



**Federal Republic of Somalia
Office of the President
National Economic Council (NEC)**

Terms of Reference

Economic Resilience Under Climate Pressure: A National Diagnostic for Somalia.

Project Name	Somali Integrated Statistics and Economic Planning Capacity Building Project (SISECBP)
Location:	Mogadishu
Assignment	Consultancy for conducting Study on Economic Resilience Under Climate Pressure: A National Diagnostic for Somalia.
Duration of the Assignment	4 Months from the contract signing date
Reference number:	SO-NEC-528742-CS-CQS

1. Background and Context

The Federal Republic of Somalia remains one of the most climate-vulnerable economies in the world, facing recurrent droughts, floods, and other climate-related natural disasters that continue to disrupt productive sectors, reduce economic output, and undermine long-term development prospects. Over the past decade and particularly between 2017 and 2024, the country has endured multiple failed rainy seasons that, at times, occurred consecutively for prolonged periods, alongside episodes of severe riverine flooding and a major locust infestation. Together, these shocks have affected millions of people and generated substantial economic losses. The repeated climate impacts have caused large-scale population displacement, weakened critical productive systems, and contributed to estimated annual economic losses equivalent to 2 to 4 percent of GDP.

Somalia's economy is heavily dependent on climate-sensitive sectors such as agriculture, livestock, fisheries, and rural natural-resource systems, which makes the country particularly vulnerable to climate-induced disruptions. Although meaningful progress has been made in establishing institutional frameworks, developing strategic plans, and improving response coordination, critical gaps persist, most notably limited access to climate finance, which in turn constrains the adoption of climate-resilient technologies, the development of adequate water and productive infrastructure, and the strengthening of institutional capacity for preparedness and disaster response. These constraints have reduced Somalia's ability to manage climate risks effectively and have contributed to lower agricultural output, declining household incomes, greater strain on humanitarian systems, and a broader slowdown in economic growth. Despite these challenges, Somalia's growing population, expanding regional markets, and ongoing governance reforms present

important opportunities to enhance economic resilience, provided that policymaking is anchored in robust evidence and supported by well-targeted public investments.

To address these climate-related economic risks and strengthen national planning, the National Economic Council (NEC), as the Federal Government's socioeconomic advisory and research institution, is commissioning a comprehensive national assessment titled *“Economic Resilience Under Climate Pressure: A National Diagnostic for Somalia.”* This assessment will produce an empirical foundation for future climate-resilience strategies by generating actionable insights into the economic impacts of climate shocks, institutional readiness, resilience gaps, and policy priorities.

This Terms of Reference (TOR) outlines the purpose, rationale, scope, methodology, deliverables, and qualifications required to carry out the assessment, ensuring that the work is evidence-based, analytically rigorous, and aligned with Centennial Vision 2060 and National Transformation Plan (2025–2030).

2. Rationale for the Assessment

Recurrent climate-induced disasters impose significant and rising economic costs on Somalia, and there is a growing need for a unified, data-rich, and analytically rigorous assessment that quantifies how climate shocks affect economic growth, productivity, fiscal stability, household welfare, and long-term development. Existing policy instruments provide useful foundations, yet further comprehensive economic analysis is required to guide national investment decisions and inform long-term fiscal planning.

A dedicated economic assessment is therefore essential, as national resilience and disaster-risk-management decisions must be based on empirical evidence detailing sectoral vulnerabilities, spatial exposure to hazards, productivity losses, institutional readiness, financing gaps, and the economic returns of resilience investments. Without such evidence, resilience frameworks risk being fragmented, under-prioritized, and misaligned with Somalia’s long-term development objectives.

The assessment will thus provide a comprehensive economic understanding of Somalia’s climate-risk landscape and identify feasible, high-impact pathways for reducing economic losses, strengthening fiscal and institutional resilience, and supporting a transition toward climate-resilient development.

3. Purpose of the Assessment

The purpose of this national assessment is to generate a comprehensive, evidence-based analysis of the economic, social, and institutional impacts of climate-induced shocks on Somalia by quantifying losses, examining vulnerabilities, evaluating policy frameworks, assessing the effectiveness of climate-finance flows, and producing actionable recommendations that strengthen climate-resilient economic planning and development.

4. Objectives of the Assessment

Overall Objective

To conduct a rigorous, multidisciplinary, and economically focused diagnostic of Somalia's climate-related vulnerabilities, economic losses, institutional capacities, and resilience options to support a structured and sustainable pathway toward climate-resilient development.

