

Understanding livelihood-related urban-rural connections for women from Displacement Affected Communities (DACs) in South-West State of Somalia:

Comprehensive report on a multi-phased learning activity



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Cover photo: A woman sells fruit, vegetables, sweets, oil, and other items at her grocery shop in Baidoa Town / Khalid Abdi Ibraahim

¹ BRCiS is a consortium of international and local non-governmental organizations (NGOs) working at the humanitarian-development nexus. BRCiS is led by the Norwegian Refugee Council (NRC) and also includes international NGOs: Action Against Hunger (ACF), CESVI, Concern World Wide, International Rescue Committee (IRC), and Save the Children and local NGOs: GREDO and KAALO.

² Danwadaag Durable Solutions Consortium is a partnership of organizations working with displaced communities in Somalia. It is led by the International Organization for Migration (IOM), and also includes NRC, Concern, ReDSS, and two local NGOs: GREDO and the Juba Foundation.

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Acronyms

ACF	Action Against Hunger
ACTED	Agency for Technical Cooperation and Development
BRCiS	Building Resilient Communities in Somalia
CESVI	Cooperazione e Sviluppo
DAC	Displacement-affected communities
FGD	Focus group discussion
FSP	Financial service provider
GREDO	Gargaara Relief Development Organization
HCD	Human-centered design
IDI	In-depth interview
IDP	Internally Displaced Person
IOM	International Organization for Migration
IRC	International Rescue Committee
KAALO	Kenya Alliance for Orphans and Vulnerable Children
KII	Key informant interview
MFI	Microfinance institution
MSRA	Market Systems Resilience Assessment
NGO	Non-Governmental Organization
NRC	Norwegian Refugee Council
ReDSS	Regional Durable Solutions Secretariat
SCEC	Somali Centre for Education and Consultancy
SCI	Save the Children International
SHG	Self-help group
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development
VSLA	Village Savings and Loan Association
WOHCRO	Women Health Care and Relief Organization

Glossary

<i>Anjero</i>	A fermented pancake-like bread similar to Ethiopian <i>injera</i>
<i>Bagaash</i>	Imported food items for daily use (pasta, rice, flour, oil, sugar, salt, etc.)
<i>Bajaaj</i>	Rickshaw
<i>Bakhaar</i>	Trade credit
<i>Hoorsi</i>	Traditional approach where someone lends their land to another person for free for a period of time to cultivate. There is no expectation usually to get something in return, but the owner receives the products from the farms as a gift.
<i>Murabaha</i>	Sharia-compliant financing contract wherein financial service providers purchase in asset on behalf of a client, and then sell the asset back to the client on gradual payment terms at an appropriate margin.
<i>Qardu Hassan</i>	An interest-free, short-term financing product provided by financial service providers. This is the only existing loan product in Islamic finance.
<i>Soor</i>	A Somali staple prepared with maize flour and water

Executive Summary

Developing durable solutions that enable displacement-affected communities (DACs) in Somalia to better support themselves requires:

1. Insights into the **lives, livelihoods, and market and rural networks of women DACs**—who, along with their children, are at the center of the current displacement crisis; and
2. A better understanding of market and non-market **connections and flows between rural areas in Southwest State and urban Baidoa Town**, including Barwaqo resettlement site. This rural↔urban chain and the surrounding context together comprise the rural↔urban system.

This report represents the culmination of one of the most extensive community engagement processes conducted in Somalia to date: a **six-month research and human-centered design activity** that explored these topics through in-depth, exploratory, and participatory mixed-methods research and a three-day co-creation workshop. The activity involved **39 women DAC members of self-help groups (SHGs)**, 16 of their trade linkages, and 18 key informants from government, financial service providers, training organizations, trade associations, and non-governmental organizations (NGOs).

Women DACs

Nearly all of the women DAC SHG members who participated in the activity have lived in Baidoa Town for several years and benefitted from multiple layers of durable solutions and livelihoods programming. Originally, over one-third lived in nearby rural areas within Baidoa District and most others came from elsewhere within Bay or Bakool Regions. Still, **women DACs retain strong personal and market connections with their rural origins**, facilitated by mobile phones, mobile money, land ownership, and transporters and are inhibited by insecurity, poor road quality, long distances, and costs of mobile airtime and charging.

While **few women DACs have even basic literacy**—a major barrier—most participants have used tiny capital investments from family or NGOs to enter into **trade-based livelihoods** selling goods like vegetables, cereals, milk, and firewood and/or imported goods such as rice, sugar, oil, and clothing, mostly procured from retailers and wholesalers in town. **Some have built thriving shops** thanks to grants from NGOs and support from their SHGs, but **others are at risk of losing their businesses**, which have been kept alive during the drought thanks to humanitarian cash assistance provided to their customers. Other risks are ever-present, as demonstrated when flash flooding just prior to the co-design workshop washed away the household and business assets of several participants.

Although some formal financial services targeted to their demographics exist, the use of informal trade credit is common, and all of the women are SHG members, **limited access to start-up capital, loans, and skills** inhibits them from scaling up their businesses and consistently earning sufficient incomes. Indeed, **only two-thirds earn enough to meet their families' basic needs**, a concern that is always at the front of their minds. In addition to being the primary breadwinners, women DACs remain the caretakers of their children, around whom their lives revolve and whose well-being informs most of their decisions. Their main accomplishments include providing safety and food for their children, owning their land or homes, and saving.

The rural↔urban market system

Situated within Somalia's high-potential agro-pastoral livelihood zone, Baidoa Town is a trade hub that is well integrated with the surrounding rural areas. **Resilience capacities of the rural↔urban market system are mixed**, as it has long operated informally against a backdrop of insecurity and in a highly seasonal and shock-prone environment. **Limited formal rules, regulations, taxation, and**

services are replaced by informal alternatives. Some of these create challenges, others enable actors to function within this complex context, and others have both pros and cons. Importantly, the **system depends greatly on personal relationships and networks cultivated over time through trust, loyalty, and referrals.** This is evidenced by the prevalence of trade credit as well as sharing and support within families and between neighbors. The recent drought deeply impacted rural production, and while the humanitarian aid system stepped in to reduce loss of life, the extent of the crisis was so significant and **the rural↔urban economy is so intertwined,** that the entire system has become dependent on aid. It will require a careful transition back to normal market dynamics.

Recommended solutions

The activity's **co-creation workshop** offered an opportunity for women DACs to come alongside local stakeholders to jointly envision **innovative, sustainable, market-led, and enterprise-based solutions** that could **enhance the social capital, income, and livelihood opportunities** of their families and other women DACs in Baidoa. The resulting concepts were integrated with recommendations from the research to include:

1. **Enhanced access to financial services** (and training) through scaling up existing services targeted to women DACs and developing new, market-based models. This cross-cutting concept is essential and must accompany all other solutions.
2. **Urban farming cooperatives** to enable women DACs to make use of their rural skills and to work together to generate social capital and economies of scale.
3. **Value addition in agricultural value chains** through milling of locally-produced staple cereals, peanut packaging, and oil pressing.
4. **Business development and diversification** to enable existing businesswomen to expand their shops and product offerings and encourage others to enter more profitable livelihoods.
5. **Multi-purpose spaces** that provide childcare, host a business incubator, provide room for training and group meetings, offer networking opportunities, and otherwise support the other concepts.

Additional recommendations include *slowly* transitioning the post-drought economy from dependence on humanitarian assistance to normal market dynamics, improving basic services and production in rural areas, expanding financial and training services to rural areas and actors, considering the rural→urban flow of imported and value-added goods, and piloting solutions in hinterland areas before scaling up to more distant rural locations.

Strengthening local municipalities to deal with intractable challenges, moving donor programming toward longer-term projects to allow time for trust and relationship-building, and adopting trauma-informed approaches are also suggested.

1 Introduction

Over the past two years, Somalia has made global headlines, with over 3.5 million displacements,³ most of these women and children,⁴ as experts debated declaring famine. While these numbers are shocking, Somalia is not a stranger to climate shocks and conflict resulting in wide-scale population displacement. Indeed, the bulk of newly displaced people are joining large numbers of protracted displaced people in urban areas, placing increasing pressure on already ill-equipped and overburdened towns and cities.

To date, durable solutions and resilience actors have implemented several pilots and projects to support acute and protracted Displacement-Affected Communities (DACs) in Somalia. However, the marginal costs of many effective models are too high to address the already large and rapidly growing scale of the crisis. New solutions that can leverage market dynamics to reach more people at a lower marginal cost are needed if these actors hope to make a sizable dent in the problem.

Developing such solutions requires a deep and nuanced understanding of the lives, livelihoods, and networks of DACs. It also necessitates a better grasp of the rural ↔ urban system within which DACs operate, including the enabling environment, availability of services, and constraints in the urban centers where they now live as well as in the surrounding rural areas where many of their families remain and with whom they directly or indirectly trade.⁵ If new approaches are to be sustainable, they must not only be informed by, but developed in partnership with DACs—the experts on their own experiences, attributes, challenges, and goals—and other local stakeholders.

This report represents the culmination of a six-month human-centered design (HCD) activity that explored, through the lens and with the involvement of women DACs in self-help groups, the market and non-market connections and flows between urban Baidoa Town—an epicenter of the displacement crisis—and surrounding rural areas in Southwest State. One of the most extensive community engagement processes conducted in Somalia to date, it drew on a desk review, mixed-methods exploratory research, and a co-design workshop to identify potential solutions that can improve the livelihood opportunities and incomes of DACs and their families.

Following this introduction, Section 2 introduces the research intent and approach, which is further detailed in Annex 1. Section 3 shares the main findings from the research, and Section 4 presents the concepts, further outlined in Annex 2, which were developed during the co-design workshop and informed by the research recommendations.

This report accompanies the activity’s Inception Report, a deep-dive into the experiences of the women DACs in [Women’s Lives, Livelihoods, and Linkages](#); a market systems resilience mapping report, [Mapping Rural ↔ Urban Linkages](#); a report on the HCD workshop, the [“Businesswomen of Baidoa”](#) interactive report, and a video, [“A Glimpse into Livelihood-Related Urban-Rural Connections for Women in South-West State of Somalia.”](#)

³ Between September 2021 and August 2023, UNHCR Protection and Return Monitoring Network. 2023. [“Somalia Internal Displacement Dashboard.”](#)

⁴ IOM. 2022. [DTM Understanding the Key Drivers of Displacement in Somalia during the 2021/22 Drought.](#)

⁵ Because economic and displacement flows are often conceived of as moving *from* rural areas *to* urban ones (for instance, most value chain analysis focuses on rural areas as the seat of production), this report uses the ↔ notation as a reminder that people, goods, and money move in both directions.

2 Intent and approach

This activity was guided by the question: **How can connections and fluxes of goods, services, money, people, and information circulating between rural and urban DACs in Southwest State be used to improve livelihood opportunities and protect, stabilize, and grow the income of said communities?**

It was commissioned to approach this subject through the lens of four internally displaced women-only self-help groups (SHGs) and their rural and market connections since:

- the SHG model is known to be effective in supporting women's livelihoods and incomes,
- little is known about the women's day-to-day lives and connections, and
- existing NGO engagement with the SHGs offered an in-road to engage established groups of women in co-creating potential sustainable livelihood solutions.

