TERMS OF REFERENCE (TOR) FOR PUNTLAND'S EXPORT PROMOTION POLICY DEVELOPMENT

Assignment Title: PUNTLAND'S EXPORT PROMOTION POLICY DEVELOPMENT.

1. Background

The Ministry of Commerce, Industries and Investment (MoCII) is mandated to create and enforce sound trade laws and policies in order to stimulate economic growth. By ensuring adherence to industrial quality standards and aligning with global frameworks such as the World Trade Organization (WTO) and the Sustainable Development Goals (SDGs), the Ministry plays a critical role in creating an environment conducive to investment and private-sector growth.

The Ministry is implementing strategic reforms to modernize regulatory frameworks, strengthen institutional capacity, and improve the business climate. These initiatives are essential to establishing Puntland as an attractive investment destination and ensuring a sustainable and competitive business environment. They also support the climate-resilient competitiveness of the Somali agricultural sector and its integration into the East African Community (EAC) trade framework.

Puntland's economy is highly dependent on imports significantly lower than exports in ratio of $1:12 in last reports that means $11 of trade deficit. Bosaso Port is essential for trade and the movement of livestock, serving as a critical gateway to the region.

Puntland's export economy focuses on livestock and natural resources, including frankincense and fish, supported by Bosaso Port and its strategic location. Key opportunities exist in processing and manufacturing to diversify exports and reduce reliance on imports. However, significant challenges include a high trade deficit, infrastructure gaps, security concerns, and regulatory hurdles.

Livestock exports are a backbone of Puntland's economy, providing 60% of employment, an average of 89% of total export earnings over the last 12 years, and 7% of GDP. Indigenous breeds of goats, sheep, camels, and cattle are well adapted to the arid environment, supporting sustainable production.

Key Export Opportunities

- Livestock- high-volume exports of sheep, goats, and camels exist with potential for further expansion.
- Fisheries and Marine Resources – the long coastline offers substantial opportunities for investment in fishing and processing industries.
- Agricultural productions - Puntland's agriculture sector has made notable progress since 1998, following the formation of the Puntland State administration. Farmers have significantly improved agricultural productivity in the region.

- Manufacturing and Processing – Opportunities exist for processing local products (e.g., meat and fish), manufacturing plastics, and beverage production to reduce reliance on imported goods.
- Natural Resources/Minerals – Development of natural resources, including mineral exploration and frankincense processing, offers high growth potential.

Key Export Challenges

- Trade Deficit – A heavy reliance on imports of staples (sugar, rice, and flour) compared with limited exports creates a significant trade deficit.
- Regulatory and Fiscal Hurdles -Widespread tax avoidance, low capacity of tax authorities, and complex, sometimes unclear regulatory frameworks hinder the business environment.

The consultancy sought under these ToRs aims to strengthen the institutional capacity of MoCII and enhance private-sector development by supporting a business-enabling environment through appropriate regulations and policy frameworks. It will also support the promotion of domestic production and facilitate access to local, regional, and international markets by strengthening the quality of import and export commodities. The policy and regulatory framework should better support women's economic empowerment and the inclusion of ultra-poor entrepreneurs, recognizing barriers related to access to finance, skills, and markets. MoCII therefore seeks to develop an Export Promotion Policy that improves market accessibility and addresses barriers that prevent these groups from fully participating in the economy.

Currently, no dedicated Export Promotion Policy exists to translate these strategic directions into a coherent framework. Interventions remain project-based, donor-driven, and weakly coordinated, with overlapping mandates between ministries and limited mechanisms for systematic engagement with the private sector. A formal Export Promotion Policy is therefore required to define the Government's vision, mission, objectives, and instruments for export promotion and to provide a clear basis for programming, budgeting, implementation, monitoring, and partner support.

This ToR presents the background, methodology, analytical framework, and work plan for the consultancy assignment to develop the Puntland Export Promotion Policy, aligned with Puntland's Economic Development Agenda 2036 and the Puntland State Development Plan 2026–2030.

