

**TERMS OF REFERENCE**

**Assessing the viability and feasibility of establishing pastoralist cooperatives and group-based risk transfer mechanisms**

**REQUEST EXPRESSION OF INTEREST – REOI/ICPAC/IFRAH/04/2022**

# **Background**

## **Intergovernmental Authority on Development (IGAD)**

The Intergovernmental Authority on Development was established in 1996. It succeeded the earlier Intergovernmental Authority on Drought and Development (IGADD), a multinational body founded in 1986 by Djibouti, Ethiopia, Somalia, Sudan, Uganda and Kenya, with a focus on development and environmental control. IGADD's headquarters were later moved to Djibouti, following an agreement signed in January 1986 by the member states. IGAD is one of the Regional Economic Communities (RECs) of the African Union. IGAD is a body of seven member states: Djibouti, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda. Its mission is to assist and complement the efforts of its member states to achieve, through increased cooperation: food security and environmental protection; promotion and maintenance of peace and security and humanitarian. In particular, given the projected climate warming in the 21rst century and the forcing factors of climate change, coupled with the fact that droughts are likely to increase in frequency, intensity and duration, the role of IGAD in promoting and coordinating efforts to address the regional economic, social and political challenges is becoming increasingly important.

## **IGAD Food Security, Nutrition and Resilience Analysis Hub (IFRAH)**

The IGAD Food security, Nutrition and Resilience Analysis Hub (IFRAH) was established in mid-2018 to galvanise and develop capacities for timely (harmonised) generation, analysis and communication of integrated food security, nutrition and resilience information and knowledge so as to inform decision making for humanitarian, resilience, development and peace building actions undertaken by Member States, IDDRSI and other partners. IFRAH also aims at contributing to the efforts by IGAD and Member states in achieving strengthened analytical capacities and institutional mechanisms needed to support decision-making processes on food security, nutrition and resilience in the region. IFRAH focuses on key priority areas with the aim of improving access to food security, nutrition and resilience information. Such an arrangement is expected to ensure consistency, standardisation, transparency and consensus; enable sustainable and integrated resilience, food security and nutrition analysis; and simplify and facilitate decision making in the identification of interventions in a strategic and timely manner.

The Hub is hosted at IGAD Climate Prediction and Application Centre (ICPAC), which is a Specialised Institution of IGAD with the mission of fostering climate services and knowledge to enhance community resilience for prosperity in the Greater Horn of Africa.

IFRAH was formed through a merger between the Integrated Food Security Phase Classification (IPC), Food Security and Nutrition Working Group (FSNWG) and Resilience Analysis Unit (RAU).

Despite significant improvements in weather monitoring and warning systems, and the development of new tools and technologies, the costs resulting from disasters are still high and rising, indicating growing vulnerability to natural hazards. Along with this realisation comes the acknowledgment that past attempts to manage drought and its impacts through a reactive, crisis management approach have been ineffective, poorly coordinated, and untimely. Therefore, IGAD in general and IFRAH, in particular, understand that responding to climate change indeed requires a long-term approach to provide the investments necessary for appropriate and sustainable development, allowing the vulnerable pastoralists and subsistence farmers either to adapt to their changing environment or transition into alternative livelihoods.

Therefore, since the drought catastrophe in 2011/2012, through the IGAD Drought Disaster Resilience and Sustainability Initiative (IDDRSI), IGAD has been coordinating a regional approach to strengthen drought resilience in Eastern Africa through a number priority intervention areas.

# **Pastoralism and cooperation schemes**

Pastoralism and agro-pastoralism livelihoods, which use mobility to efficiently respond to the fluctuations in resource availability and dynamically manage livestock and land for economic, social and environmental benefit, are viable and sustainable mode of livelihoods that can play a significant role in attaining the United Nations Sustainable Development Goals (SDGs).

The livelihoods are however, sensitive to weather extremes. Therefore, with the current trend of climate variability, livestock and crop production activities are increasingly becoming risky in the arid and semi-arid lands (ASALs) of the IGAD region. In such dry regions, significant fraction of the households pursues pastoralism or agro-pastoralism with constant struggle to cope with the prevailing climate variability. The ability of such households to adapt to the changing climate conditions is constrained by many factors including land degradation, limited education, poor access to financial resources and markets to diversify their livelihoods, gender inequalities and marginalisation. More importantly, the increased climate variability is likely to decrease herd sizes through increased mortality rates coupled with below normal reproductive performance of the animals. It is important to note that building up the herd size is one the primary coping strategies of the pastoral communities as insurance against times of hardships and therefore, decline in animal numbers will have detrimental impact on food security and would compromise the sole dependence of pastoralists on livestock and their products. Under increased climate variability, the need for diversification of income, a strategy often (and increasingly) sought in pastoral areas, becomes ever more important.

