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for Women

Women's Economic Empowerment and Gender Equality and Social Inclusion within the Horn of Africa Programme design

WOW Helpdesk Query 28

FINAL Report

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Query Question:

Objective: to inform the design of the PF Horn of Africa Programme to ensure the greatest potential for transformative outcomes to women entrepreneurs, traders and market actors in Ethiopia and Somaliland, with sustainability in mind.

The key questions being:

1. What are the main gender and inclusion/WEE issues, opportunities and constraints in Ethiopia and Somaliland related to components (ii) and (iii) of the PF Horn of Africa programme?
2. What edits/additions/recommendations can be made to/for the Horn of Africa Programme ToRs to raise the level of ambition for WEE/GESI outcomes to Level 2 in PF G&I Framework within the Horn of Africa programme (second and third components only), drawing on PF G&I policy and SOR guidance?

Answering this question will require suggesting activities with examples of what is being tested/working with other programmes. Recommendations for the ToRs will include concrete actions that the PF team can use to hold service deliverers accountable for delivering against ambitious WEE/GESI plans.

The deliverables are three sets of annotated ToRs and an informative reader friendly written report of maximum 10 pages.

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Acronyms

ADB	Asian Development Bank
DFID	Department For International Development
G&I	Gender and Inclusion
GESI	Gender Equality and Social Inclusion
HoA	Horn of Africa
ICWA	International Women's Coffee Alliance
ILO	International Labour Organisation
ITC	International Trade Centres
OECD	Organisation for Economic Cooperation and Development
SEDIN	Pro Poor Growth and Promotion of Employment
SMEs	Small and Medium Enterprises
TFSP	Trade Facilitation Support Programme
TMEA	Trade Mark East Africa Programme
ToRs	Terms of Reference
TSIs	Trade Support Institutions
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
WEE	Women's Economic Empowerment
WTO	World Trade Organisation

1. Introduction

The Horn of Africa (HoA) Programme, supported through the UK's Prosperity Fund, has three main components:

- Hard Infrastructure
- Logistics and Trade facilitation
- Local Economic Development.

The request required annotated comments to three terms of references (ToR), specifically:

- Logistics and Trade Facilitation – (although it was requested that a light touch should be applied to this ToR as it is in process of being revised).
- Women in Trade Programme
- Local Economic Development

In addition a summary narrative in a separate document which details the principal recommendations to be made to the ToRs as well as background research on opportunities and constraints as well as what has worked in other programmes.

This note constitutes the summary narrative of recommendations to raise WEE/GESI ambition in Horn of Africa Programme ToRs and should be read in conjunction with the annotated comments of the three ToRs. It should be noted that the request did not require comment on the hard infrastructure ToR, but mentioned that it should be reviewed for information. To date, the consultants have not received a copy of the ToR for hard infrastructure, but although the assignment has been completed without it, there is some level of awareness of the hard infrastructure component gained from the other ToRs and the Business Case which has informed this review.

This note is based on the review of the ToRs, information sent by DFID which include the Business Case for the Programme, and information found in an internet search on trade and women's economic empowerment.

An important background to this programme is the **Prosperity Fund: Gender Policy for Inclusive Growth, update 2018**, which sets out the approach to promoting inclusive growth, gender equality and women's economic empowerment. Fundamental to this policy is the UK's Gender Equality Act, which incorporates a legal requirement for all overseas development funding to demonstrate how it will reduce gender inequality. Also incorporated into the policy is the Gender and Inclusion (G&I) Framework, which highlights three different levels of ambition for G&I and the possible entry points for each.¹ The first level, "minimum compliance" addresses basic needs and vulnerabilities of women and marginalised groups, the second level "empowerment", builds assets, capabilities and opportunities for women and marginalised groups, the third level "transformation" seeks institutional change and addresses the systemic barriers to women's economic empowerment.