Within this scope, the activity included three objectives, each with their own set of guiding questions, outlined in Annex 1:

- Objective 1: Profile women DAC members of SHGs, and the SHGs themselves⁶
- Objective 2: Map rural ↔ urban linkages⁷
- Objective 3: Co-create proofs of concept for sustainable, market-led, and enterprise-based solutions⁸

These were addressed through three phases:

- Phase 1: Inception, including a detailed desk review and scoping visit, conducted July 1-4
- Phase 2: Field research, primarily conducted September 9-28 with interviews followed up by local researchers through mid-October, and analysis
- Phase 3: Co-creation, including a three-day workshop held November 7-9

The activity as a whole was designed to be:

- **Iterative and adaptive**, incorporating learnings from each phase into the design of the next.
- **Participatory and empowering**, guided by **human-centered design** principles and methods.
- **Exploratory**: Designed to cover a broad range of themes at significant depth, using snowball and purposive sampling, qualitative methods, and small sample sizes and intended to serve as a springboard for further, more targeted and representative research in coming years.
- **Mixed methods**: Including qualitative approaches and descriptive statistics, inspired by market systems resilience mapping, and incorporating geospatial mapping.
- **Actionable**: In addition to identifying concrete recommendations and proofs of concept for solutions that can be implemented in the next two years of the Scaling Solutions Project, this activity developed a network of women DACs and local stakeholders that may be leveraged to do so.

⁶ BRCiS, Danwadaag, and USAID. 2023. *Mixed Approach Learning Consultancy: Understanding Livelihood-Related Urban-Rural Connections for Women from Displacement Affected Communities (DACs) in South-West State of Somalia: [Women DACs' Lives, Livelihoods, and Linkages](#)*. Jenny Spencer, Badra Yusuf, Elvirah Riungu, Sophia Alden, and Gabrielle Hubert.

⁷ BRCiS, Danwadaag, and USAID. 2023. *Understanding Livelihood-Related Urban-Rural Connections for Women from Displacement Affected Communities (DACs) in South-West State of Somalia: [Mapping Rural ↔ Urban Linkages](#)*. Jenny Spencer, Badra Yusuf, Elvirah Riungu, Gabrielle Hubert, Sophia Alden, and Michel Alimasi.

⁸ Available in Annex 2.

2.1 Research sample

In total, 71 separate interviews and discussions were conducted with 79 people as part of the inception and field research phases of this activity (see Annex 1 for details).

Women DACs. For the first-stage sampling, the Building Resilient Communities in Somalia (BRCiS) Consortium selected four NGO-supported SHGs consisting of ‘women IDPs’ only, two in IDP sites and two in the relatively new resettlement site of Barwaqo.⁹ According to the NGOs’ rosters, the groups consist of 10-15 women, for a total of 50 members across the four groups. Of these, 39 women participated in the research:

- 20 women participated in two sets of participatory, workshop-style focus group discussions (FGDs), one conducted during scoping, and another conducted during the main fielding.¹⁰ The 20 FGD participants also responded to brief quantitative questionnaires to increase the sample sizes of key indicators.
- 10 women hosted researchers in their places of business for full-day, in-depth interviews (IDIs) covering various aspects of their livelihoods.
- Nine women hosted researchers in their homes for half-to-full-day IDIs related to other aspects of their lives.
- The four chairladies of the SHGs, also involved in other parts of data collection, shared information about the operations of the SHGs in key informant interviews (KIIs).

While this approach results in limited sample sizes for certain questions, it enabled the study to cover the wide array of research questions and interests from Scaling Solutions members at extensive depth while limiting respondent burden to the extent possible.

Market actors. The activity also included interviews with 22 traders in Baidoa Town, Barwaqo, and two rural locations identified during the scoping visit: Awdiinle Village and Hudur Town.

- Awdiinle village is located 30km west of Baidoa, where the road from Dolo Odo in southern Ethiopia and Mandera in northern Kenya converges with one of the main roads from Bardere District. Considered in the [2020 Baidoa Urban Profile](#)¹¹ as being part of Baidoa’s ‘hinterland,’ Awdiinle hosts one of the most important markets connecting Baidoa Town with the surrounding rural areas. Another important ‘rural ↔ urban linkage market’ is held in Gofgaduud village, which was unreachable during fieldwork due to security concerns.
- Hudur Town, the capital of Hudur District and Bakool Region, is located 130km north of Baidoa Town. Although much smaller than Baidoa Town, Hudur is an important trading hub outside of Bay Region, with road connections to Wajid and Beletweyne.

In addition, to the six trader interviews conducted during scoping, the research followed the women DACs’ actual market connections, speaking to 16 of their transporters, brokers, and rural and urban suppliers. In line with the activity’s focus on women, preference was given to interviewing female market connections where possible.

Key informants. The study included 18 KIIs with financial service providers, training organizations, trade associations, government representatives, development actors implementing relevant programming, the Protection Cluster, and Bondhere Savings Group Hub in Mogadishu.

⁹ Barwaqo is a focus of this activity since it is an area of particular interest to durable solutions stakeholders and since the [2023 Baidoa City Strategy](#), by UN-HABITAT, includes plans to develop another city extension for IDP-oriented housing and land projects. However, Barwaqo remains a relatively small pilot, with only around 2,000 IDPs relocated out of a total of around 600,000 IDPs in the city.

¹⁰ Only 19 of these women were able to participate in the scoping FGD; all 20 joined the main field phase FGD. For this reason, statistics may be presented for either 19 or 20 FGD respondents and for 38 or 39 total women.

¹¹ South West State Ministry of Public Works, Reconstruction and Housing and UN-HABITAT.

2.2 Analysis

The analysis was primarily thematic but incorporated some narrative synthesis and descriptive statistics. The narrative synthesis included the construction of case studies from selected interviews and validation of the personas developed by the Scaling Solutions Project, both detailed in Annexes 2 and 3 of the accompanying [Women's Lives, Livelihoods, and Linkages](#) report. The case studies are also included in the ["Businesswomen of Baidoa"](#) interactive report.

Information from all data sources was triangulated. In addition to highlighting common themes, in line with Mercy Corps' 2022 report on the Somalia Resilience Population Measurement Activity,¹² this report incorporates examples from 'positive deviant individuals,' known in the HCD literature as 'extremes'—i.e., women DACs who face similar challenges to their peers but employ more successful strategies to overcome them – as another dimension of analysis.

The approach to market systems resilience mapping drew inspiration from existing value chain and market systems mapping methodologies,¹³ but adapted these from being value chain-centered to focus on women and the rural↔urban system writ large. While not part of the usual market systems mapping methodologies, given stakeholders' interest in the hyper-local context and the applied nature of the research, the analysis also included geospatial mapping of key locations.

2.3 Co-creation

The co-creation workshop brought together 16 of the women DAC SHG members and 18 stakeholders from local government, the business community, financial service providers, training institutes, and NGOs to validate the research findings, jointly brainstorm solutions, refine their ideas, and prioritize the most feasible and impactful concepts. These were further refined post-workshop.

The workshop format followed an HCD approach, prioritizing an inclusive environment and non-judgmental atmosphere, empathy and active listening, the value of lived experiences, willingness to step outside one's comfort zone to spur personal growth and creative thinking, consideration of all kinds of ideas—even if a little wild, and teamwork and building on one another's ideas. It also included the following notable methods:

- Illustrated visuals allowed those who are not literate to engage more fully.
- A hypothetical case study was used to initiate ideation, encouraging participants to consider the experiences of and possible solutions for all women DACs from fresh perspectives
- The SHG members interviewed the other stakeholders, flipping the typical power dynamic such that the women DACs were the ones asking questions instead of those being asked.
- Large and small group discussions garnered collaboration as well as some productive disagreement.

¹² Elsamahi, M., J. Kim, and J. Scantlan. 2022. [Resilience in Somalia and Opportunities for Measurement Innovation for the Resilience Population-level Measurement Activity](#). Mogadishu, Somalia.

¹³ See, for example, ILO and UNCDF's [Approach to Inclusive Market Systems \(AIMS\), Guide to Market-Based Livelihood Interventions for Refugees](#), ILO's [Value Chain Development for Decent Work](#), the BEAM Exchange's [Market Analysis and Mapping Guidance, Core Guidance Note: The Market Map](#) by Practical Action, and USAID's [Market Systems Resilience Assessment \(MSRA\)](#) framework.

Figure 1. Examples of illustrations from the hypothetical case study



2.4 Challenges and limitations

Challenges and limitations included the needs and expectations for humanitarian assistance—particularly as drought aid is being withdrawn—and the extent to which respondents consider many of the usual topics covered by a market systems assessment to be trade secrets. Both of these may have biased responses. In addition, flash flooding in early November inundated nearly 400 IDP sites,¹⁴ flooding roads, and sweeping away people’s homes and businesses. Some of the 16 women DACs participating in the co-creation workshop lost all of their household items and business assets. Despite this devastation, the women demonstrated their dedication, persistence, and belief that their voices could create meaningful, positive change by attending the workshop.

¹⁴ Agency for Assistance and Development of Somalia. 2023. [Rapid Assessment for Flash Flooding Situation in South West State, Somalia \(duration: 12 to 15 November 2023\).](#)

3 Research findings

3.1 Demographics

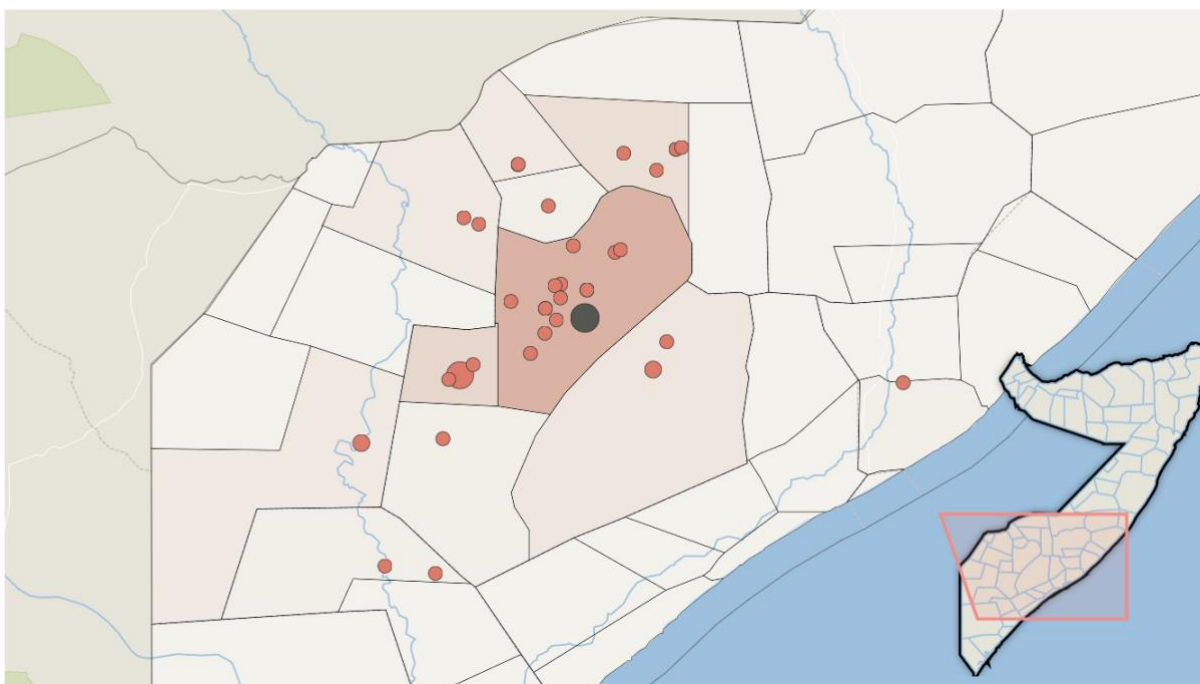
Consistent with the recognition that it often takes time for the newly displaced to settle in enough to join a SHG, nearly all of the women DACs, now living in IDP sites in Baidoa Town and Barwaqo, are in protracted situations, having arrived before the recent 2021-23 drought. As shown in Figure 2, over one-third originally lived in nearby rural areas within Baidoa District and most others came from other districts within Bay or Bakool Regions. Nearly all were displaced by drought and/or insecurity, which continues to affect much of South West State. Nearly all of the SHG members are Raxweyn. Although most are married, roughly one-quarter have been widowed. Some reported being married to men who also have other wives and their children to support. Only four are literate.

