



## TERMS OF REFERENCE (TORs) FOR A FACILITATED POLITICAL ECONOMY ANALYSIS (PEA)

**On issues of Governance, Food security, Health, and Migration & Protection within the framework of the Swiss Cooperation Programme for the Horn of Africa**

**Title:** International and local consultant in charge of a facilitated PEA analysis

**Type of contract:** Type B

**Reporting to:** The Governance Team and the Regional Director of Cooperation Horn of Africa

**Duration of the mission:** approx. 35 working days (for each consultant)

**Language required:** English (knowledge of Somali is an asset)

### I. Background and introduction

The Horn of Africa has been at the centre of global attention for several decades because of protracted conflict, large scale displacement and severe food security crises. The persistently negative headlines often distract from positive changes taking place, as well as from the diversity of the region and its potential. This complex and dynamic context calls for effective partnerships at local, national and regional level. It is in this spirit that the Swiss Cooperation Offices in Kenya and Ethiopia would like to carry out a Political Economy Analysis (PEA) for the Horn of Africa in order to gain a better understanding of the forces at play and the potential for an impactful Swiss engagement in the areas of governance, food security, health, migration and protection. The inclusion and facilitation of a dialogue within the office for doing the analysis and deciding on its implications is a key aspect of the mandate, and also helps that new knowledge will remain with the office.

The persistence of dysfunctional institutions has often less to do with a lack of knowledge or finance, than with the actions of powerful actors, groups or movements who gain from existing formal and informal arrangements and are not interested in change. A PEA is meant to understand exactly these issues of powers and interests below the surface. Societal changes as envisaged in SDC's programs thus often involve the renegotiation of power and resources in a situation where changes are often complex and unpredictable.

Thus, **understanding the political and economic constraints and opportunities for change is at the heart of the PEA**. It helps SDC to "think and work politically" and refrain from technical fixes or blueprint solutions that are not taking into account the political environment, the interests and incentives of stakeholders involved. The PEA is expected to help SDC and its partners making sense of the political and economic context – and use this understanding to make more adequate decisions and improve the quality of possible activities.

### II. Objectives and key questions for the study

**The objective of the PEA mandate is two folds:**

(1) To support the **Cooperation Office** in reflecting on and analyzing the context in Somalia, and the arid and semi-arid areas in Kenya and Ethiopia and its implications for the priority areas of future intervention of Swiss cooperation (Swiss Cooperation Program 2022-2025), according to a logic of a **political economy analysis (PEA)**.

(2) To do this in a "facilitated way", meaning that **the involved office staff is actually learning about the method by doing the analysis together with the consultants**. Therefore, the inclusion and

participation of the office staff is a key aspect of the mandate, and also helps that new knowledge and reflections are owned and used in the office for the implementation of the future Cooperation Program.

The facilitated PEA analysis will inform the development of the new Cooperation Program Horn of Africa 2022-2025. On the one hand, it will be used to write the context chapter of the strategy, on the other hand, it will be used to identify the best entry points and key drivers of change for Switzerland's engagement. Additionally, the deeper understanding of underlying aspects of powers and interests through the analysis will help to better steer ongoing and new programs, inform policy dialogue and advocacy and refine the understanding for conflict-sensitive program management of the interventions. A Conflict Sensitivity lens should be applied in the PEA, in order not only to analyse power dynamics but also how these dynamics impact regional and local conflicts.

Also, the joint establishment of the analysis in partnership with the team of the office (instead of a simple outsourcing to a consultant) should lead the analytical framework to complement the regular context reviews and related discussions in the office.

The overall mandate can be understood as a joint learning process including:

- A traditional **political economy analysis** on the overall context and regional dynamics will be jointly established, focusing on the major political, economic and societal trends and challenges, the reasons for conflict and fragility, the distribution of wealth and power among the different groups in society, the formal and informal rules of the game governing their interactions, the behaviour, ideas, interests and incentives of the ruling elites, as well as the societal forces likely to change the established order and move the state towards a more legitimate, efficient and public-interest-conscious system.
- The relevance of this larger context aspects of political economy will be jointly inquired deeper at the **domain level** (on governance, food security, health, migration and protection).
- Based on this analysis and possible scenarios for future developments, the consequences and implications of the changing context are assessed along **challenges/blocks and opportunities/potentials for Switzerland's cooperation** in the HoA, both at the country level, as well as at the level of domains.
- **Possible hypotheses and the overall theories of change** of Swiss cooperation and its domains are established in the light of these findings. They also answer questions of relevance, added value and feasibility of Swiss interventions, as well as partnerships, combination of instruments and modalities of intervention.
- Approaches are developed, how these questions **be taken up in regular discussions** and discourses internally as well as with partners.

