



Terms of Reference (TOR)

Cross-Border Trade in Live Animal in the IGAD Region: Assessment of Trade Volume (formal and informal), Cost of doing Business, Trade Enablers and Barriers in three Selected Cross-Border Areas

Background

The Intergovernmental Authority on Development (IGAD), made up of seven member states (Djibouti, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda), fosters regional integration, peace, and sustainable development. With over 532 million livestock, the region is Africa's top livestock exporter, playing a vital role in the livelihoods, food and nutrition security of pastoral and agro-pastoral communities and national economy. Live animal trade in the region is a significant economic activity, with Djibouti, Ethiopia, Kenya, Sudan and Somalia being among the key players in the region. Their large livestock populations and strategic positions for supplying the Middle east and North Africa (MENA) markets drive the cross-border informal trade among the countries. For example, in 2023, Somalia's substantial export figures, reportedly reaching over three million heads of livestock, underscore the scale of this trade. Ethiopia has the potential to export 2.2 million cattle, 8 million sheep, 11.6 million goats, and 0.5 million camels per year (CSA, 2021). However, official live animal exports from Ethiopia are relatively small in volume and value compared to this potential, partly due to unrecorded informal trade.

Several factors contributed to not fulfilling a potential of export earnings by the IGAD member states from the live animal and animal products. These include unrecorded non-formal cross-border trade, limited export market information, market volatility due to disease-related bans, increasing sanitary and Phytosanitary (SPS) requirements, high transaction costs, losses from mortality during transportation, unjustified rejection of shipments, market seasonality (particularly during religious festivities), and recurrent drought. The interplay of formal and informal trade routes across the borders highlights the complex nature of regional trade agreements and the need for robust policy frameworks to manage and optimize the livestock trade for the benefit of all stakeholders involved. The live animal export industry is a significant economic sector for Somalia, Kenya and Ethiopia, with each country having its own strengths and challenges. Kenya has been making strides to increase its presence in the Middle East market, particularly with the commencement of livestock exports through the Lamu port, which is expected to boost the country's stake in this rapidly growing market. This move is part of Kenya's broader strategy to expand its livestock export markets, which includes efforts to meet the stringent requirements of countries like Saudi Arabia and Oman.

Trade routes such as Tog Wajaale (Ethiopia-Somalia) and Moyale (Ethiopia-Kenya) offers cost efficiency, strong social ties and bi-modal transport. Trade corridors are vital for the movement of goods and services across regions and countries, acting as arteries of commerce that fuel economic growth and development. The infrastructure within these corridors, such as roads, feed and water sources, quarantine centres, veterinary services, and rest and transfer stations, plays a crucial role in ensuring the efficiency and safety of trade operations.

The Tog Wajaale (Ethiopia-Somalia) trade corridor is a significant development, offering enhanced connectivity to international markets and transit ports. It serves Ethiopia's and Somalia's export and is part of a broader initiative to improve trade routes and economic prospects in the Horn of Africa. The Tog Wajaale corridor, where the exportation of finished animals from Ethiopia into the destination market occurs through two primary channels that is a formal route that includes customs processing in Jigjiga, and an informal route that bypasses Ethiopian customs, if discovered it leads to confiscation of the animal. This trade corridor faces major challenges which comprises lack of suitable trucks to transport live animal to the ports' outlets; absence of cross-border trade and taxation agreements between the two countries, including double taxation by the two governments which eventually raise the cost of doing business. As such, it undermines competitiveness at the international markets. As a result, surge of high informal live animal cross border trade. The informal live animal cross border trade thrives for two reasons: (i) stringent procedures or the existence of multiple documentations to different regulatory agencies and other private entities for their cross-border transactions, and (ii) Opportunities of financial gains from tax evasion.

Likewise, the Moyale (Ethiopia-Kenya) corridor is a potential area for livestock export from southern Ethiopia and Northeastern Kenya through ports in Kenya. The area has a large livestock population, including beef cattle, small ruminants and camels. However, it faces transboundary animal diseases, informal livestock trade and frequent drought. Poor infrastructure in livestock markets hinders exports, and live animal trade is largely informal.