In addition to UK government policies, the significance of women and trade has been recognised by international organisations. Thus in 2017, the World Trade Organisation (WTO) members agreed to a

¹ The Gender and Inclusion Framework was conceptualized by Caroline Moser (2016) and developed and adapted for the DFID ICED Programme (Infrastructure and Cities for Economic Development) 2017. It has been adapted to help the Cross-Whitehall Prosperity Fund

Joint Declaration on Trade and Women’s Economic Empowerment. Whilst the declaration is non-binding, it does include provisions for greater collaboration including sharing of data. It also aims to lower barriers for women in trade as well as creating Aid for Trade as an initiative to develop tools for gender-responsive trade policies.

In reviewing the ToRs and developing the summary narrative, the approach has been to see where it is possible to move from minimum compliance to empowerment and where possible to at least put down some mechanisms that will support transformative change. It should be recognised that transformative change requires a long-term approach and in the opinion of the consultant would rarely be achieved by one programme alone.

Following this introduction, the note considers some of the issues related to trade and women, then highlights findings from other programmes which have created useful interventions to make a positive impact on women in trade, finally it describes the key recommendations made to the three ToRs.

2. Trade and Women – highlighting the Somalia-Ethiopia Context

2.1 Potential losses and gains from trade

Trade and value chains around the trade sector are increasingly recognised as creating opportunities for women and marginalised groups. A basic indicator is that women constitute up to 90% of the workforce in many export processing zones, whilst global value chains or worldwide production and supply networks have increased opportunities for women. (WTO 2017). In addition, there are the myriad of female cross border traders, mostly small scale and many working informally. In 2017 the World Trade Organisation (WTO) members endorsed the Buenos Aires Declaration on Women and Trade. Through this declaration WTO members have agreed to explore and find ways to tackle barriers to trade, lack of access to trade financing and sub-optimal participation of women in public procurement. It is expected that the actions in the Declaration will boost economic growth worldwide and provide more and better jobs for women.

Equally, it should be recognised that in the short-term trade policies can also create negative effects that may disproportionately impact women. The Asian Development Bank (ADB) in its report “Leveraging Trade for Women’s Economic Empowerment in the Pacific, 2019” discusses how despite the positive impacts, trade can have negative effects. For example:

- Trade liberalization can disrupt economic sectors and markets leading to a contraction in comparative disadvantage sectors. These may be sectors in which women are active and this could lead to job displacement and losses and a move from formal to informal sectors.
- Increased international competition and trade liberalisation may bring opportunities but it also implies a need to grow and upgrade technologically. This may be disproportionately challenging for female owned firms with limited access to credit and technical knowledge, training and information networks.
- Increased competition can create risks, especially for small firms.
- Existing gender inequalities may be reinforced as exporting firms take advantage of power dynamics to lower costs of production and limit women’s access to economic and labour rights. This is particularly true in the agriculture sector where women are often involved in informal labour market structures and receive little or no pay and can be compounded by

existing patterns of gender disparity in access to agricultural land, ownership of productive assets, access to credit etc (ADB 2019)

Thus, whilst trade can bring significant positive impacts for women, it is important to understand, assess and mitigate the potential adverse impacts of trade liberalisation. Developments around trade infrastructure can also create speculation as in the land speculation created in Berbera with land prices increasing rapidly until mid-2017 due to the announcement of the port project and the possibility of a Free Trade Zone. This speculative buying was mainly carried out by the Somali diaspora as well as local and foreign businesspeople (Rift Valley Institute, 2019).

Another potential risk of the Berbera port and associated infrastructure is that it might transform the political economy in a way that might upset the delicate political settlement that has underpinned Somaliland's stability since the 1990s. The Port development has already negatively impacted on various groups such as temporary workers, owners of trucks that did not meet safety standards, and clan elders who used to mediate port-related conflicts (Rift Valley Institute, 2019)

All three ToRs need to be aware of potential negative impacts of any intervention, especially as it relates to women and youth and vulnerable groups and demonstrate how they will be effectively mitigated.

2.2 Trade as a tool for women's economic empowerment

The Organisation for Economic Cooperation and Development (OECD) classifies three specific ways in which women interact with trade:

Women as traders (the hidden women).

