

TERMS OF REFERENCE

MARKET ASSESSMENT AND VALUE CHAIN ANALYSIS AND DEVELOPMENT FOR SUSTAINABLE MARKET INTEGRATION AND ECONOMIC EMPOWERMENT FOR COMMUNITIES IN KISMAYU DISTRICT, JUBALAND STATE OF SOMALIA

Task	This task involves assessment and training for agro-pastoral communities in Kismayo on market assessment and value chain development to improve market access, product quality, and income generation. The training will equip youth, women, and smallholder farmers with market analysis, business development, and financial access skills, enabling them to transition from subsistence to commercial production. Through interactive training and practical demonstrations, the initiative aims to strengthen market linkages and enhance economic resilience.
Location	Kismayo, Jubaland State, Somalia
Start Date	26 th May 2025

1. Background Information

Economic empowerment of communities is critical for the continuing improvement of agriculture and further development of the rural sector. Increased participation of women and youth in value-added productive activities requires an understanding of all of the barriers that limit their participation along the value chains. Addressing these barriers can transform the role of communities in this sector and catalyze their economic empowerment. Green economic transition is both an imperative to sustain economies and livelihoods in the face of climate change and an opportunity to accelerate inclusive growth. Market access is a cornerstone of agricultural development, serving as the conduit through which producers connect with consumers and achieve economic viability. Efficient market access enables farmers to sell their produce at competitive prices, thereby enhancing their income and livelihoods. It also promotes resource allocation, innovation, and the diffusion of technology. Value chain integration, the seamless coordination of various stages of production, processing, distribution, and marketing, is pivotal for enhancing productivity, quality, and profitability. Integrated value chains facilitate the efficient allocation of resources, knowledge sharing, risk mitigation, and the establishment of enduring relationships among stakeholders. Moreover, the dearth of access to timely market information leaves farmers in the dark about prevailing market prices and consumer preferences.

Farmers in Somalia grapple with multifaceted challenges that hinder their ability to access markets and participate effectively in value chains. The inadequate infrastructure, including roads and transportation systems, limits their geographical reach and increases transportation costs. Somalia's agro-pastoral sector plays a critical role in the country's economy, with over 65% of the population depending on agriculture and livestock for their livelihoods. However, the sector has faced severe disruptions due to climate shocks, prolonged droughts, and flooding, significantly impacting food security and income generation. The 2020-2023 drought, the worst in over 40 years, pushed the nation to the brink of famine. While humanitarian aid and improved rainfall conditions in 2023 averted an outright catastrophe, the situation remains dire. In 2023 alone, climate shocks and conflict displaced a record 2.9 million people, with 75% of displacements caused by climate-induced disasters such as flooding (1.7 million people) and drought (531,000 people). As a result, more than 3.8 million people remain displaced across Somalia, and 6.9 million people require humanitarian assistance in 2024. Additionally, 4.3 million Somalis are acutely food insecure, making sustainable food production a national priority.

Kismayo, a key region in Somalia's Lower Juba area, is home to thousands of vulnerable households, including displaced populations and marginalized farmers. The recurrent loss of livestock, destruction of farmlands, and lack of access to sustainable agricultural practices continue to undermine food security and income generation. Given these challenges, capacity-building in agro-pastoral skills and value chain development is essential to enhance resilience, improve productivity, and increase economic opportunities for farmers and pastoralists. This training initiative aims to equip youth, women, and smallholder farmers in Kismayo with practical agro-pastoral skills, value chain knowledge, and market linkages. By improving agricultural and livestock production techniques, the program will empower communities to enhance food security, increase income, and build sustainable livelihoods.

2. Rationale

The agro-pastoral sector is a key driver of livelihoods in Somalia, yet many pastoralists and smallholder farmers remain trapped in low-productivity cycles, lacking the skills, resources, and market access needed to commercialize their products. Poor value chain integration, post-harvest losses, limited business knowledge, and weak market linkages further restrict their ability to maximize

income and sustain economic growth. In Kismayo, where climate shocks, displacement, and economic instability have exacerbated poverty, empowering communities with value chain development skills is critical. By enhancing knowledge in market dynamics, product handling, financial literacy, and business strategies, pastoralists and agro-pastoralists will be better positioned to transition from subsistence to sustainable, market-driven production. This assessment and training program will bridge the gap between producers and markets, equipping participants with practical, income-generating skills that improve livelihoods, food security, and resilience. By fostering entrepreneurship and strengthening supply chains, the initiative will contribute to long-term economic empowerment, poverty reduction, and community stability in Kismayo and beyond.