Half identify as internally displaced persons (IDPs); the rest view themselves as being ‘resettled’ or ‘host community.’ The term *Displacement-Affected Communities (DACs)* may be more inclusive.

Narrative analysis suggests that nearly all of the women DACs are most closely aligned with the Scaling Solutions Project’s ‘Barwaqo-Stable’ persona, detailed in Annex 3 of [Women’s Lives, Livelihoods, and Linkages](#), even though some live in IDP sites and the degree of their financial stability and earnings varies. This is likely correlated with the fact that most have benefitted from multiple layers of durable solutions and resilience programming including land tenure and SHG-related livelihoods support, which has included training and, in some cases, cash grants up to \$350.

Figure 2: Rural origin villages of SHG members participating in the study

Percent of SHG member participants from the district 1  40



Village coordinates have been estimated based on publicly available maps¹⁵ and validated to the extent possible by Raagan researchers based in Baidoa Town. They are intended to be indicative; some errors may exist. An interactive version is available at: <https://public.flourish.studio/visualisation/15945956/>

¹⁵ Eno, Mohamed, Ali Osman, Abdullahi Ganey, Mohamed Aweys, and Abdulwadud Ali. 2021. [“The Influence of Globalization on Our Daily Life: A Comparative Overview of Baidoa in Somalia and Abu Dhabi in the UAE.”](#) *Quest Journals: Journal of Research in Business and Management* 9, no. 7 (2021): 30–36; OCHA. 2022. [“Humanitarian](#)

3.2 Land tenure

While around one-third previously experienced eviction, most of the women have now attained secure land tenure. Roughly half live in Barwaqo, which one woman said is known as “a heaven for those without homes” despite a lack of livelihood opportunities. Respondents expressed strong feelings of belonging to their communities. One woman described how “many people in this area migrated from various places, and over time, we’ve built a bond of brotherhood and support for one another.” Of those living in IDP sites, one-third own their land and another third have documented 5-year leases. Regardless of where they live, most report positive feelings about their communities but would still prefer to live in the host community/town center, where access to services is better.

Around half of the women, mostly in Barwaqo, grow small amounts of food or keep animals at home. Nearly all would like access to larger land with better soil for cultivation, where they could grow cash and other crops for domestic consumption and sale. One woman DAC, for example, expressed her desire for land access by sharing, “I currently don’t have access to additional farming land, but I would certainly appreciate having more space for cultivation or livestock raising, especially for commercial purposes, as I have the skillset for it.”

3.3 Rural connections

The continued presence of family in rural areas, land ownership and traditional *hoorsi* cultivation agreements (by which land is freely lent for cultivation), basic mobile phones, and mobile money enable women DACs to remain connected to their rural homes. While the husbands of one-quarter of the married SHG members remain in rural areas, the women’s ties to other family members can be equally strong. These individuals rely heavily on one another for emotional support, as one woman DAC explained, “I feel a sense of separation as several of my relatives, including my cousins and brother-in-law, remain in the village. Only my husband resides with me here.” Most of the women call home frequently, around half exchange goods or money, and half visit.

Since all but one of the participants have been in Baidoa for several years, most are quite settled. Around half plan to remain in Baidoa Town and not return to their rural homes, such as one who said, “I am currently planning to stay here because I believe I can achieve more in this place.” The other half plan to continue splitting their time between rural and urban areas. While being near family and the benefits of rural life encourage women to continue to visit their homes, ownership, stable livelihoods, and safety are strong incentives to stay in Baidoa Town, as are the better services (education, water, healthcare, etc.).

Insecurity, long distances, limited access to transportation, and poor road quality—especially during rainy seasons—inhibit rural connections, as do the costs of mobile airtime and charging. Notably, ‘rural’ is a relative term. The hinterland, including Awdiinle and Gofgaduud, which link Baidoa Town to rural and international markets, is relatively easier and safer to access than more distant locations.

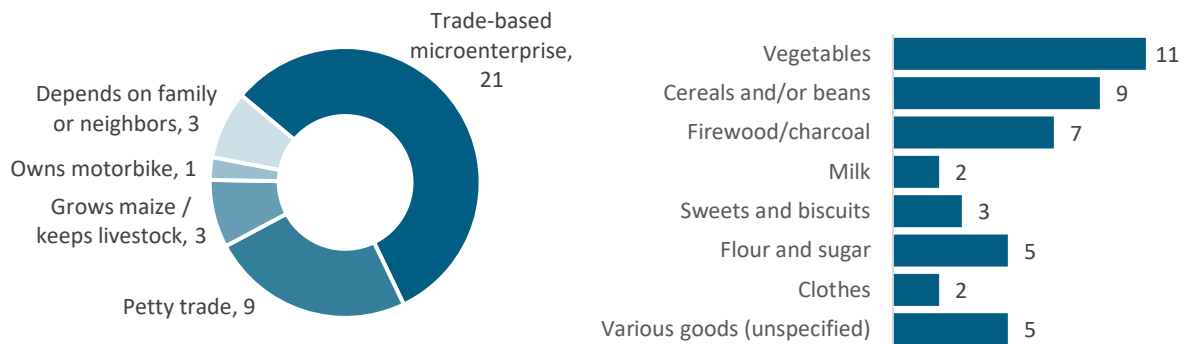
3.4 Livelihoods

Previously farmers or pastoralists, most of SHG members now earn their livings through micro-enterprises like grocery shops and petty trade, as shown in Figure 3. They primarily sell goods like vegetables, cereals, and firewood/charcoal, which have low barriers to entry, low operating costs, and continuous demand from local households but yield poor profit margins. “I sell products that are basic commodities and are needed by almost every family on a daily basis,” explained one woman selling vegetables out of her home.

[Atlas: Somalia;](#) REACH. 2019. [Somalia - Market Feasibility Study: Baidoa;](#) REACH and OCHA. 2017. [“Somalia: Baidoa IDP Settlement Assessment;”](#) UN-HABITAT. 2023. [Baidoa City Strategy.](#) Francesco Tonnarelli and Nick Maddock.

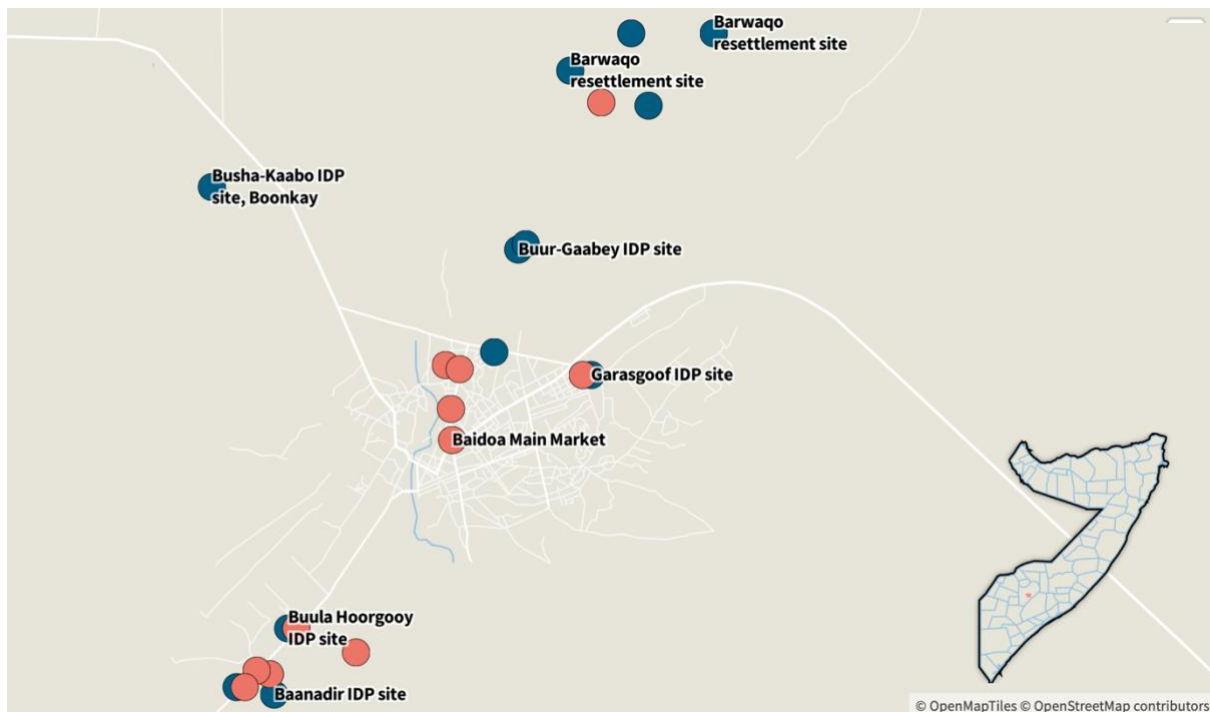
While few have multiple income streams, several sell a mix of ‘rural’ goods produced in the surrounding area and ‘imported’ goods such as *bagaash* (imported food items like rice, flour, pasta, sugar, salt), powdered milk, cosmetic products, soaps/detergents, clothing, and shoes. Some draw on knowledge from their rural origins or purchase goods from markets or suppliers in rural areas. Some women DACs are more apt to change value chains based on market demand than others.

Figure 3. Livelihoods of women DACs, n=38 (left) and of those with trade-based livelihoods, goods sold, n=30 (right)



The SHG members view themselves as good traders, having innate business and financial management skills, marketing acumen, and resilience. The women are motivated by their dedication to providing for their children and other family members. Many work in or near their homes, where they can simultaneously care for their children, while others prefer operating in markets where they can access a broader or more preferable customer base. Figure 4 shows where the women live vis-à-vis markets where they work or from where they buy their inventory.

Figure 4. Locations of the SHG members’ neighborhoods (blue) and their direct market connections (pink) in Baidoa Town



Coordinates were collected during the field visits and were validated by cross-checking with public sources.¹⁶ However, some errors may exist. Locations should be considered as indicative. An interactive version is available [here](#). Note that some women also purchase directly from Awdiile and Gofgaduud, which are not pictured here due to scale.

¹⁶ Ibid.

The women DACs often started with very small capital investments from family or NGOs. Several of those with more stable and profitable businesses were able to scale up thanks to business grants of either \$42.50 or \$350 from NGOs via their SHGs. In addition to sharing business and market information, SHG members may encourage one another to join them in certain livelihoods; connect them to other market actors; guarantee their trade credit; and even work together in the same market.

One of the activity's participants, a milk vendor, shared her experience by saying, "When we lived in the village, camel and goat milk were essential components of our livelihood. It's a business I was very familiar with, and I decided to pursue it because I had prior knowledge about how to run it and the start-up costs were low. Some of my SHG members shared the prospects of selling milk in this location with me, and my husband gave me the first money I used to start the business, about \$0.25.... The women from my SHG were already operating in the market. They shared their experiences with me and acted as my guarantee. They referred me to their supplier—some of them have been his customers for a long time—and since I know them, this helps him to trust me... If it weren't for the SHGs, I wouldn't have the connection with my supplier or the broker or transporter, and I wouldn't be able to access trade credit." The women now all work together side-by-side in the same market.

While most of the SHG members are their families' primary income earners, only one-third view their livelihoods as being stable and only two-thirds regularly earn enough to meet their families' basic needs. The median weekly income of those with more stable businesses is US\$20, but the overall average, inclusive of women who gather firewood and rely on family for support, is likely much lower.