One of the characteristics of women traders is that they tend to be concentrated in small and medium enterprises (SMEs) and these usually face barriers in participating in trade and could benefit from reforms that reduce trade costs such as trade facilitation. Many SMEs participate in global trade indirectly supplying goods or services in the value chain of a company in the domestic market which then exports to a supply chain partner or a customer overseas. Moreover, given the growing importance of services as an input – services may account for around a third of the value of manufacturing exports and one quarter of the value of agro-food exports – more women may also be participating in trade via the supply of services to firms in the domestic market, which then export.

Women as workers.

Women play an important role as employees in global value chains. In developing countries, formal employment of women is often concentrated in export-oriented sectors like apparel, textiles and electronic manufacturing. Whilst such jobs have brought economic empowerment, women are still far from reaching the full potential that trade could bring. According to the ILO's Global Wage Report, 2018, women are still paid 20% less than men for the same work and their access to higher quality employment opportunities remain restricted. In addition, this economic empowerment has also seen a rise in gender-based violence and harassment in the world of work. In 2019 the International Labour Organisation (ILO) adopted a new Convention (C190) to combat violence and harassment in the world of work.

There is also a concentration of female employment in sectors such as agriculture and textiles which undergo adjustment due to changes in trade policies. For example, standards related to sanitary and phytosanitary measures in agriculture and food industries may be stricter for traded goods and these sectors (WoW Helpdesk Query 20, Shaw, A and Jobes, K 2019). More work is required to understand the impact on women of such trade adjustment.

Women as consumers

Women also often have a primary role in managing the household budget and are directly impacted by trade barriers that increase the price of basic items such as food and clothing. Poor and marginalised groups are disproportionately affected by trade policies that impact on the price and availability of staples. The links between trade policies and impacts on different groups of people are complex and the outcomes may differ across place to place.

The Women in Trade and the Local Economic Development ToRs in particular need to be able to make an assessment of the different ways in which women may be involved in trade and develop measures which are responsive and supportive to these roles.

2.3 Cross-Border Trade- Informal and Formal

Interestingly, in Somaliland the upheavals experienced since 1991, whilst leaving many men unemployed has created unique opportunities for women. Hargeisa's marketplace is teeming with female workers, challenging assumptions about the traditional place on women in Somalia society. Businesses selling khat, gold, cosmetics and textiles and food items are operated and managed mostly by women (Osman Guelle, Z. 2012). Many of these women are also involved in cross-border trade.

A major feature of cross border trading in East Africa, is its informality. Informal cross – border trade is typically between neighbouring countries and conducted by vulnerable, small, unregistered traders. Typically, it is proximity trade involving the move between markets close to the border. The United Nations Conference on Trade and Development (UNCTAD, 2018) defines informal cross-border trade as trade in legitimately produced goods and services that escapes the regulatory framework established by the government, thereby avoiding certain and regulatory burdens. These good and services may be 1) produced entirely outside the formal economy or 2) handled by informal (unregistered traders) passing through unofficial routes or by formal (registered) traders who fully or partially evade trade-related regulations and duties.

Informal cross-border trade supports livelihoods particularly in remote rural locations. It creates jobs, especially for vulnerable groups such as poor women and unemployed youth and it contributes to food security in that it largely features raw agricultural products and processed food items. Any trade and development programme that is focused on gender and inclusion needs to address how to best support this informal trade in a way that does not lead to undermining it. The existing cross-border trading between Ethiopia and Somaliland is facilitated through clan and cross-clan networks and informal norms and practices. Cross-border trading has remained resilient in the last few decades, adjusting to major economic changes within the sub-region (Kefale A., 2019).