While pastoral communities are (under normal circumstances) accustomed to dealing with drought and (temporally and spatially) erratic rainfall by employing centuries old systems and practices designed to minimise the implications of climate-related shocks to their livelihoods, the impacts of the current climate change trend, combined with other environmental, economic and socio-political factors, have created a situation of increasing vulnerability for poor and marginalised households. In response, some households have transitioned into complementary livelihoods, combining the traditional livestock rearing with other economic activities. While this shift represents an innovation for these communities, it has also exposed them to new risks and a different set of challenges in securing their livelihoods.

The pastoralism livelihood has assumed, in the 21st century, an increasingly important place in debates over conservation, sustainable livelihoods and responses to climate change. Notably, there is considerable interest among pastoralist groups in the IGAD region to form associations, cooperation schemes and other institutions through which local skills can be enhanced and less climate sensitive complementary livelihoods can be developed.

Unlike farming where there is a positive correlation between the labour input and production, in pastoralism, once the minimum labour requirements have been met, the productivity of the herd will not increase with the application of more labour. For example, a single herder can just as easily herd a flock of 20 sheep as one of 200, indicating that labour inputs are not central to pastoral production. It is however, obvious that there is a threshold above which a single herder cannot maintain, depending on the species. In addition, there are certain activities in pastoral livelihood that usually require more than one person, such as watering (in dry seasons), keeping multiple species and splitting up herds according to their varying needs and the optimum utilisation of pasture. The labour requirement for some of these activities can be addressed through the formation of herding groups and cooperating in herding tasks. Such co-operations can help smaller households to secure the labour force they require and allow larger families to use their surplus labour forces for other productive activities.

It is therefore, imperative to explore the viability of forming pastoralist cooperative (for instance) and engaging them in the high economic potential of natural products such as honey, gum, incense, Aloe vera and scentwood, which can be exploited to provide non-livestock sources of income. Currently, such activities by poorer pastoralists have been limited mainly to harvesting rather than adding value to the products. The more pastoralists combine efforts in a cooperative, the cheaper the total cost of production becomes. Cooperatives can also serve as a form of risk-sharing arrangements that have the significance of risk transfer, while making the cost of insurance potentially more affordable.

With this understanding, IGAD intends to undertake a study to review the possibility and viability of forming pastoralist cooperatives and to determine the feasibility of group-based risk transfer mechanisms to insure against drought impact and related production losses, in the context of cross-border dynamics and pastoralist mobility. To achieve this, IGAD has recently entered into partnership with the USAID and therefore, IFRAH, representing IGAD, is seeking qualified consultants to help IGAD to carry out the tasks of studying the viability of forming pastoralist cooperatives and the feasibility of group-based risk transfer mechanisms in the IGAD region.

# **Objective, Tasks and Deliverables**

## **3.1- General Objective**

This assignment aims at assessing the possibility of forming pastoralist productive cooperatives and determining the feasibility of group-based risk transfer and risk sharing mechanisms to insure against drought impacts, in the context of cross-border dynamics and pastoralist mobility in the IGAD region.

## **3.2- Specific Tasks**

The objective of the assignment will be achieved through carrying out the following tasks:

1. **Develop inception report**

The consultant shall develop and submit an inception report, which details the methodology to be employed to accomplish the assignment and the workplan. The inception report will be submitted within seven calendar days, starting the date signed the contract.

1. **Carry out literature review of the existing formal and informal pastoralist cooperatives and associations;**

Strong social organisation and customary institutions is one of the key features, in which pastoralists employ to adapt to the uncertainty of their environment Pastoralists have developed elaborate and flexible mechanisms and institutions to govern mobility, resource use and redistribution in a manner that enables societies to withstand extreme pressures imposed by the harsh environments in which they live. Customary institutions are integral to the social safety nets and shared claims over productive assets that characterise pastoralist systems and which are cornerstone of the livelihood’s resilience and risk management. Therefore, the consultant is required to undertake thorough literature review on the formal and informal cooperatives and associations adopted globally by the pastoralists and their effectiveness in enhancing the resilience, self-organization, and inclusive growth of the local communities. The consultant will review the possibility and viability of forming and using pastoralist cooperatives and will advise IGAD on the feasibility of group-based risk transfer mechanisms to insure against drought impact and related production losses, in the context of complex cross-border dynamics and pastoralist mobility.