The specific issues and questions that SDC would like to see in a PEA are outlined below. SDC follows a 6 step framework based on work by The Policy Practice (<https://thepolicypractice.com/>):

|                             |        |                      |  |
|-----------------------------|--------|----------------------|--|
| <b>Analytical framework</b> | Step 1 | Foundational factors | <p>Questions: What are the big economic issues facing this country? How does government spend its money and why? What are the major contours of society - ethnic, religious, young/old and gender?</p> <p><i>Overall:</i> Foundational/structural factors look at deeply embedded structures that fundamentally shape the broad character of the state and political system. Many have long-term origins, and may be slow to change: e.g territorial control, historical influences, social and economic structures, class analysis etc; sources of revenues</p> |
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|                          | Step 2 | Rules of the game        | <p>Questions: How inclusive or exclusive are political and economic bargaining processes (limited/open-access orders)? Are any groups marginalized, what is the competition for political power? What are social institutions, social communication networks and influence? What is the role of women? What is the role of IDPs? What is the 'currency' of bargaining, the mechanisms through which influence happens (e.g. loyalty, patronage, rents)? What is the economic distribution of wealth and the dependency of various economic actors on each other and with power elites.</p> <p><i>Overall:</i> Looks at formal and informal institutions that influence the power and behavior of different actors, relationships between them, and incentives and capacity for collective action.</p> |
|                          | Step 3 | Actors and agents        | <p>Who are the stakeholders? How do they organize? Why are they involved? How do the stakeholders relate to each other, including beyond the obvious? How do the stakeholders see these issues? What are the big incentives that might encourage change (debt relief, legacy, security for certain groups)? What are the big disincentives? What do we know about how the trade-offs between incentives and disincentives are normally weighed?</p> <p><i>Overall:</i> Looks at the different actors and how they are interrelated.</p>   |
| <b>Operational steps</b> | Step 4 | Pathways of change       | <p>Questions: How do the political economy dynamics at work create the possibilities for change? What are local incentives/pressures for positive change? What is the scope to promote development? Where is the country on the spectrum of the reform space in a given domain? What are lessons learned from previous programs? What are tactical pathways for change (i.e. messaging frameworks, agenda setting, media influence, grassroots or community organization, diffusion of innovations)?</p> <p><i>Overall:</i> PEA is based on a theory of change that focuses on power politics and power elites, or advocacy coalition frameworks and policy windows or agenda setting theories.</p>   |
|                          | Step 5 | Operational implications | <p>Questions: What does this mean for partnership with implementers in governance, food security and health, migration + protection, what does it mean for our policy dialogue? What kind of partnerships should we aim for, why? What does it mean for the positioning of Switzerland within the donor landscape? Which kind of policy messages</p>  |

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|  |        |                   | <p>should be prioritized? What kind of risks are we willing to take?</p> <p><i>Overall:</i> This is often the most difficult step in a PEA process, to define the operational implications of all the analytical work.</p>  |
|  | Step 6 | Ensure adaptation | <p>Question: What kind of spaces for reflection are in-built either at the cooperation office as well as with partners to think about possible adaptations to the pathways of change and subsequently the operational implications?</p> <p><i>Overall:</i> The aim should be to keep these kinds of questions in mind also for partner days or also staff meetings and include these kinds of questions in the regular context analyses performed by the two offices.</p> |

### III. Methodology

As indicated above, the offices mandate a **“facilitated”** PEA, thus the task of the consultants is not to establish the analysis alone, but rather to support the two cooperation offices in starting to “think and work more politically” by going through a PEA together. The aim of the consultants will not only be to present results to the office that are then validated, but also to guide the staff of the two offices through the process (facilitate the process) and ask detailed questions in order for the staff to realize what kind of in-depth knowledge they bring along already and how to operationalize this programmatically.

In the following a possible process indicating different phases is outlined. The reason to do this is not to be prescriptive, but to explain what is understood under a “facilitated” process. Possibly, the consultants have additional or different elements that they would like to add to such a process.

#### **The facilitated PEA process could be structured along the following proposed phases:**

**Phase 0:** Establish an “Inception Report” which helps to establish “common ground” on the understanding and approach to the study, along the phases outlined below and taking into account the facilitated approach discussed above.

➔ The expected product is a **report** that will also define a detailed roadmap and timeline.

**Phase 1:** The first stage is a synthesis of existing studies that the Swiss cooperation office already commissioned or conducted (on the general context, the areas of intervention of Swiss cooperation, as well as on specific themes of interest) to build on what has been done and ensure cost-effectiveness/added value. Additionally to these studies, the consultants will include insights of other PEA studies and academic literature that they will identify as relevant (i.e. NUPI report 2019, De Waal 2017, Hagmann 2009, others).