At the 10th AU Extraordinary Summit in Kigali, 44 member states signed the African Continental Free Trade Agreement (AfCFTA). In 2022, IGAD, with support from UNECA, developed a regional implementation strategy for AfCFTA to guide its member states in operationalizing the Agreement. The strategy serves as a roadmap to enhance regional trade, including in livestock and livestock products. To support its implementation, the IGAD secretariat established an AfCFTA unit to coordinate and monitor progress at the regional level. However, AfCFTA implementation faces key challenges, particularly non-tariff barriers that drives most cross-border to informal avenue. Addressing these issues is essential to fully realize AfCFTA's trade liberalization goals, lower consumer prices, increasing market competitiveness and stimulate inclusive economic growth in the IGAD region.

Therefore, conducting a quantitative assessment of formal and informal trade volume in live animal including associated cost within selected cross-border livestock trade corridors (Tog Wajaale, Moyale and Afmadow/Galkayo) in the IGAD region, is crucial for filling regulatory gaps in rules and procedures that led to inconsistencies, and bottlenecks that hinder intra- and inter-regional trade. Such a quantitative assessment will provide evidence-based insights to guide

policy harmonization, promote fair and competitive markets, expand market access and enhance cross border trade. Ultimately, it will contribute to improved livelihoods, national economic growth and regional economic integration, and the sustainable growth of the livestock sector.

The assessment will be supported by the Regional Livestock Program (RLP), funded by SDC through the IGAD Centre for Pastoral Areas and Livestock Development (IGAD). The Regional Livestock Program (RLP) focuses on improving productivity, competitiveness, and policy enabling environment for one Camel milk and four livestock trade corridors in Ethiopia, Kenya and Somalia.

Objectives of the Assignment

The outcome of this assignment will inform the harmonization of trade frameworks, provide supportive policy environment and bring informal trade to formal arena that enable IGAD member states to better leverage market opportunities presented to the region by the AfCFTA and enhance intra-regional and continental trade in live animal.

Therefore, the objective of the assignment is to; i) quantify volume of trade (formal and informal) in live animal, in the three selected live animal trade corridors(Tog Wajaale, Moyale and Afmadow/Galkayo) of IGAD countries (Ethiopia, Kenya and Somalia; ii) assess enablers and barriers to cross-border live animal trade and quantify cost of doing business (formal and informal), and; iii) develop actionable recommendations to enhance seamless cross-border and regional trade under the AfCFTA and iv) document significance, importance and characteristics of informal live animal trade and action points to streamline the trade.

Specific Tasks

1. Map the three key cross-border trade routes (Tog Wajaale, Moyale and Afmadow/Galkayo) and Quantify volume of cross-border live animal trade (formal and informal) in the three trade corridors
2. Review sub-national, national and regional practices, policies, regulatory frameworks and custom procedures that guide cross-border live animal trade in the selected corridors.
3. Identify key actors (traders, regulatory bodies, etc) and undertake key informant interview regarding enablers and barriers to cross-border live animal trade (formal and informal), and triangulate and present key findings by the corridor.
4. Quantify cost of doing business in cross-border live animal trade (for both formal and informal), by taking case studies.
5. Map institutional roles and coordination mechanisms governing trade in cross-border areas (policy, SPS enforcement, and customs procedures) in the target corridor/countries.
6. Identify key priority areas that require policy harmonization and implementation for seamless business operation in cross-border areas.
7. Provide actionable recommendations to address identified barriers, enhance policy alignment, and promote seamless, competitive, and sustainable livestock trade in the region
8. Propose roadmap for harmonization of strategic policy and institutional interventions to reduce tariff and non-tariff barriers.

Scope of Work

The IGAD Centre for Pastoral Areas and Livestock Development (ICPALD) is seeking a highly qualified consultant who will undertake a comprehensive quantitative assessment of livestock trade volumes, both formal and informal, along the Tog Wajaale (Ethiopia-Somalia) and Moyale (Ethiopia-Kenya) and Afmadow/Galkayo (Kenya-Somalia and Ethiopia-Somalia) cross-border corridors linking trade route to respective ports in Kenya, and Somalia. This assessment will examine the scale and dynamics of live animal flows destined for intra- and inter-regional markets, while also analysing the supportive and constraining policies, regulatory frameworks, rules, procedures and institutional practices that shape livestock and livestock product trade. Attention will be given to identifying enablers and barrier to cross-border live animal trade that influence the efficiency, competitiveness, and sustainability of trade in these key corridors.

