

# **TERMS OF REFERENCES FOR NEEDS ASSESSMENT, MARKET RESEARCH AND TECHNICAL ADVISORY SERVICES ON FINANCIAL PRODUCTS FOR WOMEN'S VILLAGE SAVINGS AND LOAN ASSOCIATIONS AND SELF-HELP GROUPS IN SOMALIA**

## **I. Background**

Somalia's economy is currently experiencing growth after a period of conflict. However, this growth is starting from a low base and is slowly being achieved as peace and stability are established. During the conflict, critical infrastructure and assets were destroyed, and people were displaced, leading to a decline in economic production, especially in agriculture, livestock, and fisheries. Climate change worsened economic decline, such as multiple consecutive droughts and floods, which also reduced competitiveness. This has caused widespread displacement and increased poverty in rural and urban areas. Somalia still faces a multitude of climate risks that pose a serious threat to its future economic development, industrialization, trade, and urban development. Somalia is highly vulnerable to climate shocks that hurt growth and hinder poverty reduction efforts. Frequent climate-related shocks, such as cycles of droughts, floods, and locust infestations, have interrupted the country's economic trajectory. As a result, growth has been low and volatile, exacerbating the high poverty rates across the country. Acute climate disasters, especially prolonged droughts and inland flooding can have wide-ranging social and economic consequences on production and exports, food security, and social vulnerability and cohesion.

All forms of vulnerability are deeply gendered, with women and girls confronting significant gender disparities, including high levels of sexual and gender-based violence. Although both Somali men and women are reliant on climate-sensitive economic activities such as agriculture, livestock, and fisheries, women are more likely to be engaged in subsistence level production, providing over 60 percent of the labor. Consequently, their livelihood and food security are more sharply affected by climate-induced downturns in production. Women are also more likely to engage in agricultural value chains that require less land and capital due to gender inequitable inheritance laws, as well as limited collateral availability compared with men. They are less mobile and less likely to employ productive inputs or utilize available extension services. Women have weak land tenure rights and limited access to extension services, and the most valuable agricultural assets (land and livestock) are primarily owned by men. In times of crisis, such as drought, men migrate looking for pastures and water for their livestock or move to urban centers in search for work. Women remain at home with children and the elderly, sometimes moving to IDP camps or to small towns for petty trading. While the aim of these strategies is to access resources and security, in practice they expose women to additional security threats (World Bank and FAO, 2018).

The Ministry of Family and Human Rights Development (MFHRD) plays a crucial role in promoting economic growth and empowerment of marginalized communities through supporting small and medium-sized enterprises (SMEs). By providing financial assistance, business training, and technical support to SMEs owned by marginalized groups, the Ministry has helped these businesses thrive and contribute to the overall economic development of their communities. SMEs play an important role in the socio-economic development of the country. They also enable entrepreneurship amongst people and therefore often considered as an incubator for enhancing entrepreneurship and creativity amongst the youth.

## **II. e-WINS Project**

The e-WINS Project is funded by the European Union (EU) to contribute to economic empowerment of women and girls in Somalia through gender inclusive and transformative approaches and actions. The project targets 10,000 women to benefit from enhanced participation

in productive economic activities and decision-making processes. Through tailored capacity building initiatives, negotiation skills, inclusivity, entrepreneurship and business management, alongside the establishment of knowledge-sharing platforms among women-led organizations, the action seeks to strengthen the social capital of women in leadership, socio-cultural and economic spheres of life. Furthermore, by implementing digital platforms and strengthening women's engagement in formal business associations, the action directly contributes to improving access to financial services for women entrepreneurs. The action will conduct research to identify gaps in the regulatory framework and organize policy dialogues to advocate for gender-inclusive policies supporting women entrepreneurship and access to finance.