2. Purpose of the Assignment

To engage a qualified Consultancy Expert to support MoCII to:

- Draft Export Promotion Policy
- Boost Economic Growth (Export-Led Growth) -These policies aim to expand the market for local producers beyond domestic limits, driving aggregate demand and increasing GDP.
- Generate Foreign Exchange Earnings - A primary goal is to gain foreign currency, which is crucial for strengthening the national currency and paying for essential imports.

- Job Creation and Employment - By incentivizing production for international markets, governments promote the expansion of local industries, which leads to increased employment opportunities.
- Improve Global Competitiveness - Policies often focus on lowering the cost of production and enhancing efficiency to make domestic products more competitive in international markets.

3. Scope of Assignment

The consultant will be responsible for executing the following targeted phases:

Phase 1: Situational Analysis & Stakeholder Mapping (Weeks 1–2)

- **Desk Review:** Analyze existing frameworks, regional trade challenges, state security/infrastructure plans, and systemic legal barriers affecting export in Puntland.
- **Stakeholder Mapping:** Identify and categorize key institutional actors, including the Ministry of Commerce, Industry and Investment, private sector, chamber of commerce, import and export traders, domestic producers, market actors, and international and local development partners.

Phase 2: Public-Private Stakeholder Consultations (Weeks 3–4)

- **Facilitate Dialogues:** Conduct structured interviews and focus group discussions in main urban hubs (e.g., Garowe, Galkacyo and Bosaso) with public officials and private sector leaders.
- **Identify Strategic Pillars:** Gather field inputs regarding infrastructure gaps, digital financial inclusion, formalization incentives, tax structures, and localized vocational skills development.

Phase 3: Policy Drafting & Strategy Formulation (Weeks 5–6)

- **Drafting:** Author the preliminary Puntland export promotion Policy Document, detailing policy objectives, governance structures, institutional mandates, and target regulatory reforms.
- **Implementation Plan:** Design an operational roadmap that details estimated timelines, coordination bodies, and resource mobilization frameworks.

Phase 4: Validation & Finalization (Weeks 7–8)

- Conduct validation workshop of the draft policy
- Submission of Validation Workshop Report
- Submission of Final Policy in Somalia and English versions
- Final Consultancy Report.

4. Deliverable

The assignment will follow a structured approach to policy formulation, validation, finalization, and recommendations for implementation and review. Essential deliverables include a needs assessment/gap analysis, drafted policy documents, stakeholder consultation. And submission of final version of the policy document**.**

Key deliverables should include, at minimum: (i) Inception Report and detailed work plan; (ii) Situation Analysis/Diagnostic Report; (iii) Stakeholder Consultation Report; (iv) Draft Puntland Export promotion Policy; (v) Policy Implementation Action Plan and Monitoring and Evaluation framework; (vi) Validation Workshop Report; (vii) Final Export promotion policy in Somalia and English versions; and (viii) Final Consultancy Report.

5. Duration of the Assignment

The consultancy will be for two (2) months. The first month for desk review and stakeholders' consultations and the second month for submission of draft policy, conduct validation workshop and submission of the policy document for approval from government cabinet.

The consultant is expected to use a participatory and evidence-based policy development approach, combining desk review, data collection and analysis, institutional assessment, stakeholder consultations, comparative review of relevant Export promotion policy frameworks, validation, and finalization.

6. Skills, Qualifications and Experience

The ideal candidate should have the following:

- A master's degree in Economics, Business Administration, Public administration, International trade or Law, or a related field.
- Minimum of At least 5–10 years of proven experience in policy drafting in policy reform, public administration, trade, export development, or inclusive economic development.
- Proven experience in drafting or revising business regulation frameworks
- Demonstrated ability to conduct high-level stakeholder consultations and policy development sessions.
- Fluency in **Somali and English** is required.

7. Application process

Interested candidates should submit:

- Detailed Technical and Financial proposal
- An updated **CV of the expert**
- A **cover letter** outlining relevant experience and qualifications

Applications must be submitted to mocii.procurementoffice@gmail.com and coping dg.mocii@plstate.so

Closing date for application: 5th October 2026