The UNCTAD's report on "Informal cross border trade for empowerment of women, economic development and regional integration in Eastern and Southern Africa, 2019" highlights the female intensive nature of cross border trade and its broad poverty and development ramifications. It constitutes a vital source of employment and livelihood for the poor, in particular for low-income and low-skilled women, in border districts. UNCTAD assesses that if properly supported, it can generate significant rural non-farm income and become a catalyst for value chain creation and support in rural areas. This benefit, in turn, can lower rural employment and slow rural-urban migration, while empowering women. In order to fully support people involved in informal trade, a more comprehensive understanding of informal traders and how they operate is needed.

2.5 Barriers to trade faced by women

A 2013 World Bank study on gender and global value chains revealed that many women exporters face barriers. Specifically, efforts by women entrepreneurs to enter global value chains and upgrade

into higher value activities are complicated by limited access to key inputs such as land, finance and market information. Moreover, whilst corruption is pervasive, impacting all genders, it can expose women to harassment or abuse – both physical and financial.

The difficulties faced by women traders cannot, however, be fully explained by explicit discrimination in laws or regulations. Cultural barriers and women's role in their families make it more difficult to bring their companies to the productivity levels and sizes that would enable them to compete more successfully in global markets. In addition, cultural and legal barriers that women face in many societies – not specific to trade – can limit their access to price and market information, as well as the amount of time they have to devote to their business.

There is limited research on women traders and even less where they have been given the opportunity to voice their opinion. Findings of a focus group discussion with women traders in Vietnam, whilst culturally different, provide some useful insights (Warren, Lungman, Yang 2019). Particularly interesting is that whilst focus group participants faced constraints, they were keen to emphasise that they are confident in the successful operation of their business. Specific issues highlighted are:

- Lack of recognition and stereotyping. Many of the women traders were successful entrepreneurs, yet they still experienced stereotyping related to their role as women in business. One woman who worked in auto-parts said that she kept getting comments like “you don't look like someone who works in this industry”. Changing such perceptions requires a long term and careful approach, to avoid any backlash.
- The need to combine their work with household duties.
- Cargo theft appears to be a cost of doing business for many traders and physical labour required to get goods through clearance. Women traders often send a male counterpart.

2.6 Building on Existing Experience of Trade Mark East Africa (TMEA)

TMEA already has a Women in Trade Programme and a Gender Mainstreaming Strategy, and through these, significant experience on which to build their work for the three ToRs. There are also some challenges included difficulty in linking gender mainstreaming results to wider strategic change pathways; the difficulty in identifying discrete results from gender mainstreaming versus gender targeted work; and uneven capacity for gender analysis across the organisation; weaknesses in the organisational structure for taking forward gender mainstreaming; and limited resources compared to overall TMEA budgets (WoW Helpdesk Query 9, Shaw, A. 2018). These are issues that need to be factored in when considering implementation of the three ToRs that are the subject of this particular WoW Helpdesk Query.

3. Learning from Programmes on Women and Trade

A number of trade programmes are described below which provide useful insight into measures to enhance positive impact to women and marginalised groups from trade.

3.1 World Bank's Trade Facilitation Support Programme (TFSP)

TFSP provides support for countries seeking assistance in aligning their trade practices with the WTO's Trade Facilitation Agreement which entered force in 2017. An interesting initiative of the programme is to fill the gap in knowledge about women traders and the absence of gender disaggregated data. It

is aimed at addressing the issue that “designing interventions that are inclusive – benefiting women and men – is difficult without strong data on the gender of those who participate actively in cross-border trade”. What proportion of global traders are women, where are they located, in what industries do they work?

Creative research techniques are being used to fill the data gaps:

- Reviewing names of listed owners of firms. If the name is female then the firm is tagged.
- Contacting firms in active traders lists to confirm ownership
- Checking with local and regional entities like business associations, women’s networks, banks who might keep membership lists that contain women workers. But these lists are not complete or up-to-date. Individually they may cover only a fraction of women cross-border traders
- Work with Customs to produce data on women traders

It is recognised that in developing countries the task is particularly challenging and creative methods need to be developed. On the other hand, without data on the number of cross-border traders that are women, it is difficult to track progress (Warren and Yang 2019).