### **III. Rationale**

Micro, Small and Medium Enterprises (MSMEs) play an important role in the socio-economic development of a country. MSMEs enable entrepreneurship amongst people and therefore often considered as an incubator for enhancing entrepreneurship and creativity amongst interested parties. The MSME sector contributes not only towards the economic growth of an area but also provides employment opportunities to the local people. Considering MSMEs can help in reducing gender disparity and promoting equitable development in Somalia. Somali women entrepreneurs have long been at the heart of resilience, creativity, and economic vitality. They are the backbone of thriving micro, small, and medium-sized enterprises – businesses that sustain families, generate jobs, and enrich communities. Yet, despite their talent and determination, many women still face significant obstacles to growth. The EU has long championed gender equality and women's economic empowerment in Somalia, but the *e*-WINS Project is about more than just economic growth. It is about hope, resilience, and the promise of a better future. It is about ensuring that every woman with the ambition to lead a business, innovate, and contribute to her community has the opportunity to do so. The *e*-WINS Project is driven by the commitment to equip small businesses with a range of financing instruments, complemented by technical assistance, to enhance their stability, drive job creation, and foster economic growth.

The action's commitment to leaving-no-one-behind, especially groups in vulnerable situations such as women, minorities, and those with disabilities, resonates with the emphasis on ensuring inclusivity in development initiatives. The *e*-WINS action seeks to directly address challenges faced by traditional agriculture, livestock and fisheries sectors, aligning with the focus of revitalizing key economic sectors. This is to be achieved through tailored interventions to local needs and ensure a contextually relevant approach that promotes local ownership and sustainability. By implementing initiatives that increase women's access to financial resources, entrepreneurship opportunities, small- and large-scale investments either directly or through micro and macro financing opportunities, women are bound to become economically independent and contribute to the growth of the economy. Innovation is another core element of the business model envisaged under the action. Stakeholders are committed to finding creative solutions to complex challenges. By embracing new technologies, processes, and approaches, the action will improve the efficiency and effectiveness of its programs and services. This focus on innovation will allow the enterprises to stay ahead of emerging trends and adapt to changing circumstances.

### **IV. Purpose of the Study**

The overall objective of this market study is to investigate the SME-oriented financial services markets to identify economic sectors/sub-sectors with the highest potential for the type of financial solutions to be developed by the project for the target populations. The findings will be used to inform specific, relevant, updated, detailed and reliable advice as to which areas of business the supported women should invest. The market information is expected to inform potential economic sectors to achieve market success, profitability and sustainability. Additionally, the findings will apprise women's enterprise development strategy with up-to-date, relevant and reliable market

information. The strategy is expected to guide business trainings, capacity building, product development, innovation, enhanced productivity, competitiveness, marketing and networking support, among other services geared towards supporting women enterprises to respond appropriately to the prevailing business landscape.

### **Specific Objectives of the Study**

The specific objectives of the market study will be to:

- i. To increase access to financial products to unlock entrepreneurship and business growth for women-led businesses
- ii. To provide tailored capacity building support for women-led Small and Medium Enterprises (SMEs)
- iii. To strengthen inclusive business development and advisory services to enhance the quality of products and services and improve access to markets.
- iv. To expand access to inclusive enterprise associations and networks that will assist women entrepreneurs

### **Primary Target Groups**

The demographics for the target women for this assignment include: Women entrepreneurs in urban, rural and peri-urban settings, women entrepreneurs with disabilities, minority women entrepreneurs, women-led social enterprises, women-owned cooperatives and associations, women entrepreneurs in artisanal and creative industries, women in green and sustainable enterprises, Self-Help Groups (SHGs), women-led social enterprises, Village Savings and Loan Associations (VSLA), and displaced women entrepreneurs.

## **V. Scope of the Assignment**

The market study will be conducted in the Juba River Corridor (Jubaland State), the Shabelle River Corridor (Southwest State and Banadir Regional Administration) and the Somaliland Corridor. The detailed task involves gathering valuable gender and stakeholder information to support the growth of women-owned businesses from micro- to small-and medium-sized enterprises and empower women through comprehensive business development support services to support their enterprises.