Specific Objectives

- To examine how climate shocks shape household incomes, market functioning, poverty dynamics, displacement patterns, food security, and labor mobility across regions and demographic groups by analyzing their direct and indirect economic consequences.
- To evaluate the institutional, policy, and coordination frameworks governing climate resilience, environmental management, and disaster preparedness by assessing their capacity to manage macro-fiscal risks, support economic recovery, and enable long-term adaptation.
- To assess the efficiency, effectiveness, and alignment of climate-finance flows—including adaptation and resilience programs—with national economic priorities by reviewing how these investments contribute to economic stabilization and development.
- To identify regional and sectoral vulnerability hotspots by analyzing exposure, sensitivity, asset losses, and adaptive capacity across key economic sectors such as agriculture, livestock, fisheries, infrastructure, trade, and public finance.
- To develop a sequenced and economically viable set of policy and investment recommendations that enhance Somalia's macro-fiscal stability, economic productivity, and institutional resilience, ensuring that climate risks are fully integrated into the Centennial Vision 2060 and the National Transformation Plan.

5. Scope of the Assessment

5.1 Timeframe

The assessment will analyze the economic impacts of climate-related shocks from 2017 to 2024, capturing both immediate losses and the cumulative long-term effects on production systems, markets, household welfare, and fiscal stability.

5.2 Geographical Coverage

The assessment will be conducted across the entire Federal Republic of Somalia, ensuring that economic vulnerabilities and resilience capacities are fully represented in urban, peri-urban, and rural areas.

5.3 Thematic Scope

- The assessment will examine the macroeconomic implications of climate-related disasters by analyzing their effects on trade flows, inflationary pressures, and fiscal stability.
- It will analyze the economic dimensions of social and livelihood impacts by assessing how climate shocks affect poverty, displacement, food security, gender disparities, coping mechanisms, and demand for social-protection services.
- It will evaluate institutional and policy frameworks by analyzing the effectiveness of coordination systems, the adequacy of public-finance mechanisms, capacity gaps in disaster management, and challenges associated with implementation.
- It will review climate-finance flows and adaptation investments by assessing whether these resources are efficiently utilized, economically justified, and aligned with national development and resilience priorities.
- It will identify regional and sectoral vulnerability hotspots by using risk-analysis techniques to highlight priority areas for targeted investment and economic resilience interventions.

6. Methodology

- The assessment will begin with an extensive desk review that synthesizes climate-related policies, socioeconomic and fiscal datasets, disaster assessments, and academic research to establish a robust baseline for economic analysis.
- Analyze existing survey data (household budget survey, business establishment census and survey data) and administrative data sources.
- Key Informant Interviews (KII) will be conducted with government institutions, private-sector actors, development partners, and technical experts to gather insights into economic, institutional, and fiscal dimensions of climate impacts.
- Focus Group Discussions (FGDs) will be used to capture firsthand evidence from communities, women's groups, farmers, pastoralists, displaced populations, and other vulnerable groups regarding the economic effects of climate shocks and adaptive behaviors.

7. Expected Deliverables

- An Inception Report that outlines the assessment's methodology, tools, analytical approach, and work plan in detail.
- A Baseline Report that maps climate risks and disaster-finance flows from an economic perspective and identifies key data gaps.
- A Draft Assessment Report that presents preliminary findings on the economic, institutional, and sectoral impacts of climate shocks.
- A Final Assessment Report that provides comprehensive analysis and detailed policy recommendations.

8. Duration

The consultancy will be completed within **4 months**, including inception, data collection, analysis, validation, and final reporting.

9. Required Qualifications and Experience

- Must demonstrate at least 7 years of experience in climate-economics, macro-Fiscal analysis, disaster-impact assessment, or resilience economics.
- Must show proven expertise in conducting loss-and-damage assessments, climate-risk modeling, and economic policy analysis.
- The proposed team must include the following experts:
 - An economist with at least a Master's Degree in Economics or a related field, and a minimum of 10 years of experience in climate and environmental economics, economic analysis, and policy-oriented research.
 - A climate or environmental expert with at least a Master's Degree in Climate/Environmental Studies, Environmental Policy, Agriculture or a related field, and a minimum of 10 years of experience in climate or environmental policy analysis and evidence-based policy formulation.
- The team must possess strong familiarity with Somalia's economic structure, fiscal systems, climate risks, and institutional landscape.
- Must demonstrate exemplary analytical and communication skills, with a record of producing high-quality economic and technical reports.

10. Payment Schedule

All payments under this contract are strictly linked to the satisfactory completion and formal written acceptance of key deliverables by the NEC. The payment schedule is as follows:

- i. 30% upon acceptance of the Inception Report.
- ii. 40% upon acceptance of the Draft Study Report.
- iii. 30% upon acceptance of the Final Report and all ancillary documents.