Mobile phones, owned by all of the women DACs participating in the activity, are essential business assets, enabling the women to contact their suppliers to check prices and market trends and to place orders. Mobile money allows them to pay for inventory, accept payment, and repay trade credit.

Women DACs who are strongly vested in their businesses prefer that any additional support be directed to those (for instance, through capital investments or access to loans to expand their shops and diversify products or business training) rather than incentivizing them to change course. While very few of the participants own smartphones, given barriers to basic mobile phone use, such as low literacy levels and costs of airtime and charging, investments in refrigeration and solar energy in markets may be more useful for the women.

3.5 Financial inclusion

The lack of access to start-up capital, loans, and financial services is seen by women DACs and local stakeholders as a major barrier. Midnimo Microfinance Institution (MFI) and Amal Bank have programs targeted to women IDPs, including *Qardu Hassan*, *Murabaha*, micro-financing, and others. These currently have limited reach but could potentially be scaled. Both financial service providers (FSPs) work with SHGs. Indeed, two SHGs in the study have accounts with Amal Bank, and these are slowly opening members' eyes to formal finance.

While the availability of and access to formal finance is very limited, half of the women DACs use *bakhaar*, or informal trade credit, by which they buy inventory on loan from suppliers and repay it once the products have been sold. This allows the women to run their businesses without significant capital investments, and they manage it carefully to ensure repayment. There are typically limits on how much the women can borrow, but none reported paying interest on this credit and several cited

that the terms of repayment can become more favorable as they build trust and loyalty with their suppliers over time or through referrals. Although they perceive trade credit as being as safe, fair, and effective, some of the women DACs reported that reliance on trade credit can limit their access to preferred suppliers. Financial service providers expressed concerns about trade credit, which cuts into their market share and can result in adverse consequences for borrowers due to its informal nature.

Box 1. Self-help groups in the study

Two of the SHGs were initiated by the women DACs, who mobilized themselves and their neighbors, with NGOs coming in later with training and other support. The other two were initiated by NGOs. All received very brief training on the SHG model and basic business skills. It is evident that the members valued these trainings and are making use of their learning. Members from three of the groups were provided cash grants by the NGOs, which had a significant impact but are not scalable using the current model.

The SHGs are set up following a standard structure but have significant flexibility to determine how they operate in terms of meeting frequency, contribution amounts, borrowing limits, and more. For instance, the monthly contributions range from US\$4-10 per person, although the group collecting \$10 noted that regularly dedicating this amount can be difficult for some members. Some groups have temporarily paused contributions during difficult periods. Joining the groups requires completing a multi-step screening process, and there may be certain restrictions or requirements for withdrawing savings and taking a loan. In the last year, between 3-10 members from each group withdrew a total of \$114-600 from their savings, and between 1-5 loans valued between \$35-400 were issued.

SHG members use their savings and loans as a safety net for personal and business emergencies and business investments. The groups offer more structure than borrowing from family or friends, another common practice. Beyond the financial benefits, SHG members encourage, educate, offer collective mentorship, share opportunities, and discuss market information with one another. They may act as guarantors for trade credit and connect each other with suppliers, transporters, and brokers. All four groups engage in community support activities together.

3.6 Challenges and achievements

Key informants highlighted the effects of the recent drought: depressing rural production, causing water scarcity, and increasing displacement, the latter of which has, in turn, further depressed rural production. These effects were exacerbated by a lack of pre-existing rural resilience, particularly in the form of basic services, which disincentivize people who have now been displaced from returning.

When the women DACs were asked what challenges they recently faced, few mentioned the drought directly, instead sharing their immediate concerns: not being able to earn enough to meet their families' basic needs and the continual risk of their businesses closing. These are, of course, influenced by the drought, but also by seasonal market dynamics, macro trends, changes in customer preferences, flooding—which wiped out the home and business assets of many of this study's participants during the co-creation workshop—and more.

While many key informants reported aid dependency of individuals, what was more evident in this study was the extent to which humanitarian cash assistance has prevented the collapse of the economy and continues to prop it up by sustaining purchasing power. (Though in some places, like Hudur, in-kind food assistance is artificially lowering demand in local markets.)

In addition to a lack of literacy and numeracy, limited capital, lending, business knowledge/skills, other business support services, social and market networks, and poor infrastructure are among the many limitations inhibiting the SHG members and other traders. Beyond their livelihood activities,

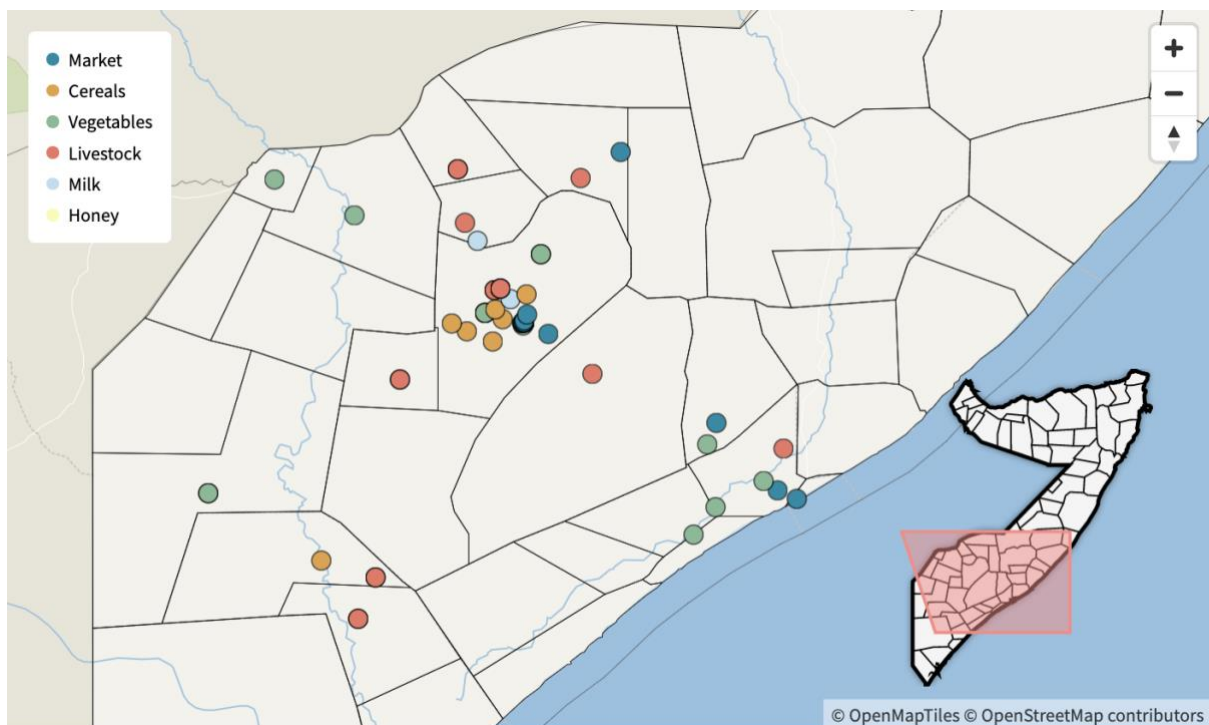
the women DACs reported concerns about the fragile state of the town’s security. They also shared concerns about safety in rural areas, which can prevent travel and create worry about family there.

The women’s greatest achievements include the ability to provide nutritious food, safety, and education for their children; land and home ownership; security and a sense of belonging in their communities; starting or continuing to operate their businesses; and saving.

3.7 Flow of goods between rural and urban areas

Figure 5 shows the locations—mostly rural, though some urban—that were identified through the research as having trade linkages with Baidoa Town.

Figure 5. Locations with trade linkages to Baidoa Town as identified through the desk review and field research



Some locations are associated with markets and/or multiple value chains, which are not fully depicted in the static version of this map. The interactive version, available at <https://public.flourish.studio/visualisation/15822609/> offers greater detail and nuance. This mapping is not intended to be comprehensive—indeed, large swaths of South West State are production centers—but rather a visual depiction of the linkages revealed by the research. Coordinates have been estimated based on publicly available maps¹⁷ and validated to the extent possible by Raagsan researchers based in Baidoa Town. They are intended to be indicative; some errors may exist.

In addition to these locations, as a result of the drought and urbanization, ‘rural’ goods are increasingly being sourced from nearby peri-urban areas. While ‘rural’ goods receive significant attention, ‘imported’ goods—brought in via Mogadishu, sold in Baidoa Town, and demanded in rural areas—are important parts of the rural ⇌ urban market system that are not often discussed or well-covered in existing literature.

While a few of the SHG members source their goods from their own rural areas or nearby Gofgaduud and Awdiinle markets, most buy inventory from wholesalers or retailers in Baidoa Town. Most use one supplier, placing a premium on loyalty and trust, central in Somali culture, which facilitate

¹⁷ Ibid.

ongoing relationships and access to trade credit. All reported good relationships with their suppliers, who they feel offer quality products at fair prices.

Transporters, especially *bajaaj* (rickshaw) and motorbike drivers, move both people and goods between rural and urban areas as well as within Baidoa Town. The women DACs' customers primarily consist of their neighbors and people visiting from rural areas, for instance, to sell their own goods in the markets. While some women have a localized monopoly on the goods they sell, the rest have supportive relationships with their competitors, some of whom are fellow SHG members who share suppliers, transporters, and/or brokers.

3.8 Market systems resilience mapping

Figure 6 depicts the rural ↔ urban market system, including the relationships between actors along the rural ↔ urban chain, important service providers, and the market environment.

Synthesis inspired by USAID's Market Systems Resilience Assessment (MSRA) framework suggests that there is a divergence within most dimensions of market systems resilience capacity.¹⁸ For example, some aspects of connectivity are very strong, facilitated by Somali culture's emphasis on cultivating strong relationships and by the mobile network, while others are greatly lacking, notably the road network and insecurity.