1. **Analyse the different pastoral organisations and cooperatives adopted in the IGAD countries;**

Pastoralists have developed indigenous institutions that do customarily handle all aspects of their social, economic, cultural and political lives. These entities are based on clan ties and social relations, where the clan chiefs play coordinating roles in resources management, conflict resolution and prevention and administrative matters of the local societies. However, these systems are increasingly under pressure from a multitude of forces threatening their survival and effectiveness. The consultant will analyse the advantages and disadvantages of the various formal and informal pastoral organisations, cooperatives and associations in the region. The consultant is, specifically, required to detail the principles of the entities, their advantages and shortcomings and the ways through which they can be improved.

1. **Facilitating to convene a consultative forum to validate and endorse the findings of the assessment;**

The consultant will develop a draft report on the formal and informal organisations, cooperatives and associations adopted by pastoral communities, their merits and demerits, key actors, good practices and national policies intended to improve the resilience of pastoralist communities. The consultant will then facilitate convening a workshop involving relevant technical personnel from the IGAD Secretariat and Specialised Offices with expertise in the insurance industry, collaborating regional research centres and risk transfer organisations in the IGAD region to validate the report. The recommendations from the study will be disseminated to regional stakeholders to stimulate the design, establishment and operationalisation of cooperatives and group insurance schemes in pastoralist communities in the IGAD Region.

## **3.3- Deliverables**

Following are the deliverables expected from the assignment:

1. Inception report;
2. Draft report detailing the various traditional and contemporary organisations, associations and cooperatives adopted globally by pastoral communities, their strengths and limitations, their potential to adopt regionally and the associations’ respective actors and the extent the locals benefit. The report will also provide key recommendations on the way forward, based on its findings.
3. Final report of the assessment, with key recommendations (as appropriate) and mapping of actors validated at a regional stakeholder workshop.

# **Location and Duration**

The consultant will be stationed at IGAD Secretariat and IDDRSI offices in Djibouti and/or IGAD Specialised institutions in Nairobi, Kampala, Addis Ababa. The duration of consultancy service will be about 20 days spread over 2 months.

# **Selection Criteria**

**Academic Qualifications:** Advanced university degree (Master's degree or equivalent and above) in subjects with strong background in economics and social/rural development (such as Rural Development, Environmental and Natural Resources Management, Agricultural Economics, Social Innovation in Rural Areas, Disaster Risk Management etc). A first degree with 2 years of more qualifying experience will be accepted in lieu of an Advanced degree.

**Experience:** A minimum of fifteen (10) years' experience in areas related to disaster risk management, disaster risk financing, drought emergency management, disaster resilience financing, econometric research, insurance management, of which at least three years of experience is in areas closely related to the present assignment. For the advertised consultancy assignments, proficiency on Microsoft Office is required and fluency in oral and written English is an absolute requirement.

**Skills:** Demonstrate knowledge of moderating online discussions and developing online content. Demonstrate good understanding of sustainable development issues and sustainability management. Excellent communications, interpersonal, coordination, networking and organisation skills. Ability to take initiative actively, work independently and grasp new concepts quickly.

The candidate should have the ability to deliver outputs and work under pressure to meet the deadlines mentioned in this Terms of Reference and/or the work-plan.

**How to Apply**

Only the consultants who have the professional and technical qualifications, detailed above are advised to apply by sending a Cover Letter, Detailed Curriculum Vitae and Scanned Copies of Certificates before the **11 October 2022** to [**procurement@igad.int**](mailto:procurement@igad.int) and [procurement@icpac.net](mailto:procurement@icpac.net)

**IGAD Climate Prediction and Applications Centre (ICPAC)**

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Website: [www.icpac.net](http://www.icpac.net)

**Fill the below tender submission form.**

**TENDER SUBMISSION FORM**

**1 SUBMITTED by (i.e. the identity of the tenderer)**

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| --- | --- | --- |
|  | **Name(s) of legal entity or entities making this application** | **Nationality[[1]](#endnote-1)** |
| **Leader[[2]](#endnote-2)** |  |  |

**2 CONTACT PERSON (for this tender)**

|  |  |
| --- | --- |
| **Name** |  |
| **Address** |  |
| **Telephone** |  |
| **e-mail** |  |

1. [↑](#endnote-ref-1)
2. [↑](#endnote-ref-2)