➔ The **expected product** is a **PEA note** structured along the PEA questions above for the attention of the Cooperation Office that indicates particularly the gaps in the existing universe of studies and where the consultants should help to dig deeper together with the cooperation office staff. (Steps 1-3).

**Phase 2:** In a second phase, the consultants discuss the findings of the summary note with the cooperation office staff and add to the identified gaps in five workshops (one per domain + one with the management team). After a general introduction to PEA questions, the aim of those workshops is to

make the “unspoken” come to the fore, to make visible what is under the surface and what is seldom talked about. The workshops in domains will allow to start and fill the gaps on political and economic interests in the respective field and make clear, where the consultants would have to dig deeper in their mission. The consultants make a photo protocol or other kind of protocol of these meetings, and add the new information to the summary note as well as new domain notes:

- ➔ The **expected products** are five **workshops** with all the team and in the domains (validating and adding to Steps 1-3), a **summary report of the discussions in the workshops** and a **consolidated PEA note** where the gaps in the knowledge on the overall context as well as in the domains are added.

*Covid19 alternative:* The workshops take place online.

**Phase 3:** After this exchange with the office staff, the consultants will visit the region where projects are implemented, conduct interviews with partners and communities/key stakeholders, and try to fill the gaps in the information around power and interests with regards to the different domains of the program that have been identified. Also, the consultants ask interview partners about possible avenues for Switzerland in the respective domains (Validating Steps 1-3 as well as test possibilities regarding step 4 and 5).

- ➔ The **expected product** is a **summary report of the interviews and findings**.

*Covid19 alternative:* The interviews take place online.

**Phase 4:** With the new insights from the field mission/interviews, the consultants present possible avenues that they identified with regards to **strategic orientations, scenarios and possible entry points** to the staff of the two offices which validate these proposals first among the domain resp. management staff. In a final workshop, all the staff comes together to validate each other’s findings in order to get to an overall understanding for the next Cooperation Program. A final part of the workshop will be dedicated to the topic of making the analysis and entry points a “living document” (i.e. through adapting the MERV, establishing regular partner days along PEA questions, etc.).

- ➔ The **expected products** are four workshops (4 domains and one overall) and a workshop **report bringing together Steps 1-5 and recommendations for a future engagement of Switzerland in the Horn**.

*Covid19 alternative:* The workshops take place online.

Phase 6: The consultants write up the different insights and discussions that they had in the field and with the office staff and write a first draft of a final PEA study. The draft will be consulted with the staff of the two offices. Based on the feedback, a finalized document will be established.

- ➔ The expected product is a **draft PEA report** and then after a round of consultations and exchange with the office a **final PEA report**.

#### IV. Qualification and composition of the team

The team is composed of at least 2 members, 1 international and 1 national consultant that *work in a team*. It would be good if both consultants come from different countries, preferably one man and one woman.

##### *Qualification of the national consultant:*

- Master’s degree, or equivalent in social sciences, international development, politics, Governance or other related degree;
- Fluency in English language, written and spoken, required. Somali language will be an added advantage;
- Good knowledge of the local systems; government relations as well as good relations to “civil society” in the region;
- Be able to provide access to organizations and actors outside of Switzerland’s network;

- Political, as well as social or anthropological expertise to understand gender relations and/or tribal/clan dimensions;
- Strong analytical and communications skills, including the ability to interact with partners on various levels (authorities, partners, beneficiaries);
- Didactic and dialogue skills enabling the joint elaboration of the analysis with the office team.

*Qualification of the international consultant:*

- Master’s degree, or equivalent in social sciences, international development, politics, Governance or other related degree;
- Fluency in English language, written and spoken, required. Somali language will be an added advantage;
- Proven knowledge and experience of the social and political context of the Horn of Africa (Ethiopia, Kenya, Somalia) and its international dimension;
- Ten (10) years of experience in development and humanitarian work;
- Previous experience of conducting political economy analyses (PEA) and teaching how to do a PEA;
- Outlining adequate qualitative (and quantitative) study methodology;
- Strong analytical and communications skills, including the ability to interact with partners on various levels (authorities, partners, beneficiaries)

On the Cooperation Office’s side, the SDC Governance team will be the main interlocutors for the consultants and will provide advisory support and organize support for the consultants. As the overall office staff will be regularly consulted and included in the establishment of the PEA, no accompanying committee is needed for the process. The “Inception report” will be mainly discussed with the management team as well as the governance team.