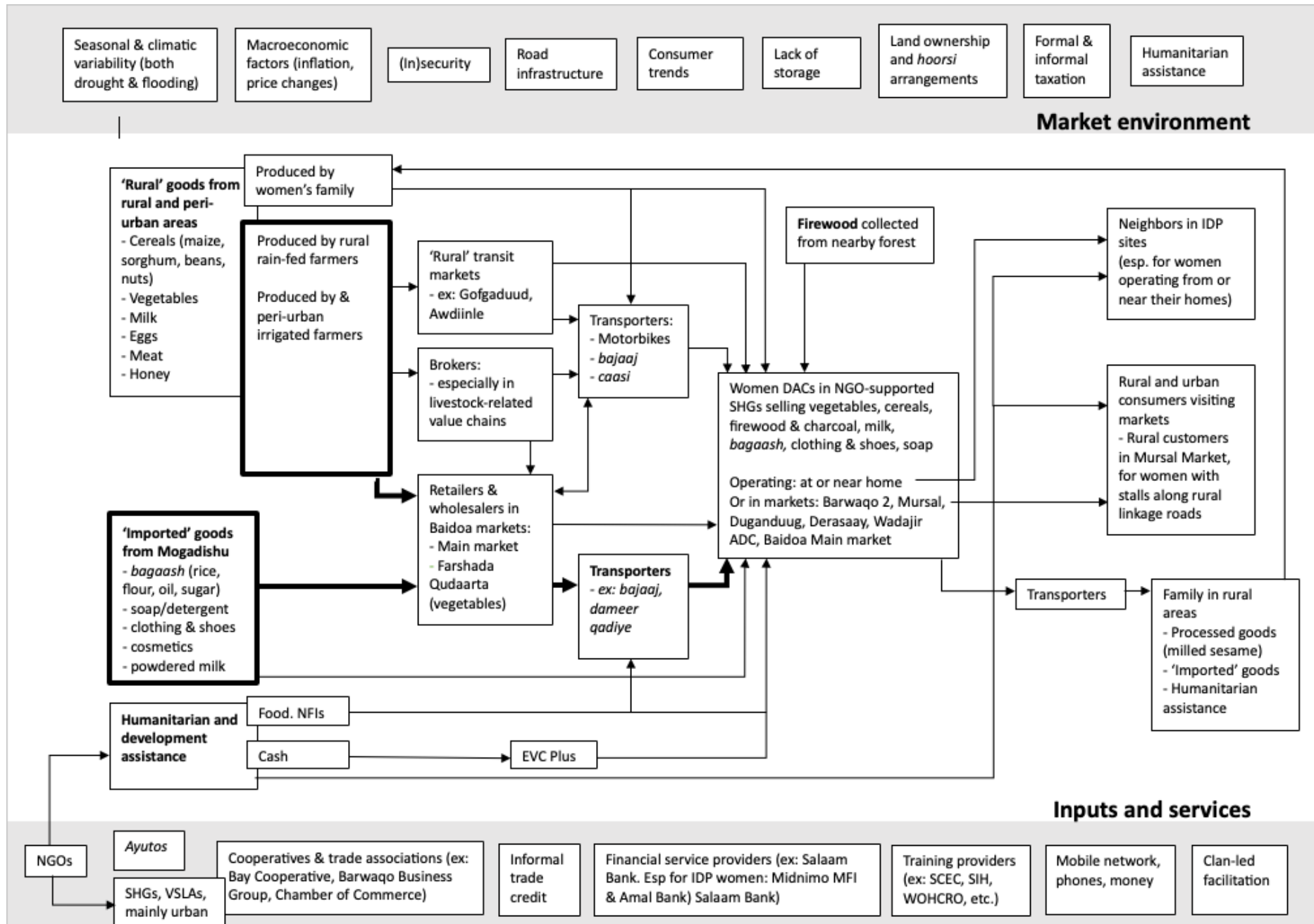
Similarly, in terms of diversity, while the system as a whole engages in bi-directional trade and traders themselves often sell goods from both the rural → urban and urban → rural chains, there is limited value addition, meaning that most traders sell similar goods. and traders often focus on selling common goods used on a daily basis by Somali households rather than unique products that are distinguished from others available in the market.

While formal rules, regulations, and taxation are fairly limited, especially for smaller traders like the SHG members, and insecurity is a concern, most participants agreed that the informal system operates fairly well, with apparent equality and fairness and high levels of trust. Still, given the prevalence of trade credit, personal borrowing, and a culture of mutual support, the entire rural ↔ urban economy is highly leveraged against itself, meaning that the impacts of economy-wide shocks can rapidly ripple across the system both through trade and personal networks.

Further discussion of the rural ↔ urban market system is available in the accompanying [Mapping Rural ↔ Urban Linkages](#) report.

¹⁸ Connectivity, diversity, power dynamics, rule of law, cooperation, competition, decision-making, and business strategy.

Figure 6. Flow of goods between rural and urban areas in South West State, centered on women DACs in Baidoa Town



4 Co-created solutions and additional recommendations

The activity generated five proposed solutions, developed through the co-creation workshop and informed by the research findings, that have the potential to improve the lives, livelihoods, and incomes of women DACs in Baidoa Town. These suggested concepts all interlink and reflect the needs, preferences, and aspirations of women DACs as well as local market dynamics. They are intended to offer a foundation upon which the Scaling Solutions in Somalia Project can build.

It is recommended that full implementation of these concepts be carried out over five-to-seven years to accommodate the extent of innovation needed and the time required to build trust, develop relationships with and gather buy-in from partners and the private sector, and allow for a large enough scale-up to make a notable dent in the displacement crisis. It is suggested that the Scaling Solutions project prototype and pilot selected aspects and/or first steps of each concept in its remaining two years and partner with other organizations that have expressed interest in similar solutions to expand its influence and ensure the pilots are built on, replicated, scaled, and sustained in future years. The concepts are presented below and are further detailed in Annex 2.

The five concepts

Enhancing access to financial services

None of the solutions will be possible without improved access to financial services, which are needed to improve the financial inclusion, financial literacy, and independence of women DACs; increase participation of women entrepreneurs in economic activities; and promote gender equality.

While capital grants have proven to be impactful—indeed one of the only ways many women DACs have access to the funds needed to start or expand their businesses—the current NGO-dependent model is not sustainable. While this model can be employed in the short term for quick wins, the activity proposes a phased approach to transition women toward using formal financial products and services including loans, savings, insurance, and mobile banking. This requires significant investments in developing partnerships with other organizations looking to improve financial service access for vulnerable populations and FSPs; increasing information-sharing, awareness, and trust between women DACs and FSPs; and envisioning and prototyping innovative financial products and services.

Both Amal Bank and Midnimo MFI participated in the research and co-creation workshop and have existing programs in place tailored to women DACs. Working with them to ensure these products meet women DACs' needs, are well-advertised to and understood by women DACs, and can scale up to reach more people may be a good place to start. The remaining concepts involve establishing cooperatives, which can be partnered with these FSPs through programs similar to the ones they are implementing with savings groups.

Another valuable path would be to engage with these and other FSPs, other interested stakeholders, a group of women DACs, and financial innovation experts to explore opportunities for new products tailored to this customer segment. Training of women DACs on financial literacy, available services and requirements, supplier negotiations, inventory management, and credit is strongly recommended. Given the women DACs' exposure to personal, business, and economy-wide shocks, a social safety net program should be included in this solution.

Promoting women DACs' opportunities in agricultural value chains

Value addition is limited in the local economy though processed goods like Somali porridge, *soor*, *anjero*, flour, oil, and packaged peanuts are consumed by local households daily and yield better profit margins than goods that women DACs typically sell. Establishing women DAC-led cooperatives

for cereal (wheat, maize, sorghum, millet) processing, oil pressing, and peanut packaging is proposed to reduce the market gap in small-scale milling capacity, improve market availability of fortified cereals to enhance food security and nutrition, and empower women DAC entrepreneurs through improved incomes and social capital.

Proposed activities in year one include facilitating cooperative formation; providing training in business management, cereal processing, and financial literacy; and linking groups to microfinance and other creative financing options to enable equipment procurement. In year two, the cooperatives can be encouraged to diversify their products, expand to new or preferred markets and new customer bases such as restaurants and hotels, negotiate improved supply contracts, and more. They can also be linked with women DAC-owned grocery shops promoted under one of the other concepts. Once there has been initial learning and experience from the first pilots, the concept can be replicated or adapted in other neighborhoods. Long-term plans focused on the growth, sustainability, and financial resilience of the cooperatives should also be incorporated.

Key partners include local NGOs, agricultural extension services, microfinance institutions, and private-sector food companies. Risks to monitor include market volatility, supply chain disruptions, and climate events impacting crop yields.

Empowering women DACs through urban farming cooperatives

The research and co-creation processes both revealed strong demand among women DACs for productive land with good soil to farm, as kitchen gardens have had mixed results. Establishing urban farming cooperatives with collective access to larger plots of land to grow staples, vegetables, and/or cash crops as well as infrastructure and resources for agricultural production would enable them to use their rural skills in their new contexts, enhance food security, allow them to pool their resources and knowledge, and promote social capital.

Proposed activities include identifying land and rental or purchase requirements, mobilizing potential cooperative members, facilitating registration and governance structure formation, developing innovative and sustainable financing linkages with microfinance institutions providing small agricultural loans, connecting women with agricultural extension services, conducting training in agricultural and cooperative management practices, and establishing partnerships with local businesses, markets, and NGOs. The cooperatives could be linked with the grocery shops and cereal processing cooperatives promoted through other concepts in this activity and/or linked with restaurants and hotels and other customer markets.

As the cooperatives mature, they can be nurtured and expanded, empowered to purchase—possibly through innovative financing mechanisms developed under the related concept—useful assets, enabled with advanced skill-building, and connected with larger or more preferable markets.

Key partners include local government agencies, NGOs focused on community development and livelihoods, and microfinance organizations. Risks requiring mitigation revolve around funding constraints, land access barriers, and long-term profitability challenges.

Facilitating business diversification and expansion

This concept involves transforming the businesses of women DACs who run small-scale trade and micro-enterprises such as grocery shops into more profitable and sustainable livelihoods through comprehensive training, mentorship, and coaching in business skills and financial management; improved access to markets and financing; tailored business development plans; and expanded networks. This could collectively be implemented through a business incubator, suggested by one key informant during the research. The concept intends to increase women's incomes to above the

poverty line, build sustainable trade-based livelihoods resilient to market fluctuations, and promote financial independence.

Several activities can be implemented in the first two years and could include a pilot with women DACs and others from the network developed under this activity. At the same time, given the low level of literacy and numeracy, business training, and skills; limited networks of women DACs; the time required to build relationships and trust; and the many persistent and recurrent challenges women DACs face, finding a way to continue to work with selected women through a holistic, long-term approach over three or more years is strongly recommended. Over time, the women can develop more skills, expand their market linkages, and gradually transition towards formal financial services. Likewise, the number of women reached can be scaled up, perhaps through a training-of-trainers type model via which participants in the first cohort mentor and coach subsequent cohorts.

Key partners include microfinance institutions offering financial literacy programs and financial services tailored to women DACs; training organizations and innovation centers; NGOs assisting with training and community mobilization; government agencies providing policy alignment; and private sector actors enabling supply chain integration, networking, and mentorship opportunities. Risk management will revolve around ensuring responsible fund usage, adapting to dynamic market conditions, and building business management capacities.

Empowering women DACs through multi-functional spaces

This cross-cutting concept proposes creating a multipurpose center in Baidoa Town that would serve as a child-friendly space, offer childcare and early childhood education, serve as a home for a business incubator, include space for vocational training and other adult education courses, and host community events and women's group gatherings. The center could serve as the hub of a network of stakeholders interested in enhancing women DACs' opportunities, as recommended by some key informants who suggested creating platforms to expand women DACs' networks with wholesalers, retailers, transporters, brokers, input suppliers, employers, restaurants and hotels, FSPs, trainers, government, donors, NGOs, and successful DAC businesswomen who can serve as mentors. It could also include office or workshop space for businesses to rent. For instance, it could host a fashion design shop where women could learn tailoring skills and produce clothing sold locally and to rural areas, where there is demand for such items. Other rural↔urban connections could be encouraged.

The multipurpose center would address key barriers faced by women DACs, especially the lack of childcare support, by enabling working mothers to participate in income generation while their children receive attentive and appropriate care. It would likewise offer numerous opportunities for women entrepreneurs to become better equipped to manage their businesses, support their economic independence, and offer networking among individual women as well as among SHGs.

While women DACs expressed unwillingness to pay for childcare, some may be convinced of the value of paid childcare over time. Other revenue streams could come from shop sales, facility rental fees, education program charges, or creative partnerships with FSPs and other local businesses.

Implementation would involve identifying an acceptable space—perhaps an existing building to rent for the pilot, later moved to a larger or custom-built space. It also requires network formation—possibly using the network developed by this activity as a basis, staff recruitment, equipment procurement, and community integration. It should be integrated with the other concepts.

Key partners range from local government, NGOs, and funding agencies to microfinance institutions, private-sector actors, and innovation hubs. Risks requiring mitigation include funding constraints, operational challenges, and ensuring cultural alignment and community buy-in.