The specific undertakings of this study will include the following:

1. Evaluate the SME landscape within the area of coverage and profile SME activities:
  - a) Examine the activity sectors, legal status and environment, structure, and human resource capabilities of sampled SMEs.
  - b) Investigate the availability of trade unions and the level of participation of SMEs.
  - c) Assess digital savvy of SMEs within the area of coverage i.e. online presence (social media, online directories, email and websites), participation in digital online markets, adoption of digital payment services for clients and suppliers.
2. Define the SME financing market size in the target area:
  - a) Research the economically feasible sectors and sub-sectors within the Project area (agriculture and agricultural processing, wholesale and retail trade, and service industries etc).
  - b) Identify sectors and sub-sectors with higher growth potential and with a clear definition of level of SME participation.
  - c) Map out the current geographic and sectoral distribution of SMEs within the project area.
  - d) Define and quantify the overall market financing needs of SMEs within the Project area.

3. Determine the level of access to financial services for SMEs in the target area:
  - a) Assess the standard procedures financial institutions apply to identify SME clients. Profile and classify these clients, identify risks in these enterprises and develop tools and strategies to address SME needs and financing risks.
  - b) Assess the availability of financial products (savings, lending, transaction banking, risk management solutions) and how aligned they are to the financial needs of SMEs within the project area.
  - c) Evaluate the level of penetration or uptake of financial services by SMEs in the Project area.
  - d) Assess whether SMEs face restricted access to any financial services from financial institutions within the Project area, under what circumstances such barriers are placed and whether these differ by sector, service or client type.
  - e) Examine the adequacy and transparency of information provided by financial institutions to clients to enable comparability of services, processes and charges across financial institutions to support decisions with outcomes that are best suited to the client needs.
4. Investigate competing financial products and services for SMEs from commercial banks, microfinance institutions (MFIs) and other institutions in the Project area. This includes but is not limited to profiling competing institutions, product offerings, product marketing strategies, entry requirements, product terms and conditions, processes, applied tools and techniques.
5. Evaluate the business development services environment for SMEs within the Project area:
  - a) Profile business development services tailored for SMEs, their location, coverage, structure, service offering, processes, capacity and charges.
  - b) Identify any business networking events for SMEs within the Project area such as trade fairs, exhibitions, workshops etc. This includes describing the target sectors, event frequency, event coverage, participation requirements among others.

## **VI. Approach and Methodology**

The consultant is expected to propose the best approach and methodology to realize this study. The approach should however, utilize an articulated and coherent methodology that will show a deep understanding of Somalia's business environment, financial markets and the SME sector in the target locations. The market study will avail itself of both secondary and primary sources, through desk research and field surveys as applicable, and will provide detailed, updated, relevant and reliable quantitative data and qualitative information. The market study should also clearly indicate the type of market competition characterizing the economic sectors accessible by the women entrepreneurs.

The analysis will entail data gathering, verifying, and distributing gender-specific data on informal, semi-formal, and indigenous lending and savings groups. This data will provide critical insights into the financial behaviours and needs of women, informing the development of tailored financial products and services. In close liaison with line ministries a comprehensive stakeholder mapping exercise is to be undertaken to identify and categorize individuals and entities that play a critical role in supporting women's entrepreneurship. Key stakeholder groups will likely include financial service providers like banks, microfinance institutions, and other financial institutions that offer products and services relevant to women entrepreneurs; Ministries responsible for gender equality, economic development, and small and medium-sized enterprises (SMEs), local and international NGOs, donor agencies, and other organizations working to empower women entrepreneurs and

savings/lending groups; existing informal and formal savings and lending groups specifically focused on women clients.

The study methodology should be participatory and inclusive, involving consultations with all stakeholders, including those related to gender, disability and other vulnerability considerations. It should also be sensitive to social norms and practices, ensuring ethical data collection with a focus on safety and obtaining informed consent. Additionally, the study should incorporate Intersectionality Analysis to actively engage community members in identifying gender roles, challenges, and coping strategies. This approach will allow for the recognition and understanding of how factors such as age, gender, disability, and socio-economic status intersect, shaping individuals' experiences within the community.