Expected deliverables

1. **Inception Report:** Detailed methodology, approach, work plan, timeline, and data collection tools submitted in less than 15 days after contract signing, including draft outline of final report.
2. **Draft data analysis and key informant interview Report and Presentation** to key IGAD and partner experts (at virtual and/or physical meeting)
3. **Draft comprehensive Report:** Comprehensive analysis of the volume of trade and costs in both formal and informal live animal trade as well as of policies and frameworks practices and identifying enablers and barriers of cross-border trade.
4. **Validation Workshop:** Presentation of methods and key findings and recommendations at a regional meeting that will be organized by ICPALD
5. **Final Report:** Refined final draft report incorporating feedback from the validation workshop.
6. **Policy Brief:** Concise summary of key findings and recommendations targeted at policymakers and other regional stakeholders.

Qualification, Competency, Knowledge and Skills

- Master's degree (PhD preferred) in international trade, agricultural economics, livestock development and trade, veterinary medicine or closely related fields.
- Minimum of 10 years of experience in trade policy, regional integration, SPS measures or livestock sector development
- At least 7 years of experience in livestock and livestock product related trade negotiations in multilateral trade pacts, exposure to intricacies of SPS, and regional integration through trade
- At least five years of experience working in the inter-governmental setting preferably in the IGAD region and or EAC, COMESA.
- Demonstrated experience in similar assignments
- Ability to conduct field work in the national, sub national and cross border livestock trade corridors of the three countries (Ethiopia, Kenya and Somalia)
- Excellent analytical, report writing, verbal and written communication skills in English.

Selection Criteria:

Selection criteria are relevant education background; relevant work experience (as described

above); good track record in delivering similar assignments; experience working in the IGAD region; relevant report and publications on livestock trade, tariff and non-tariff barriers, among others.

Location of the Consultancy Service:

The consultant will be closely working with assigned technical staff from ICPALD office in Nairobi, Kenya by regularly holding physical and virtual meetings and visits.

Travel Outside Duty Station:

The consultant is expected to travel to the targeted IGAD member states for data collection and stakeholder consultations. Airfare, Daily Subsistence Allowance (DSA), and other related expenses will be reimbursed by IGAD, subject to prior approval by the designated technical expert overseeing the assignments.

Duration of the Assignment:

This individual consultancy service is fixed at a maximum of **55 person-day** spread over a period of **6** months. Work shall start within 10 (ten) days after the signing of the contract with IGAD.

Payment Schedules

Activity Completed	Payment method
Signing of contract and approval of inception report	10%
Submission of draft finding report and policy brief	55%
Submission of final study report and policy brief	35%

Reporting and Management of the Assignment:

The Consultant will work under the direct supervision of the IGAD Director with technical guidance of the Senior Livestock Trade Expert. The reports referenced herein will conform to a format approved by ICPALD. All paper copies of the deliverables must be accompanied by electronic versions in the respective Microsoft Office application format (e.g., MS Word for documents and MS Excel for spreadsheets). All images shall be provided in an editable digital format (e.g., high-quality JPG or PNG).

Insurance cover and Taxes

The consultant will be responsible for his/her own medical and life insurance coverage and remitting his/her taxes for the duration of the assignment.

Submission of Final Reports:

Final report will be submitted to the Director, IGAD Centre for Pastoral Area and Livestock Development (ICPALD), Kabeto Vet Lab, Kapenguria Road, P. O. Box 47824-00100, Nairobi, Kenya.

How to Apply

Qualified consultants should submit their application in PDF accompanied by cover letter, curriculum vitae, academic credentials, technical proposals (max 5 pages); two samples of similar assignments, and three reference persons.

Applications should be sent by E-mail to the following addresses: icpaldprocurement@igad.int with cc to Dereje.Wakjira@igad.int with subject line "Cross-border trade in live animal in the IGAD region: assessment of trade volume (formal and informal), cost of doing business, trade enablers and barriers in three selected cross-border areas"

IGAD is an equal opportunity employer. Female candidates are highly encouraged to apply