Additional recommendations

Prevent the collapse and strengthen the resilience of rural↔urban market systems

Aside from the above concepts, the research strongly indicates a need to carefully transition the economy from reliance on humanitarian aid back to normal market dynamics, as a rapid withdrawal is likely to have unexpected indirect effects. Basic services and production in rural areas must be improved to reduce future displacement.

While improving access to finance for women DACs is included in the concepts above, the research also recommended exploring opportunities to expand financial and training services to rural areas, as well as value chains and actors along the rural↔urban chain that are currently excluded or overlooked. Investigating innovative financing models in partnership with FSPs and other interested stakeholders is greatly needed, for instance, exploring how to integrate formal and widely-used informal financing to prevent future whole-economy shocks from rapidly cascading through the highly leveraged rural↔urban system.

In general, it is suggested that market systems stakeholders broaden the focus from rural production to consider the rural population as consumers, exploring investments and partnerships related to the urban→rural flow of goods (i.e., imported goods and value addition). Adopting more nuance by differentiating between different 'rural' areas, for instance, based on geospatial characteristics, may help identify opportunities for quicker wins or low-hanging fruit, for instance, new 'rural' solutions can be piloted within Baidoa Town's hinterland and gradually expanded to the rest of rural Baidoa District and other districts.

Final recommendations include:

- **Strengthening local municipalities to deal with intractable challenges** like insecurity and poor road infrastructure that inhibit the rural↔urban economy as a whole. Completing the Barwaqo market and road linkage to Baidoa's main market, and improving public transit.
- **Layering NGO programming is effective but expensive. Donor-led programming should move toward longer-term projects that allocate sufficient time** to build trust, establish loyalty in market/private sector relationships, and account for the challenges and constraints DACs face.
- **Adopting trauma-informed approaches to all activities** and providing psychosocial support & counseling.

Annex 1. Methods

The following information supplement that provided in Section 2. In addition to the primary question, the following questions guided the activity and associated reports.

Table 1: Key research questions

Objectives	Guiding questions
O1a. Profile IDP women in self-help groups	<ul style="list-style-type: none"> ▪ What are the daily lives of IDP women and girls in SHGs with a focus on their market linkages and remaining connections to rural areas and in the context of the ongoing drought? Especially those who have recently fled, experienced forced eviction, are “stuck,” or have been resettled in Barwaqo (and are there other archetypes represented in the savings groups that are not addressed by the existing personas, such as IDPs living in host communities)?¹⁹ ▪ In particular, what are their social and human capital, skills, activities & livelihoods/income, market & financial inclusion and linkages, access to humanitarian services, protection issues, goals & aspirations, pain points, plans for the future, etc.?
O1b. Profile and Role of SHGs	<ul style="list-style-type: none"> ▪ How did the SHGs form, how are they structured, and how do they currently operate? ▪ How do women’s savings groups contribute to their members' and communities' financial inclusion, empowerment, and social and human capital? ▪ To what extent are savings groups connected with the market system? ▪ What opportunities and barriers do savings groups face?
O2. Drawing from these women’s experiences and other inputs, map rural-urban linkages	<ul style="list-style-type: none"> ▪ What are the main urban-rural linkages (in terms of flows of people, information, money, value chains/commodities, etc.)? ▪ What specific economic sectors or market systems shape these linkages? ▪ What are the roles and responsibilities of IDP women and girls in these rural-urban linkages and market systems? What are the main barriers to their inclusion? What characteristics lead to the successful inclusion of DACs, particularly women? ▪ How has the drought impacted these rural-urban linkages and market systems? To what extent have they demonstrated resilience? ▪ How are these markets and rural-urban linkages expected to grow, shift, or change? <ol style="list-style-type: none"> a. Are there opportunities to leverage urban-rural linkages or market growth areas for improved social capital, livelihoods, and incomes for women? b. What incentives or interventions could reduce barriers to or otherwise increase the inclusion of women in market systems, especially if organized in groups? [NA]
O3. Co-create proofs of concept for sustainable, market-led, and enterprise-based solutions	<p>Using human-centered design approaches to improve social capital and livelihood opportunities and protect, stabilize, and grow incomes of women DACs (potentially building off rural-urban connections) together with the SHG members and other stakeholders.</p> <ol style="list-style-type: none"> a. What opportunities exist to support women’s SHGs to generate more sustainable livelihoods for members, resilient markets, DAC communities, and the rural-urban continuum? b. What opportunities exist for connecting and replicating/growing the number of saving groups across rural and urban contexts, facilitating cross-context collaboration and pollination?

¹⁹ As based on the Scaling Solutions Project’s personas; see Annex 3 of the *Women’s Lives, Livelihoods and Linkages* report for details.

Inception

In preparation for this activity, Danwadaag and BRCiS commissioned a literature review on the activity's main themes.²⁰ The Untethered Impact team built on this with a further desk review, included in the activity's inception report,²¹ that identified existing market mapping assessments, detailed their findings, and ensured that the activity was designed to make a unique contribution to the collective knowledge base.

Two members of Raagsan spearheaded a scoping exercise in Baidoa Town from July 1-4, 2023 to gain a better understanding of the profiles of the women in the SHGs selected by BRCiS and to inform the final design of the main field phase of the study. Findings from the scoping study are available in the activity's inception report.

Sampling

BRCiS bounded the scope of the activity to focus on NGO-funded IDP women-only SHGs, rather than those that were informal or that included men or host community members. BRCiS identified four of these groups through their existing network (two supported by Concern World Wide and two by IOM). Two of the groups are located in Barwaqo and two are in IDP sites in Horseed, in the northern part of Baidoa town on the main road to Barwaqo. Two of the groups have 15 members each and the other two have 10 each, for a total of 50 members.

As noted in Section 2, two rural locations were purposefully selected to provide insights into different types of rural connections: Awdiinle, located approximately 30km west of Baidoa Town within Baidoa District, and Hudur, located 130km to the north in Hudur District, Bakool Region.

This sampling strategy was in line with the exploratory nature of the activity, which was focused on conducting a rapid deep-dive into the nuanced experiences and perspectives of a small number of women and their connections to inform the next two years of programming. This was a purposeful trade-off to conducting a wider, more representative study which would have been restricted to a shallower level of exploration given the available resources.

Interviews

This report draws on 71 separate interviews and discussions conducted with 79 participants as part of the research phases of the overall activity. This included participation of 39 SHG members from 4 women IDP-only SHGs (2 in IDP sites and 2 in Barwaqo) across various and, in some cases, repeated touchpoints; interviews with 22 traders, transporters, brokers, and producers; and interviews with 18 key informants.

²⁰ Danwadaag and BRCiS. 2023. [Literature Review – Scaling Up Durable Solutions and Increasing Resilience for Internally Displaced Somalis](#). USAID.

²¹ Spencer and Yusuf. August 2023. "Inception Report. Mixed approach learning consultancy: Understanding livelihood-related urban-rural connections for women from Displacement Affected Communities in South-West State of Somalia." BRCiS, Danwadaag, and USAID.

Table 2: Interviews and participants

Type	Participants/ description	Details	Data collection tools	#
FGDs	IDP women members of SHGs	5 women from each of 4 SHGs (2 in IDP sites and 2 in Barwaqo) participated in 2 sets of participatory, workshop-style FGDs (1 during scoping and 1 during the main field phase). The scoping FGD introduced the women's livelihoods, market and rural connections, challenges and opportunities, goals and aspirations, and experiences in savings groups. The main FGD concentrated on their experiences in the SHGs, their networks, and the broader market system in which they operate.	Scoping: FGD checklist #1, member registration form #1 Main field phase: FGD checklist #2, member registration form #2	8 FGDs including 20 women ²²
IDIs	Holistic IDIs	Half-to-full day participatory, in-depth interviews with women IDP members of SHGs in their homes	Holistic IDI semi-structured questionnaire	9
	Market IDIs	Full day participatory, in-depth interviews with women DAC SHG members in their businesses	Market IDI semi-structured questionnaire	10
Market KIIs	Rural and urban traders	Scoping: 6 traders across various value chains	Semi-structured questionnaire with traders	6
		Wholesalers and retailers in main market (Baidoa), Barwaqo, Awdiinle (rural/peri-urban), and Hudur (rural), covering a range of value chains	Semi-structured questionnaire with market actors	10
	Producers	Producers selling directly to customers		2
	Rural linkage actors	Transporters and brokers	Semi-structured questionnaire with transporters and brokers	4
KIIs	SHG Chairladies	Chairladies from each of the target SHGs	Chairlady semi-structured questionnaire	4
	Financial service providers	Amal Bank, Salaam Bank, Midnimo Microfinance Institution	FSP semi-structured questionnaire	3
	Training centers	Somali Centre for Education and Consultancy (SCEC), South West Innovation Hub (SIH), Women Health Care and Relief Organization (WOHCRO)	Training organizations semi-structured questionnaire	3
	Cooperatives & trade associations	Bay Cooperative, Baidoa Chamber of Commerce, Barwaqo Business Group	Private sector organizations semi-structured tool	3
	Organizations supporting SHGs/VSLAs	Scoping: IOM	Scoping program team semi-structured questionnaire	1
		Main field phase: Concern World Wide, ACTED	Main field phase program team semi-structured questionnaire	2
	Other humanitarian actors	Protection Cluster Coordinator	Protection semi-structured questionnaire	1
Government	SWS Ministry of Women, SWS Ministry of Commerce, SWS IDP Commissioner, Mayor/District Commissioner of Baidoa	Government actors semi-structured questionnaire	4	
	Bondhere Savings Group Hub, Mogadishu	Bondhere Hub represents the outcome of a similar project undertaken in Mogadishu		1

* Despite repeated attempts, the research team was unable to contact and interview Dahabshiil and Hormuud Telecom at either their Baidoa office or Mogadishu headquarters.

²² Only 19 women were able to participate during scoping, but 20 participated during the main field phase.

Field data collection

The main research phase adopted a predominantly qualitative approach, although some quantitative data was collected and extracted from the qualitative findings. Most of the data collection tools were designed as semi-structured checklists focused on eliciting as much information as possible on numerous topics and imposing minimal restrictions and assumptions. The research was fielded by Raagsan's team of Mogadishu and Baidoa-based researchers in the Maay dialect, the preferred language of most respondents, from September 9-28, 2023, with some interviews followed up through mid-October.

Data cleaning and analysis

The information gleaned from the field data collection went through two rounds of cleaning and two rounds of analysis. These included 1) an initial data management exercise accompanied by, for selected sub-samples, narrative synthesis and 2) a subsequent analysis that included calculation of summary statistics and qualitative thematic synthesis. The findings from each data collection tool were triangulated thematically.

Annex 2. Concepts envisioned through the co-design workshop

Concept 1: Promoting women’s opportunities in agricultural value chains

Overview	Project rationale	Objectives
<p>This concept focuses on enhancing the participation of Women DACs in the agricultural value chain in Somalia. It targets local production and processing of staple cereals (wheat, maize, sorghum, millets) and packaging of peanuts in peri-urban and suburban areas. The aim is to bridge the gap in small-scale milling and promote fortified cereals, thereby supporting local economies, empowering women entrepreneurs, and improving food production and market access.</p>	<p>Staple cereal consumption is important to the Somali communities both culturally and economically. According to a comprehensive report by the IMF,²³ cereal consumption accounts for nearly one-quarter of Somali households’ total food expenditure.</p> <p>If implemented, this project addresses the market and nutritional gap by adding value to locally consumed staples like <i>soor</i> and <i>anjero</i> through processing and fortification.</p>	<ul style="list-style-type: none"> • Increase women’s participation in the cereal value chain by empowering them in value addition and processing. • Enhance local food security and nutrition by promoting fortified cereals. • Develop and sustain women-led cooperatives in cereal processing and packaging.

