



TERMS OF REFERENCE (TOR) FOR PUNTLAND SMALL AND MEDIUM-SIZED ENTERPRISES POLY DEVELOPMENT

Assignment Title: Consultant - PUNTLAND SMALL AND MEDIUM-SIZED ENTERPRISES POLICY DEVELOPMENT.

1. Background

The Ministry of Commerce, Industries and Investment (MoCII) is mandated with creating and enforcing sensible trade laws and policies in order to stimulate economic growth. By guaranteeing adherence to industrial quality standards and conforming to the demands of global frameworks such as the World Trade Organization (WTO) and the Sustainable Development Goals (SDGs) to reduce poverty and increase economic prosperity, the Ministry plays a critical role in creating an environment that is conducive to investment and the growth of the private sector.

The Ministry is implementing strategic reforms to modernize regulatory frameworks, boost institutional capacity, and improve the business climate in order to fulfill its goal. These initiatives are essential to establishing Puntland as a top investment destination and guaranteeing a sustainable and competitive business environment on a global scale. The assignment will also consider Puntland's position within regional trade integration, including opportunities and challenges associated with the East African Community (EAC) market.

Small and Medium-sized Enterprises (SMEs) continue to play a key role in the growth and sustainability of Puntland's economy. SMEs are core to the emerging private sector in Puntland and constitute the base for private sector led growth in the country. SMEs play a critical role as drivers for inclusive growth and employment creation for the citizens of Puntland and dominate Puntland's private sector which is estimated to contribute to over 80% of the states' Gross Domestic Product. SMEs therefore have potential to drive Puntland's future economic growth, wealth and employment creation.

The consultancy sought under these ToRs aims to strengthen the institutional capacity of the MoCII, enhance private sector development through preparation of a business-enabling environment with the availability of business regulations, policy frameworks and promotion of domestic production and facilitation of the local, regional and international markets through ensured quality of import and export commodities. The business regulatory frameworks to better support women's economic empowerment and the inclusion of ultra-poor entrepreneurs. This is in the recognition of the need to address barriers such as limited access to finance, skills and markets. MoCII aims to develop SME Policy to facilitate formalization and growth of SME and accessibility of markets, addressing barriers that impede these groups from full participation in the economy.

Small and Medium Enterprises (SMEs) are the backbone of the economy in the Puntland State of Somalia. However, local businesses face systemic constraints, including limited access to finance, entrepreneurial skill gaps, and a fragmented regulatory environment.

Currently, no dedicated SME 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 SME Policy is therefore required to define government's vision, mission, objectives and instruments for SME development, and to provide a clear basis for programming, budgeting and partner support.

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

2. Purpose of the Assignment

The primary objective of this **2-month consultancy** is to design, draft, and validate a comprehensive, gender-sensitive **Puntland SME Policy**. This framework will establish an enabling business environment, foster public-private partnerships (PPPs), streamline micro-finance mechanisms, and drive formal job creation aligned with the Puntland Development Plan.

To engage a qualified Consultancy expert to support MoCII to:

- Draft Small and Medium Enterprises Policy
- Institutional Capacity Building: Strengthen the Ministry of Commerce and Industry's capacity to support SME development, including improving service delivery to the private sector.
- Stakeholder Engagement: Facilitate public-private dialogue with stakeholders, including chambers of commerce, women entrepreneurs, and relevant Ministry officials.

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 micro, small, and medium businesses in Puntland.
- **Stakeholder Mapping:** Identify and categorize key institutional actors, including the Ministry of Commerce, Industry and Investment, chamber of commerce, commercial banks, microfinance institutions, women/youth business cooperatives, and international 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 SME 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 SME Policy; (v) Policy Implementation Action Plan and Monitoring and Evaluation framework; (vi) Validation Workshop Report; (vii) Final SME 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 SME 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