3. Purpose and Objectives of the Consultancy

The purpose of the assignment is to equip the supported communities with practical knowledge and skills for selecting and analyzing value chains for opportunities to improve climate change resilience and reduce gender inequalities; and subsequently help in identifying and prioritizing investments to promote market development in line with these opportunities. The Market Assessment and Value Chain Analysis are intended to identify and design livelihood development programmes that, if implemented, increase the employment opportunities and improve the living conditions of communities. The task will also assess the potential for growth and profitability of the local economic sectors. The value chain analysis will help to determine how the identified value chain(s) can be developed to include a large number of beneficiaries (persons of concern and members of the host communities) in the labour market through practical action points.

Training will be undertaken to enhance the capacity of the agro-pastoral communities in Kismayo by equipping them with practical knowledge and skills in value chain development. The training will seek to strengthen market linkages, improve product quality, reduce post-harvest losses, and enable smallholder farmers and pastoralists to participate effectively in commercial markets. By fostering entrepreneurship, improving access to financial services, and enhancing business development skills, participants will be transitioned from subsistence livelihoods to sustainable, market-oriented enterprises. This initiative will contribute to economic empowerment, increased household income, and long-term food security, ensuring that vulnerable populations can build resilience and achieve financial independence through improved value chain integration.

Objectives

The overall objective of this assignment is to carry out a Market Assessment and Value Chain Analysis to shed light on the status and viability of existing and potential markets for the pastoralists and agro-pastoralist communities in Kismayo since crops and livestock hold promise of product expansion, market viability, value addition opportunities, quality improvement, and input availability to smallholder farmers.

The specific objectives are:

- (a) Map the existing and potential value chains.
- (b) Identify the key stakeholders active in the crop and livestock value chains and conduct a detailed assessment of the operations, processes, opportunities and challenges
- (c) Identify key value chains with the highest potential for growth, profitability and employment for the target groups (given their needs and capacities).
- (d) Analyze the supporting functions that are needed to develop market linkages across the selected value chains, including both existing and missing support functions (e.g. infrastructure, information, related services)
- (e) Clarify the rules and regulations (e.g. standards, laws, informal rules and norms) related to the value chain. Outline any gaps that must be filled, in order for participants to sustainably gain employment through the value chain, and how the value chain can be developed.
- (f) Assess the competitiveness of the value chain(s) and determine how to create competitive advantages for the targeted sectors in the context of local and regional trends, bearing in mind the context of the population.

4. Scope of Work

This study will be critical to developing interventions on supply chain efficiency and aggregation structures as well as on-boarding of committed private sector and civil society partners as a part of the landscape model. The scope of work for this assignment is two-fold: Assessment and Training in Market Assessment and Value Chain Analysis.

The market assessment and scoping study will have the following critical components as a part of the work:

- (a) Landscape analysis on production systems for crops and livestock: conduct a scoping study to understand:

- (i) Current farming practices (including any Integrated Pest Management practices), challenges to adopt sustainable practices and the current situation of resources utilization, water and soil management, agro-inputs, etc. with a strong focus on actual situation of land use;
 - (ii) Climate-smart agriculture for developing climate resilient farming systems in the project geography;
 - (iii) Existing sourcing model for farm produce (harvesting, farm gate aggregation, and sale by farmers), trader, agent and producer dynamics in the crop and livestock supply chain;
 - (iv) Information needs from women especially around drudgery, wages and to identify engagement methods that can benefit women engaged in agricultural production;
- (b) Study and analyze the current aggregation models, post-harvest management and marketing channels for the target value chains for crops and livestock produced in the target region including stakeholder analysis, price and quality analysis and value position.
- (c) Social and economic aspect: labor conditions and the current wage/income of workers and smallholder farmers and the wage/income gap (compared with a national or state level wage/income benchmark), sources of income of farmers (on farm and other products, off farm).
- (d) Conduct training by undertaking the following tasks:
- Develop a training curriculum in coordination and collaboration with project team members.
 - Develop training materials (presentations, handouts, case studies, practical exercises etc.) in close coordination with the project team.
 - Prepare a training manual that participants can use as a reference post-training.
 - Design and facilitate a four-day training program ensuring interactive and participatory approaches adhering with the safeguarding compliances.
 - Use a mix of teaching methods, including lectures, group discussions, case studies, and hands-on exercises etc.
 - Ensure pre- and post-training evaluation to assess the effectiveness of the training.