Implementation strategy
Year 1
<p>Market research and community engagement</p> <ul style="list-style-type: none"> • Conduct comprehensive market research to understand local consumer preferences and demand regarding fortified and processed cereals. <p>Formation of women-led cooperatives</p> <ul style="list-style-type: none"> • Identify and mobilize potential women DACs through saving groups to join cooperatives. • Provide technical support to the established cooperatives for registration and establishment of governance structures, including leadership roles and decision-making processes. • Provide technical support to the cooperatives on how to develop cooperative bylaws and operational guidelines. • Partner with microfinance institutions to provide access to credit, savings, and insurance services. • Develop financial literacy programs to assist women in effectively managing and investing resources. <p>Capacity building and skill development</p> <ul style="list-style-type: none"> • Conduct training sessions in the following skills: business management, cereal processing techniques, and financial literacy. • Provide specialized workshops on market analysis, product development, and quality control. <p>Procurement and distribution of equipment</p> <ul style="list-style-type: none"> • Link cooperatives with MFIs that support group-based asset financing to help the cooperatives procure essential equipment, such as vacuum packaging machines for peanuts and milling machines for cereals.

²³ International Monetary Fund. 2022. [Somalia: Selected Issues](#).

Year 2: Scaling up

- Introduce new cereal products and diversify offerings based on market research.
- Develop strategies for accessing broader markets, including urban centers and export opportunities.
- Link cooperatives to organizations supporting value addition to provide advanced training in emerging cereal processing technologies and business expansion strategies.
- Develop long-term business plans for each cooperative, focusing on growth and sustainability.
- Implement financial models and revenue streams to ensure the longevity of the cooperatives.
- Partner with microfinance institutions like Amal, Midnimo, and Gargaara to provide small loans to the cooperatives. These loans can be used to purchase equipment, invest in business expansion, or cover operational costs.
- Implement a system of membership fees for cooperative members, which can contribute to the operational fund.
- Establish SILC groups within the cooperatives where members can save money and borrow from this pool at a low interest, which is then reinvested in the group.
- Reinvest part of the profits back into the cooperative's activities.
- Collaborate with private companies for supply chain integration. This can include contracts for consistent supply of raw materials to larger agro-processors or retailers.

Participants	Implementing partners	Risks
<ul style="list-style-type: none"> • Women DACs, youths, and poor women from the host community. • Women's groups and cooperatives actively involved in cereal processing and packaging benefit from capacity building, access to resources, and opportunities for entrepreneurship. • The local economy benefits from increased economic activity generated by the cooperatives, potentially leading to job creation and increased incomes. 	<ul style="list-style-type: none"> • Local NGOs • Government or non-governmental agricultural extension services • Microfinance institutions • Government agencies • Private sector actors can open opportunities for market linkages and value chain development. Partnerships with businesses involved in food processing and distribution can be mutually beneficial. 	<ul style="list-style-type: none"> • Market volatility. Price fluctuations and consumer preferences can harm cooperative profitability. • Supply chain disruptions. Raw material shortages, machinery breakdowns, or transportation issues may disrupt production. • Climate events like droughts or pests can reduce crop yields and product quality.

Concept 2: Empowering women DACs through urban farming cooperatives

Overview	Project rationale	Strategic objectives
<p>This concept aims to promote urban agriculture by forming cooperatives that will manage urban farming activities, create income-generating opportunities, and promote social capital and empowerment through cooperative management. It also includes the legal formation and registration of these cooperatives.</p>	<p>Women DACs face significant challenges in agriculture, particularly due to limitations in land tenure and financial resources. Advocating for urban farming through cooperatives offers a viable solution to these challenges. Unlike individual gardens, which are constrained by land ownership and scale, cooperatives allow for collective access to land. This approach is particularly beneficial for IDPs who lack individual land rights. Cooperatives also enable the pooling of resources, significantly reducing the financial burden on each member. They can collectively afford seeds, equipment, and other farming necessities, which might be out of reach individually. Organizing members into cooperatives also fosters knowledge and skill sharing, which is invaluable for members who may not have had agricultural training to learn from those who participated in agriculture before displacement. The collective nature of these enterprises also enhances the women's bargaining power in the market, allowing for better prices for both inputs and produce.</p>	<ul style="list-style-type: none"> • Empower Women DACs and communities through income-generating urban farming cooperatives. • Enhance food security and self-sufficiency through sustainable urban agriculture. • Promote social capital and community empowerment through cooperative management.

Implementation strategy
Year 1
<p>Formation of women-led cooperatives (standard processes for all cooperative-based solutions)</p> <ul style="list-style-type: none"> • Identify and mobilize potential women DACs interested in participating in urban farming through saving groups to join cooperatives. • Provide technical support to the established cooperatives to register them and establish governance structures, including leadership roles and decision-making processes. • Provide technical support to the cooperatives on how to develop cooperative bylaws and operational guidelines. <p>Development and linkage to sustainable financing options</p> <ul style="list-style-type: none"> • Link the cooperatives to MFIs that have packages that can provide small loans to women DACs to cover the initial costs of setting up urban farms, such as purchasing seeds, tools, and other necessary equipment. Understanding the unique challenges and cash flow patterns of urban farming, MFIs can offer flexible repayment plans that align with the harvest and sales cycles of the farm. • Explore the potential for MFIs to develop specific financial products suited for urban agriculture, like micro-leasing for farming equipment or value chain financing. • Explore the potential for MFIs to connect borrowers with structured markets such as contract farming as security for these loans. The payments can be channeled through banks, which can deduct the agreed premiums and channel the excess to the cooperative account.

- Explore the potential for MFIs to offer microinsurance products tailored to agricultural activities can help women DACs mitigate risks associated with urban farming, such as extreme weather conditions or pest infestations.

Setting up the urban farms

- Provide education and training in both agricultural practices and cooperative management. This will equip the women with the necessary skills in farming techniques, financial literacy, and organizational management.
- Identify and secure suitable land for urban farming.
- Provide legal support to navigate the processes required to ensure the cooperative is legally registered and operates within the local legal frameworks.
- Develop a comprehensive financial plan that includes initial start-up costs, ongoing operational expenses, and revenue projections. Explore various funding sources linking the cooperative to MFIs to enable them to procure essential resources such as seeds, tools, and other farming supplies.
- Establish partnerships with local businesses, markets, and NGOs such as WFP and others that procure from farmer cooperatives to source for stable markets for produce, offer additional resources, and give access to broader support networks.
- Develop a marketing plan to promote the cooperatives’ produce. This includes identifying potential buyers, setting competitive prices, and exploring various sales channels such as local markets, hotels/restaurants, women DACs’ shops, or direct-to-consumer sales.

Implement a system for monitoring and evaluating the cooperatives’ performance. This should include tracking financial health, agricultural productivity, and member satisfaction.

Year 2: Business development

- Support the cooperatives in holding an annual review of the performance of the urban farms, considering financial performance (loan repayment), yield, profitability, and market demand.
- Based on the findings, collaboratively develop a comprehensive expansion plan complete with costed farm expansion strategies, which may include increasing the cultivation area, introducing new crop varieties, or introducing commercial livestock rearing.
- Provide technical guidance to the cooperatives on how to develop plans for expanding the cooperatives' market base (local restaurants, grocery stores, schools, hotels, and restaurants to secure consistent sales channels).
- Link cooperatives to CSOs and NGOs that provide training to cooperative members in effective marketing, branding, and packaging to make their products more appealing to customers.

Participants	Implementing partners	Risks	Considerations
<ul style="list-style-type: none"> • Women DACs and community members are involved in cooperatives. • Local communities benefit from increased food security. 	<ul style="list-style-type: none"> • Local government agencies for legal support and land acquisition. • NGOs with expertise in agriculture and community development. • Government agencies supporting IDP integration and livelihoods. 	<ul style="list-style-type: none"> • Insufficient funding for cooperative formation and training. • Challenges in securing suitable urban farming locations. • Sustainability and profitability issues for cooperatives. • Limited market access for cooperative produce. 	<p>Collaborating with the members of the cooperative to find appropriate locations close to the urban areas but not within IDP camps to put up the farms (We recommend that the land be situated outside Barwaqo)</p>

Concept 3: Supporting business diversification and expansion

Overview	Project rationale	Strategic objectives
<p>This concept focuses on uplifting the economic status of women DACs in Baidoa Town by enhancing their existing small-scale trade businesses. The core of the project is to transform the current trade practices, mainly revolving around grocery shops and petty trade, into more profitable and sustainable enterprises. This transformation is critical given that a significant number of these women are currently unable to meet their families' basic needs despite being engaged in trade activities.</p>	<p>The rationale for this concept is anchored in the need to economically empower women DACs in Baidoa Town, many of whom—despite existing support from various humanitarian, development, and government initiatives—continue to earn below the World Bank's international poverty line of US\$2.15 per day. The proposed intervention considers the local context and preferences of these women, many of whom have transitioned from rural agro-pastoralist backgrounds to urban trade. It aims to enhance and diversify its existing trade-based microenterprises, particularly grocery shops selling everyday essentials like vegetables, cereals, and various imported goods. Recognizing the low-profit margins yet continuous demand in their current trades, the project seeks to build sustainable livelihoods by improving profitability and business resilience amidst the market volatility and economic shocks common in Baidoa.</p> <p>This approach respects the women's desires to continue developing their trade-related businesses, building upon their existing skills and investments rather than diverting them into new, unfamiliar endeavors. The long-term strategy encompasses not only immediate business enhancements but also includes comprehensive training in business skills and financial management, coupled with the establishment of saving groups or cooperatives, leading to a sustainable model of revolving funds. This holistic approach is designed to uplift the economic standing of these women, thereby improving their quality of life and that of their families in a sustainable and community-respected manner.</p>	<p>To increase the profitability of women-run shops.</p> <p>To enable women to improve their quality of life through enhanced income.</p> <p>To build resilience in business against market fluctuations.</p>

Implementation strategy
Year 1
<p>We propose that the intervention starts with comprehensive training programs in the first year, covering essential business skills, financial management, and strategies to build resilience against market fluctuations. The training would equip the women with the necessary tools and knowledge to navigate the challenges of running small-scale businesses in an urban environment, a significant shift from their previous agro-pastoralist lifestyles.</p> <p>Identification of the women DACS</p> <ul style="list-style-type: none"> • Begin by first identifying a certain number of women that can be used in the pilot phase. We propose using women who participated in the Scaling Solutions research and HCD component or those affiliated with the participating SHGs.

<ul style="list-style-type: none"> • Contact chair ladies of the identified savings groups and collaborate with them to select women who have expressed a desire to expand or diversify their businesses. <p>Development of a holistic business development training package</p> <ul style="list-style-type: none"> • Based on the findings of the in-depth analysis of women’s current business operations, challenges, aspirations, and specific expansion or diversification goals conducted during the research and HCD component, develop comprehensive training packages to amplify strengths, address gaps, alleviate challenges, and explore opportunities. • Offer targeted training sessions focused on the specific needs of the female beneficiaries. These training programs should cover topics such as marketing, supply chain management, financial management, and customer service. • Identify, induct, and pair each woman with a mentor within their locality and involved in the same value chain who has experience in business expansion and understands the local market dynamics. These mentors will provide ongoing guidance and support.
Year 2
<ul style="list-style-type: none"> • Develop customized business expansion plans for each beneficiary, outlining clear strategies and objectives for growth. Ensure that these plans align with the women's aspirations and market opportunities. • Collaboratively explore available financing mechanisms with the selected women based on their business expansion plans. This support can take the form of low-interest loans, which they can use to invest in inventory, equipment, or other business needs. • Collaboratively explore opportunities to connect the women beneficiaries with larger markets, potential distributors, or retailers to help them expand their customer base. • Facilitate peer learning sessions (which could potentially take place during SHG meetings) where the selected women can share their experiences, insights, and best practices with each other.
Year 3 and onwards
<ul style="list-style-type: none"> • As more women in the savings groups express interest in business expansion, replicate the support model to reach more women

Participants	Implementing partners	Risks	Considerations
Women entrepreneurs	<ul style="list-style-type: none"> • MFIs: Providing financial expertise and support in fund management. • CSOs and NGOs: Assisting with training, capacity building, and community engagement. • Government agencies: Collaborating on policy alignment and support for women entrepreneurs. 	<ul style="list-style-type: none"> • Ineffective use of funds for intended purposes. • Market demand and supply fluctuations might impact shop profitability. • Lack of skills for managing expanded businesses. 	<ul style="list-style-type: none"> • Tailor training to diverse needs in business management and financial literacy. • Conduct regular market analysis to adapt to demand trends and supply chain dynamics.