3.2 International Trade Centres, Women and Trade Programme

The ITC’s Women and Trade Programme works with buyers and governments to increase the procurement of goods and services from women entrepreneurs. The approach is to work at the country level to build the capacity of trade support institutions (TSIs). These TSI’s work with women entrepreneurs to improve their competitiveness and at the same time strengthen collaboration with buyers. So far 100 TSIs have worked with the Women and Trade Programmes. Two interventions of the women and trade programme are described below:

- **She Trades** is an app through which women entrepreneurs are able to share information about their companies. In this way they can increase visibility and expand networks. It was developed as a response to corporations stating that their main challenge was to identify eligible companies to engage with. Several hundred women entrepreneurs and women-owned businesses have already registered. SheTrades also works with partner organisations such as the International Women’s Coffee Alliance (ICWA) which have signed on to the platform to verify women entrepreneurs.
- **The Procurement Initiative.** Public procurement is estimated to account for 30-40% of GDP in developing countries (Kirtton 2013). It is a powerful tool to achieve socioeconomic objectives because it operates at the intersection of the government’s regulatory and buying powers (ITC 2014), but women owned businesses have been largely excluded from this market due to lack of access to information on bids as well as understanding of procedures and ability to meet requirements. The ITC’s Procurement Initiative invites governments at all levels including national, regional and local to look at how to increase their procurement from women. These opportunities relate mainly to the domestic market but could enhance women’s economic empowerment interventions in the local economic development project.

Some interesting examples of specific projects supported through the ITC Women in Trade Programme are:

- **Linking women to agribusiness markets in Ghana** where by supporting partner institutions and government agencies, women owned agribusinesses are linked to commercially viable

opportunities and value chains. It also aims to identify global markets for Ghana's fresh and processed yams. The project began in 2012 and is a collaboration with the Ghanaian private sector and government of Ghana with support from the International Institute of Tropical Agriculture.

- **Enhancing women SME development in Palestine.** This project is carried out in collaboration with UNDP and aims to ensure that women owned businesses in Palestine are export-ready. It does this by building capacity so that goods and services meet buyers' requirements. It also facilitates matchmaking events so that women owned SMEs are linked to potential buyers in the Middle East and globally.
- **Supporting women in the textiles and garments sector in Ethiopia and Mongolia.** This project is aimed at developing managerial and technical skills of women entrepreneurs in cashmere and related fibres, helping them to meet buyer requirements and create links to new markets. Support is also given through institutional partners in the sector such as the Mongolia Cashmere Association and the Centre for Accelerated Women's Economic Empowerment.

3.3 GIZ – Pro Poor Grow GIZ – Pro Poor Growth and Promotion of Employment (SEDIN) in Nigeria

The purpose of this programme is to facilitate trade by combating trade corruption on trade routes and border crossings in the state of Ogun, bordering Benin. Poor female traders are particularly affected by bribes and harassment. The programme created the Trade Route Incidence Mapping System (TRIMS) to collect crowd sourced anonymous data on requests for unofficial payments submitted by businessperson or traders. The data, submitted via mobile phones in a structured and free SMS is mapped and traded in a geographical mapping system online. It therefore marks trade route incidents for the public almost in real time. The pilot, implemented through a multi-stakeholder consortium, has developed a targeted sensitization campaign for traders, community members and the general public. As the user submits a structured message containing the location, entity involve, bribe paid, commodity traded and the sex of the trader, the statistics is able to tell whether women and men are differently affected (von Hagen 2014)

3.4 UNCTAD's – Trade Gender and Development Programme – looking at trade policy through a gender lens component, e.g. of Rwanda

UNCTAD worked with several countries in three developing regions to explore gender differentiated outcomes of trade and trade policy. It found that gender based cultural norms and women's limited access to economic assets and resources limited women's ability to benefit from trade. In Rwanda an innovative approach was adopted to gauge the gains female workers can obtain from exports and the potential losses from imports. Sectors that tend to be more female intensive (agriculture) are less export oriented and hence less likely to gain from trade then sectors that are more male intensive such as mining, manufacturing and utilities industries (UNCTAD, 2014)

4. Programme ToRs and Raising Gender Ambitions

The three ToRs present exciting projects that can do much to capitalise on the Berbera corridor and improve the trade potential of both countries. At present, however, they lack specific activities and direction that would ensure that that women and marginalised groups are taken account of and

supported to take advantage of the increased opportunities created by the Programme. Three recommendations common to all three ToRs are discussed below before looking overall specific recommendations for each ToR.