## **VII. Expected Deliverables**

The Consultant will be expected to deliver the following outputs:

- a) An inception report detailing the approach and methodology to be used and sample size calculations; a detailed work plan and data-collection tools for the study.
- b) A draft study report (soft-copy) with a summary of findings submitted to ADRA within an agreed timeline; this will also be presented to the Project team for feedback and validation.
- c) A Final Report submitted to ADRA.
- d) Marketing Strategy: the consultant will lay out a sustainable plan of action on product development and promotion, based on specific business interests and capacities, for the SME market penetration and/or expansion while achieving a competitive advantage.

## **VIII. Roles and Responsibilities**

During data collection and analysis, the primary roles of ADRA and implementing partners with direct stake in the project shall be informants and reviewers. They may review and provide comments on data collection instruments, and all other deliverables before they are finalized. The following delineates the key roles and responsibilities of ADRA Staff and the consultant during the process:

ADRA will be responsible for the following:

- a) Provide technical oversight into the execution of the assignment to ensure quality of products including approvals of the deliverables.
- b) Share all necessary documents (including project document, logframe, MEAL plan) to the Consultant to finalize the methodology and data collection tools.
- c) Provide input for study methodology, data collection instruments and report.
- d) Provide technical oversight into the execution of the assignment to ensure quality of products including approvals of the deliverables.
- e) Guidance and coordination throughout all the phases of the study, keeping communication with the Consultant throughout all phases.
- f) Provide support to the Consultant for the field visit processes such as orientation and training of enumerators, FGDs and KIIs.
- g) Closely follow up the data collection process, ensuring quality control, daily debriefing, meeting the timelines set.
- h) Payment of the identified enumerators.

The Consultant will be responsible for the following:

- a) Review all relevant documents for the study.
- b) Develop study protocols which include survey methodology, and the data collection tools (questionnaires; focus group guides, interview protocol, data entry templates, etc.), as appropriate, including a field manual for training, and has to be approved by ADRA.

- c) Design the data collection forms, data entry template, procedures and systems, and training of data collector/enumerators in the use of the template.
- d) Develop the field work schedule in consultation with MEAL team.
- e) Supervise the data collection process, give advice and ensure the quality of the data.
- f) Data analysis and report writing. Draft the first report for ADRA's feedback before the Final report.
- g) Recruit competent enumerators for the quantitative survey and field facilitators/note takers for the qualitative study (FGDs and KIIs).

#### **IX. Qualifications of the Consultant**

- Postgraduate university degree in Social Sciences, Economics or Business Management, or other relevant discipline.
- Proven experience in economic or business research.
- Demonstrable expertise in gender analysis and mainstreaming gender in projects and programmes.
- Proven knowledge of social, economic, political and legal context including knowledge of gender related policies, and human rights issues as well as livelihood challenges especially for women in Somalia.
- Strong communication skills, and ability to liaise with various stakeholders, including government officials.
- Proficiency in English language- spoken and written
- Good understanding of Somalia context and experience working in Somalia.

#### **Application Requirements:**

All expressions of interest should include:

- Cover letter
- A profile of the consulting firm/individual (including a sample report)
- Relevant curriculum vitae, maximum three pages.
- Technical Proposal: maximum 5 pages interpreting the understanding of the TOR, detailed methodology of executing the task, and the draft work plan.
- Financial Proposal: provide cost estimates for services rendered including daily consultancy fees but to exclude accommodation and living costs; transport cost; stationery and supplies needed for the assignment as well as costs to be incurred by enumerators.

Interested consultants/firms that meet the requirements should submit their applications not later than 9<sup>th</sup> May 2025, via email to [hr@adrasom.org](mailto:hr@adrasom.org) with **“Expression of Interest for “Market Research Survey”** in the subject line.