V. Security, administrative and logistical arrangements

It is the responsibility of the consultants to ensure the organizational aspects of the field missions (i.e. hotel bookings, partner contacts, visa, and logistics). The SDC offices in Nairobi and Addis Ababa can facilitate contacts and advice if needed. The offer shall include and specify the relevant costs related to logistics and security.

Taxes, charges and social security contributions will be applicable in so far as this conforms to local legislation. The legal status of the consultant in the country of engagement: the consultant must have a valid work permit or equivalent authorizations that allows such a person to work in the respective country.

The consultant(s) must have laptop, USB key and tape recorder to facilitate the work. The consultant(s) will have mobile telephones with sim cards. Credit will be paid and filled by the consultant(s).

VI. Timeline

The facilitated analysis should take place **between October 2020 and February 2021**, with a possible field mission taking place in November 2020 (subject to Covid19 changes).

| Phases  | Timeline (tentative)            |
|---|---------------------------------|
| <b>Phase 0:</b> Teambuilding and inception report (exchange among the team, clarity on the tasks and methodology as well as the needed approach)<br><b>Output:</b> Inception report | 15 October 2020                 |
| <b>Phase 1:</b> Synthesis PEA note of existing studies (reading of documents, etc.)<br><b>Output:</b> Summary note and gaps concerning PEA information                              | 30 October 2020                 |
| <b>Phase 2:</b> Discussions and workshops with office staff, filling gaps and refining the needed information.  | 15 November to 18 November 2020 |

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| <b>Output:</b> Summary workshop report and adapted PEA note   |  |
| <b>Phase 3:</b> Mission to the places where programs are implemented and interviews<br><b>Output:</b> Summary report on interview findings and adapted PEA note | 18 November to<br>30 November 2020       |
| <b>Phase 5:</b> Workshop validating the findings on the gaps and also identifying possible ways forward.<br><b>Output:</b> Facilitated workshop                 | 1 December 2020                          |
| <b>Phase 6:</b> Draft report for comments to Cooperation Office<br><br>Final report including comments from Cooperation Office                                  | 15 December 2020<br><br>30 February 2020 |

#### VII. Application process and content of offer

Scan of signed and dated letter, confirming availability time slot for the mandate (October 2020-February 2021), including self-declaration of ability to carry out the mandate and CVs for team of consultants.

5-page proposal to carry out PEA including the envisaged methodology and the way how to ensure participation, validation and inclusion of office staff (see phases outline above). Relevant costs, also related to logistics and security need to be considered.

The application includes all of the above to be written in English and sent as PDF attached to the e-mail below.

Of the valid offers submitted, the contract will be awarded to the most highly rated bid, according to the below criteria and weights:

| <b>Award criteria</b>  | <b>Weighting</b> |
|--|------------------|
| Knowledge of political economy methodology and approach and ability to conduct this in a “facilitated” manner                | 30%              |
| Experience in developing and implementing qualitative research and assessments, particularly in Kenya, Ethiopia and Somalia. | 30%              |
| Cost of consultancy service offered  | 20%              |
| Proven intercultural skills, network and knowledge in Kenya, Ethiopia and Somalia  | 20%              |

The winning bidder shall be required to submit the following administrative information to be verified and validated before the contract is awarded.

#### *Corporate person/company*

- Certificate of registration/Incorporation of the company.
- Latest Tax Compliance Certificate of the company.
- Copies of academic certificates of proposed consultant(s).

#### *For natural persons/individuals/freelancers*

- Latest Tax Compliance Certificate.
- Copies of academic certificates of the consultant(s).

#### *Compliance with local law on taxation*

Taxes, charges and social security contributions will be applicable in conformity with local legislation. The Embassy is obligated to deduct and submit Withholding Tax (WHT) to the Kenyan Revenue

Authority (KRA). WHT is a percentage of the earnings and will vary depending on the country of origin of the consultant.

- For non-residents, the Embassy will respect existing “double taxation agreements (DTA)”. It is the consultant’s duty to provide proof of tax payment in the residing country. If no proof is available the full percentage, currently at 20% (subject to change depending on legislation) for non-resident, will be deducted.
- More information on the applicable tax rates can be found here <https://www.kra.go.ke/en/helping-tax-payers/faqs/more-about-withholding-tax>.

*Legal status of the consultant in the country of engagement:* The consultant must have valid a work permit or equivalent authorizations before travelling, that allows such a person to live and work in the respective country.

**How to Apply:**

Interested candidates are invited to submit their application including all **until 18<sup>th</sup> September** indicating “**FACILITATED POLITICAL ECONOMY ANALYSIS (PEA)**” in the subject line to: [nairobi@eda.admin.ch](mailto:nairobi@eda.admin.ch)