4.1 Over-arching themes for all 3 ToRs

- Detailed understanding of the gendered socio-economic structure of the economy focusing on the Berbera corridor. Given the lack of existing information, a robust gender-disaggregated analysis is needed to understand the current context, i.e. describe the baseline situation. This will then enable selection and design of intervention whether for local economic development or logistics and trade facilitation, based on a better assessment of how and where impacts are likely to be created. It will include an identification of potential losers from interventions and how this might be mitigated. Obtaining such information, and estimating impacts, especially with regard to people working informally as traders or along the value chain of trade is difficult, but various organisations including the WBG (as described in Section 3.1) are looking at different triangulated approaches to build up a picture of local context. Those methods can be applied here as well. Since this is basic information for all three ToRs, it could be carried out as a joint exercise or at the minimum there should be synergy and information sharing between the projects.
- Linking to Prosperity Fund G&I Framework Interventions and their impact in all three ToRs should be reviewed against the G&I Framework. All interventions need to achieve **minimum compliance** – this would mean demonstrating that diagnostics and design has been carried out with gender disaggregated data, that women and men have been adequately consulted, that benefits and losses to women and men have been considered, and that the intervention will not worsen gender discrimination. Each project should actively look at how it can raise its ambition to achieve **Empowerment**. This would require interventions that take account of social dynamics and barriers to women’s participation to create productive employment and business opportunities for women. It would also create the opportunity for women to have greater control over their assets and individual agency and decision-making powers. The third level of ambition leading to **Transformative** change requires addressing strategic and systemic changes that prevent women’s contribution. In Ethiopia and Somaliland these are likely to be complex and reinforcing and require careful intervention and monitoring during implementation to avoid unintended effects.
- Ensuring synergy and reducing overlap between the three studies. The three ToRs should emphasise the need to work together to share information and develop interventions that are complementary and reinforcing to create a better chance of moving towards transformative growth.

4.2 Summary comments on Logistics and Trade ToR

In the initial meeting with DFID the consultants were informed that with regard to the second component of the Horn of Africa Programme, there should be an emphasis on the trade facilitation aspects rather than the logistics aspect. In addition, it is understood that the Logistics and Trade ToR is undergoing revision and that review of this should be carried out with a “light touch”. Annotated comments have been made to this ToR as far as possible focusing on trade facilitation and further discussion on trade facilitation is presented here.

Trade facilitation refers to measures that streamline and simplify the technical legal procedures for products entering or leaving a country to be traded internationally. As such, trade facilitation covers the full spectrum of border procedures from electronic exchange of data about a shipment, to the simplification and harmonisation of trade documents, to the possibility to appeal administrative decision by border agencies. In a globalised world where goods often cross borders many times as both intermediate and final products, trade facilitation helps lower overall trade costs and increase

economic welfare. Trade facilitation can also refer to the physical experience of people at cross-border controls (UNCTAD 2019).

A concern with regard to trade facilitation efforts is that they are too often focused on the experience of large companies that trade in large quantities. This contrasts with the reality at many borders where smaller-scale firms conduct a significant share of total trade, but this is not adequately – or at all - captured in official statistics. Moreover, many of these smaller-scale trading firms are run by women who often face more severe challenges to trade than their male counterparts.

SMEs tend to be disproportionately affected by such trade costs. Unlike large companies, most SMEs do not possess in-house trade or international departments with experts who know how to efficiently overcome relevant trade costs. In addition, the fact that SMEs tend to trade smaller quantities implies that fixed trade costs often make up a larger share of the unit cost of their goods when compared to those exporting larger volumes. Countries are therefore looking at ways support women led businesses to become exporters by capacity building and improving connectivity and access to information.