The training areas shall broadly include the following components among others:

Agro-Pastoral Skills Training

- Advanced techniques in crop production, soil conservation, and water management.
- Best practices in livestock breeding, feeding, disease prevention, and veterinary care.
- Introduction to climate-smart agriculture and drought-resilient farming techniques.

Value Chain Development and Market Access

- Market analysis and demand assessment to identify profitable agricultural products.
- Post-harvest handling, quality assurance, and storage techniques to reduce losses.
- Business development and market linkages, ensuring farmers can effectively connect with buyers, cooperatives, and commercial markets.
- Simulated market negotiations and value chain exercises to enhance business skills.

Community Engagement and Knowledge Transfer

- Involvement of local cooperatives, traditional leaders, and agricultural extension officers to ensure sustainability.
- Encouragement of peer-to-peer learning and mentorship programs among farmers.
- Formation of community-based farmer groups to enhance knowledge-sharing and cooperation.

5. Target Participants

This training is designed for individuals actively engaged in agro-pastoral activities, particularly those from vulnerable and marginalized communities in Kismayo. Target participants include:

- Smallholder farmers, youth, and women engaged in agricultural and pastoral livelihoods.
- Displaced persons and returnees seeking alternative livelihoods in the agro-pastoral sector.
- Community leaders, cooperatives, and representatives from local agricultural organizations.

To maximize inclusion, special emphasis will be placed on ensuring equal participation of women and individuals from disadvantaged backgrounds.

6. Methodology

The consultant is expected to use various methods of carrying out this assignment including, but not limited to:

- Desk review – a literature review from previous value chain studies and other critical documents from the context and other sources.
- Develop a theoretical framework for the study and determine the sampling methodology to be used in the study.

- Interview with selected officials (local and national government officials and other key actors from the private sector).
- Interviews of small-scale farmer organizations and traders' associations, among others participating in value chain activities.
- Focus group discussions with value chain actors and trader associations.

The proposal should include an appropriate methodology for primary data collection and data collection tools (e.g. market survey, interviews with market actors, key informant interviews) that will be used to conduct the Market Assessment and Value Chain Analysis.

7. Deliverables

The following deliverables are envisaged:

- (a) Scoping Report on Market Assessment and Value Chain Analysis.
- (b) Training Report on Capacity Building on Market Access and Value Chain Development.
- (c) Electronic copies of all data sets.
- (d) All quantitative and qualitative data (completed questionnaires, recorded interviews, etc).
- (e) Any other documents that will be used or collected in the course of the consultancy.

8. Required competencies:

- Advanced university degree in Agriculture, Agribusiness, Economics, Rural Development, or related fields.
- At least 5 years of practical experience in value chain development, market linkages, and business development for agro-pastoral and pastoral communities.
- Demonstrated expertise in designing and implementing training programs focused on agricultural value chain integration, market access, and entrepreneurship development.
- Proven experience in conducting capacity-building programs for smallholder farmers, pastoralists, and rural enterprises, particularly in fragile and conflict-affected areas.
- Experience in developing training manuals and toolkits tailored for adult learners, grassroots organizations, and local business cooperatives.
- Strong knowledge of financial literacy, agribusiness models, and access to finance mechanisms for small-scale producers.
- Ability to facilitate stakeholder engagement and establish partnerships between producers, processors, traders, and financial institutions.
- Exceptional interpersonal, networking, and communication skills, with experience in working with diverse community groups and government agencies.
- Demonstrated team training, capacity building, and mentorship skills, with a track record of enhancing the knowledge and skills of rural entrepreneurs and farmers.
- Fluency in English is required, and knowledge of Somali language is mandatory.

Proposals should include:

- (a) Detailed description of proposed approach and methodology
- (b) Projected budget
- (c) Short overview of how the candidate(s) meets the qualifications, experience and skills requirements

9. Submission of Proposals

To achieve the objectives of the assignment, the consultant will be expected to take complete responsibility for all the activities identified in the TOR. The Technical Proposal should contain a complete description and explanation of the proposed methodology for the Assignment (work plan), timelines and any other resources that the consultant will make available to effectively execute the assignment.

The Financial Proposal should stipulate the professional fees, travel and taxes for the assignment. All fees and costs are to be expressed in USD.

10. How to Apply

Applications for this consultancy should be emailed to the Human Resource Manager using the email hr@adrasom.org on or before COB 13th May 2025, with “**Expression of Interest for Value Chain Analysis**” in the subject line.