Cross-cutting solution 1: Enhancing access to financial services

Overview	Project rationale	Strategic objectives
<p>The project's financial strategy for empowering Women DACs in Baidoa Town is designed to evolve from initial NGO-based support to a stage of complete financial independence and self-sufficiency. The overarching plan is structured in progressive stages, each aimed at gradually increasing the women's financial autonomy and skills.</p>	<p>According to the accompanying inception, Women's Lives, Livelihoods, and Linkages; and Mapping Rural ↔ Urban Linkages reports, women DACs face significant barriers in accessing formal financial services due to lack of collateral, credit history, documentation, high-interest rates, and gender bias. Where financial services targeted at women DACs are available, there is a notable gap in awareness and engagement, as evidenced by the limited interaction of SHG members with formal institutions. The research revealed at least some level of mutual mistrust, which must be overcome.</p> <p>New models for financial services are needed to empower women DACs, who currently face substantial hurdles in obtaining capital and loans, to start, run, and expand their businesses and to enhance their financial literacy and trust in formal financial institutions. To reduce information asymmetries, these models must also include effective marketing, awareness-raising, and sensitization strategies.</p> <p>Incorporating a comprehensive financial strategy in the interventions is essential through the provision of financial literacy training and initial financial support. The goal is to transition women from dependence to independence and build a foundation for future financial stability through credit history and familiarity with formal financial systems. This approach not only provides immediate financial aid but also mentors women towards financial self-reliance, ensuring sustained business growth beyond the project's lifespan.</p>	<p>To increase the financial inclusion of women entrepreneurs in IDP camps, ensuring they have access to formal financial services and resources for business development.</p> <p>To promote gender equality by addressing the gender-based financial gap and enabling women to participate more actively in economic activities and decision-making processes.</p>

Implementation strategy

Year 1

Stakeholder engagement, partnership formalization and development of financial packages

- Organize meetings with identified FSPs such as Midnimo MFI, Amal Bank, and Salaam Bank, as well as NGOs like Concern Worldwide and ACTED. The aim is to discuss collaboration frameworks, understand their existing services better, and align objectives.
 - Collaborate with Midnimo MFI, Amal Bank, and Salaam Bank to integrate their existing Qardu Hassan and Murabaha financing into the project's framework.
 - Explore options for creating or adapting existing loan products.
 - Explore the potential for using women's repayment history of loans taken within SHGs as a record of their creditworthiness.
- Partner with NGOs like Concern Worldwide and ACTED to tap into their network of SHGs and leverage their experience in group formation and management.
- In a subsequent forum, loop in leaders/ representatives of SHGs, VSLAs, and representatives of women DACs to sensitize them on the objectives of the initiative and seek their input on the proposed approach.
- Based on the output of this phase, develop a comprehensive pilot program (heavily based on linkages and referrals) that includes cooperative formation, financial literacy training, and the introduction of tailored financial products

Establishment of the Pilot Program

- Choose a few established SHGs to pilot the package on. Leverage the networks and structures of NGOs and SHGs to reach out to women, provide training, and facilitate the formation of cooperatives.
- Organize the groups into a pilot cooperative, with strong emphasis on voluntary participation.
- Start training programs in collaboration with FSPs and NGOs. These should cover financial literacy, basic business skills, and the use of digital tools for financial transactions. This can include the use of Qardu Hassan and Murabaha products and other pilot programs that would have been developed during the initial stages. Workshops conducted by banking professionals and MFI representatives can demystify banking processes and encourage women to engage with these financial systems.
- Implement train-the-trainer sessions to create local champions who can support and train others in the community.

Piggy-backing safety net programs into the package

- Implement insurance schemes or contingency funds within cooperatives to support women in case of business failure or external shocks like flooding. This could involve small contributions from members, matched by the project or partners. The scaling solutions project could also identify and link the SHGs and cooperatives to partners that provide micro-insurance schemes as a safety net for risk mitigation, especially against business failure and major shocks like flooding.
- Link women, using SHGs and the established cooperatives as platforms, to existing safety net programs such as Baxnaano. MoLSA would facilitate this step.

Leveraging reliance on trade credit

- There was very high dependence on the use of trade credit among women DACs who participated in the study. Rather than discouraging the use of trade credit, which is deeply embedded as a financing option for businesses, the Scaling Solutions project should find ways to support women in navigating the use of trade credit. This includes training women in negotiation and supplier relations, incorporating inventory management into the business curriculum, and educating them on building creditworthiness. The interventions could also

seek to integrate trade credit with other financial strategies and support women in taking advantage of collective bargaining through saving groups and cooperatives to get better rates from traders.

Year 2

- Scale up successful cooperative models and financial literacy programs to more communities, using the pilot as a template.
- Gradually introduce women to formal banking institutions and MFIs. This transition involves facilitating introductions, assisting with account setup, and guiding them through the process of securing loans from these institutions through the use of loan facilitators.
- As women become more comfortable with basic financial management, the project will offer advanced training. This includes strategic investment, managing larger loans, and diversifying financial portfolios.
- In collaboration with innovation hubs, enhance the digital inclusion initiative, introducing mobile banking solutions tailored to the needs and technological capabilities of women DACs.

Scale up

- Focus on making cooperatives self-sustaining by encouraging leadership among women DACs and establishing connections with local markets and suppliers.
- Continuously monitor and adapt financial products and services to ensure they remain relevant and effective.

Participants	Implementing partners	Risks
Women DACs	<ul style="list-style-type: none"> • MFIs • Banks • Women's Saving Groups and Cooperatives • Innovation hubs - promote the use of technology and digital solutions among women entrepreneurs. • Government agencies and local authorities for linkage to safety net programs 	<ul style="list-style-type: none"> • Limited financial literacy among women DAC beneficiaries may affect their ability to manage loans and businesses effectively, leading to defaults. However, none of the SHGs in the study had experienced defaults. • Economic fluctuations or shifts in market conditions can affect the success of women-led businesses. • Collaborating with financial institutions and other partners introduces the risk of misalignment or conflicts of interest.

Cross-cutting theme 2: Empowering women DACs through multi-functional spaces

Overview	Project rationale	Strategic objectives
<p>This concept proposes the establishment of a multipurpose center that serves several purposes, such as being a child-friendly space, offering childcare, providing early childhood education, hosting a business incubator center, and hosting spaces for women’s groups and adult education.</p>	<p>Significant urbanization in Baidoa Town, in part resulting from the 2021-23 drought-induced displacement, has significantly affected women and children, with women often becoming the primary income earners despite being primarily engaged in low-profit microenterprises. The Women’s Lives, Livelihoods, and Linkages report highlights that, while being able to provide for their children motivates women DACs to engage in income-generating activities, many see domestic responsibilities, especially childcare, as barriers to employment.</p> <p>The Multipurpose Center addresses these issues by offering childcare and early childhood education, bridging a crucial gap and enabling women to contribute effectively to their family’s income. A key feature of the Centre will be a crafts and design shop, focusing on skills like tailoring, simultaneously serving as a training center and income source. Products, especially dresses, crafted here will be marketed and sold, with a focus on rural shops to strengthen rural-urban economic ties. Prioritizing safety, quality, and cultural sensitivity, the project aims to empower women, improve childcare and educational opportunities, and strengthen community ties, ultimately fostering a self-sustaining model that addresses both immediate and long-term community development and empowerment needs.</p> <p>The project’s financial sustainability would be supported by revenue generated from the fashion and design shop, potential rental income from spaces allocated to saving groups and cooperatives, and the ongoing operation of the childcare and early childhood centers.</p>	<ul style="list-style-type: none"> • Skills development leading to increased economic independence for women. • Enhanced childcare and early education services supporting working mothers and child development. • Support for local entrepreneurs, fostering business creation and expansion. • Strengthening economic connections between rural producers and urban markets. • Creating a hub for community involvement and empowerment.

Implementation strategy
<p>We recommend equipping the Centre with solar panels and rainwater harvesting to cater to energy and water needs. Other components that will ensure smooth operation include:</p> <ul style="list-style-type: none"> • Staff and operations - recruit and train qualified staff for various roles, ensuring the delivery of high-quality services, especially in childcare and early childhood. • Procure and install necessary equipment, furniture, and technology to facilitate childcare, education, business incubation, and vocational training activities. • Community integration throughout the planning and implementation phases to ensure the center’s programs and services are culturally appropriate and aligned with community needs. • Create awareness to inform the community about the center’s services. Collaborations with local businesses and markets will create opportunities for trainees and entrepreneurs.

The Business Incubation Center will be a dynamic and collaborative space structured around a peer-based learning model and enriched by partnerships with financial institutions, innovation hubs, and other stakeholders. Key considerations for this project will include:

- Entrepreneurs will be organized into cohorts for regular meetings and workshops, facilitating an environment where they can share experiences and learn from each other.
- Mentorship programs will connect them with experienced business professionals for guidance and expertise sharing.
- Collaborations with local banks and microfinance institutions will offer workshops on financial literacy and access to finance, bridging the gap between entrepreneurs and funding sources.
- The center will also engage with innovation hubs to provide workshops on product development and digital marketing, fostering a culture of innovation.
- Partnerships with local business schools and trade associations will enhance entrepreneurs' skills in marketing, sales, and supply chain management and offer broader market linkages.
- The facility itself will be equipped with essential resources, including technology and tools for business operations.

Regular assessments and clear success metrics will track progress and adjust strategies.

Participants	Implementing partners	Risks
<ul style="list-style-type: none"> • Women entrepreneurs: vocational training, business incubation services, and networking opportunities. • Children: Early childhood education and care are provided at the center, which will aid in their developmental and educational needs. • Existing local business owners can gain from the increased economic activity, market linkages, and collaborations fostered by the center. • Youth seeking employment or skill development opportunities will benefit from vocational training and job creation initiatives. • Residents of Baidoa Town will have access to community events, workshops, and potential employment opportunities at the center. 	<ul style="list-style-type: none"> • Local government agencies collaborate for regulatory support, alignment with local policies, and potential funding or subsidies. • NGOs with a focus on community development, women's empowerment, education, and economic development can provide technical expertise, resources, and on-ground support. • Banks and microfinance organizations can offer financial literacy training, access to credit, and investment for entrepreneurs and small businesses. • Funding agencies can offer financial support, global expertise, and best practices in project implementation. • Partnerships with local businesses for mentorship programs, supply chain linkages, and market access for new entrepreneurs. • Innovation and technology hubs to provide access to new technologies, innovative business strategies, and networking opportunities. • Social enterprises and impact investors to support sustainable business models, social impact strategies, and potential funding. 	<ul style="list-style-type: none"> • Insufficient funds • Lack of community buy-in • Inadequate staffing or expertise in the childcare center/ early childhood. • Difficulties in daily management, including logistics, supply chain disruptions, or technology issues.