In the case of women cross-border traders, the research emphasise the need to address inequalities in information and transparency around custom procedures. Women traders are often subject to informal or high payments and discriminatory behaviour at borders such as sexual harassment, exploitation and abuse. Awareness of these constraints has focused attention on looking for gender-sensitive trade facilitation interventions, including the use of technology to reduce face-to-face interactions through single windows, electronic procedures and traders' rights awareness. Such measures need to be tailored to the capacities of the traders, many of whom may have limited formal education. Trader's awareness of complex tax systems and corrupt tax official may push women into informal cross-border trade, in order to avoid the challenges at border posts including of disproportionately high formal and informal taxes and fees, delays and violence (UNCTAD 2017)

There are also some very simple and easy to implement actions that can improve gender-sensitivity of border infrastructure and reduce the potential for gender-based violence such as improved lighting and provision of sanitation, rest areas, and public safety measures. Other good practices include gender-training of customs personnel and increasing the number of women customs officials. In addition to gender-based violence and corruption, other human rights violations may occur at border controls, including harassment/profiling on the basis of race ethnicity, nationality and sexual orientation. Thus, it is important to ensure that women's rights and human rights are included within training related to integrated border management, for both traders and officials (WoW helpdesk query 20, Shaw, A and Jobes, K, 2019). The ToR should also look at the experience of the GIZ project in Nigeria described in Section 3.3).

4.3 Summary Comments on Women and Trade ToR

This is a very useful ToR that has the potential to bring many benefits to women that go beyond minimum compliance of the G&I Framework, but it needs to be carried out with a comprehensive understanding of women and trade drawing on section 2.2 of this narrative summary which describes OECD's classification of women's involvement in trade. Research presents particular challenges, but a number of innovative approaches used by other programmes are described in Section 3 and can be adapted for these studies.

In addition to describing the baseline, the study needs to look at the cause-effect relationship behind the economic context of women in the Horn of Africa and Somaliland in particular. As the ToR states,

and as is common in many developing countries, the legislation is progressive with regard to women but the actual experience on the ground is quite different. The study needs to clarify the reasons behind this, by looking at the underlying social dynamics that perpetuate inequality and create barriers to women's empowerment. How entrenched are they and how are they likely to influence the outcome of the project?

The ToR highlights the challenges of informality and this is clearly a key issue for women in enterprises along the value chain and also for cross-border traders. The findings of the Cardiff University Study need to be built on to understand for example why a higher percentage of women led businesses experienced a decline in their business. For example, are women led businesses involved in sectors that are declining, or is it because of low skill or access to finance? The challenges faced by women cross border traders can also draw on the findings of the WoW query 31 on Violence Against Women Traders at Border Crossings.

Equally interventions such as those presented in ITC's Women and Trade Programme such as SheTrades and harnessing the public sector procurement as source of trade partners are interventions that could be interesting for the Horn of Africa Women and Trade project.

In developing interventions, the project needs to:

- Ensure that women are properly consulted
- Consider potential negative impacts so that they can be adequately mitigated.
- Explore carefully what interventions can improve the livelihoods of women, through greater access to economic opportunities and reduction of some of the key barriers, linking to the work being carried out in the other ToRs. What are the trade facilitation measures that would support women in business? How can women in trade access opportunities from the anchor businesses developed in the local economic development project?
- From an analysis of the key constraints, the project should put develop measures that could lead to transformative change, working closely with other programmes in the area.

4.4. Local Economic Development ToR

The ToR for local economic development is ambitious and incorporates both a sectoral and spatial element. This combined approach can enable it to really develop a bottom up approach which looks at the situation on ground for a cross-section of the population. It would be possible with such an approach to map out not only the major trade sectors but also the supply chain that feeds into that trade and in this way develop a comprehensive approach to economic development. This exciting ToR has great potential to benefit women and marginalised groups, but this cannot happen without direct intervention to include them within the activities of the ToR. There is also the danger of negative impacts on women's livelihoods if consideration of these are not explicitly incorporated into the ToR.

