure and their roles:

#### **I. Trade Policy Expert (Team Lead)**

The Trade Policy Expert will lead the development of the National Trade Policy, coordinating inputs from all team members and ensuring the policy aligns with Somalia's trade objectives and international commitments.

**Qualifications:**

- A minimum of Masters degree in International Trade, Economics, Business Administration, or a related field specializing particularly on trade related streams -
- Certification in trade policy development or relevant programs (e.g., WTO, AfCFTA, or COMESA frameworks).

**Experience:**

- Proven leadership in developing national-level trade policies for developing or fragile economies.
- A 'minimum of 15 years of experience in formulating a Trade Policies Frameworks and in designing a result-based implementation matrix of a trade policy to ensure that the document produced will be practical, easy to understand and implement and be able to meet tight deadlines;
- A broad experience in key trade sectors such as negotiation, legislation and litigation; - A broad experience in trade sector such as standardization and implementation of fair-trade and competition principles etc.;
- Sound knowledge of inter-sectoral linkages and their impact on trade- led growth in the context of developing and least developed countries including fragile ones if possible
- Strong knowledge of socio-economic, industrial development and business environment issues in African countries in general and in Somalia in particular will be an asset;
- In-depth knowledge of Africa's regional trade agreements and global trade standards and in Somalia in particular will be an asset.
- Expertise in aligning national trade priorities with international obligations (e.g., WTO accession processes) is an advantage.

**II. Economist**

The Economist will analyze the economic implications of the proposed trade policy, focusing on feasibility, market access, and the impacts of trade liberalization and regional integration.

**Qualifications:**

- Master's in Economics, International Trade, or Development Economics.
- Proficiency in economic modeling and trade impact assessments.

**Experience:**

- 10 years of experience in economic analysis related to trade, including cost-benefit analysis and market studies.
- Knowledge of regional economic integration frameworks (AfCFTA, EAC, COMESA) and their economic implications is an advantage.

- Experience in identifying export opportunities and analyzing value chain enhancements in key sectors such as agriculture and fisheries.

### **III. Legal Expert**

The Legal Expert will review and recommend legal and regulatory reforms, ensuring the policy is aligned with Somalia's national laws, international obligations, and trade agreements.

#### **Qualifications:**

- Law degree (LLB, LLM, or equivalent) with specialization in international trade law or regulatory frameworks.
- Certification or expertise in trade agreements (e.g., WTO, AfCFTA) will be advantage.

#### **Experience:**

- 15 years of experience in legal analysis and drafting trade-related legal frameworks.
- Expertise in aligning national trade laws with regional and global agreements.
- Familiarity with trade-related issues such as rules of origin, tariffs, and dispute resolution mechanisms.

### **IV. Stakeholder Engagement and Capacity Building Specialist**

The Stakeholder Engagement Specialist will ensure the policy development process is inclusive, incorporating the perspectives of all relevant stakeholders, including government, private sector, and civil society.

#### **Qualifications:**

- Degree in Public Administration, Political Science, or International Relations.
- Training or certification in stakeholder engagement and participatory policy development.

#### **Experience:**

- 10 years of experience in facilitating multi-stakeholder consultations and workshops.
- Proven ability to engage marginalized groups, SMEs, and other trade-related entities in policy development.
- Strong experience in building consensus and managing feedback for inclusive policymaking.

## **5. Deliverables and Timeline (5 Months)**

<b>No.</b>	<b>Deliverable Title</b>	<b>Details</b>	<b>Timeline Weeks from date of contract signature</b>
1	<b>Inception Report</b>	Finalized methodology, work plan, and stakeholder engagement strategy.	2
2	<b>Desk Review Report</b>	Comprehensive analysis of existing policies, trade agreements, and best practices.	7
3	<b>Stakeholder Consultation</b>	Conduct a stakeholder meeting both from the public institutions and the private through focus group discussin, key informant interview, participatory observations and document analysis.	12
3	<b>Stakeholder Consultation Report</b>	Findings from stakeholder consultations and recommendations for inclusion in the policy.	13
4	<b>Draft National Trade Policy</b>	Initial draft of the National Trade Policy for stakeholder review.	15
5	<b>Validation Workshop</b>	Presentation of the draft policy to stakeholders for feedback.	18
6	<b>Final National Trade Policy</b>	Incorporates feedback and includes an implementation roadmap and monitoring framework.	20

## 6. Reporting Arrangements

The selected consultancy firm(s) will operate under the direct supervision of the Director General of the Ministry of Commerce and Industry. Regular reporting is essential for maintaining transparency and alignment with the project's objectives. The firm is required to provide bi-weekly progress reports, highlighting achievements, challenges, and any critical issues needing attention. Coordination with the Project Implementation Unit (PIU) of the DRIVE project and the World Bank is essential, while ensuring inputs from relevant ministries and agencies are integrated.

## 7. Payment Schedule

<b>NO</b>	<b>Deliverable Acceptable to the Client</b>	<b>Payment proportion</b>
1	Inception Report	10%
2	Draft National Trade Policy	25%
3	Validation Workshop	15%
4	Final Draft National Trade Policy	50%