4.4.1 Contextual Challenges to Economic Development.

There are a number of key contextual issues related economic development in the area:

- Whilst the focus of the ToR is on generating local economic development, there needs to be an awareness that to date there have already been some shifts in the economy and winners and losers due to the development of the Berbera port. Local newspapers and other articles have written about how since the takeover of the port by the new developers, there have been various groups that have lost access to the port. These include temporary workers, owners of trucks that did not meet safety standards and clan elders who used to mediate port-

related conflicts— all have expressed their discontent. Some groups have lost previous privileges that stemmed from the port, such as hand-outs for clan-elders and war veterans. There is also talk of speculative increases in land prices. This creates an imperative to ensure that the benefits of economic development are spread beyond the port and free trade zone to the city of Berbera and less privileged parts of Somaliland.

- The Hargeisa Conference which heralded the end of the civil war with a political settlement, and laid the basis for 20 years of relative peace, created a power structure which economically and politically marginalises many Somalilanders. Rapid changes may upend the political economy of Berbera and threaten the delicate political settlement that has underpinned Somaliland's stability.
- Unlike most other economies in the world, the government footprint in Somaliland is limited, amounting to under 10 percent of the gross domestic product (World Bank ,2016). It is the private sector, based on high levels of trust among people living in the same neighbourhood or belonging to a similar establishment or company. This could create challenges for inclusive development where people may be required to do business/interact with groups with which they normally have no relationship.
- Ethiopia is one of the fastest growing economies in the world but still has high levels of youth unemployment which needs to be addressed to both take advantage of the untapped potential and also to avoid youth being pulled away into negative activities.

4.4.2 Approach to creating transformative outcomes

- **Gendered understanding of the socio-economic and political context of Bebera corridor area of influence.**

According to the ToR, local economic development is to be focused around the Berbera Corridor area of influence. The process through which this area is to be defined needs to be clarified and once that is done the project needs to develop a gender disaggregated picture of the local economy, also identifying other potentially marginalised groups. Development of the profile of the population should look at intersecting groups of women according to other factors such as income, ethnicity, disability and age.

- **Developing a picture of the role of women in the existing pattern of trade and its value chain.**
The baseline analysis should also develop, for the area of influence, a picture of the trade, the sectors and businesses involved and how women are involved in their role as traders, employees and consumers. It is important here to get an idea not only of women's involvement directly as traders or working in export-import based companies but also in the value chain serving those enterprises. Both the informal and the informal economy need to be considered.
- **Increasing the gender ambition on the anchor projects**
The local economic development component is to be centred around a number of anchor projects. Each of these anchor projects need to be analysed to assess the potential to create economic opportunities for women and marginalised groups, identifying what supports are required and how can they be implemented. During the assessment of potential anchor projects, it would be useful to look at how each project performs against the three levels of ambition in the G&I framework. All projects need to meet minimum compliance, but which of the projects create opportunities for empowerment, for example through increasing women's productive employment or increasing women's individual agency and decision-making

power? Can the project support transformative changes and what support is needed to achieve that?

- **Identifying opportunities for women and marginalised groups to be involved in the value chain.**

The anchor investments and other activities in the Berbera area will create a multiplier effect through the supply chain of goods and services. Depending on the sector the potential economic benefits and ability to raise the ambition on G&I can be quite significant but is likely to require specific support. Achieving inclusive supply chains are made difficult by issues such as:

- Lack of knowledge by entrepreneurs of what corporations require.
- Corporations often find it difficult to find eligible businesses. Especially where there is a lack of disaggregated data.
- Even where there is a match of buyer and seller, other limitations may become apparent such as quantities that can be delivered and the sellers ability to meet supply specifications of large companies in terms of order size, timeliness and quality.

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