



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

TERMS OF REFERENCE (TOR)

FOR THE PROVISION OF SERVICES RELATED TO STRENGTHENING THE MARKET SYSTEM FOR GREEN MSMEs

18 June 2021

1. Scope of work

Strengthening the market system for green MSMEs, through promoting the creation of green firms and the greening of existing MSMEs in Luxor and Qena, fostering linkages and networking, and enhancing the offerings from financial and non-financial support institutions.

2. Background Information

The United Nations Industrial Development Organization (UNIDO) is currently implementing a project entitled “Inclusive Green Growth in Egypt” (IGGE) with funding from the Government of Switzerland (Swiss Agency for Development and Cooperation). The main counterpart in the Egyptian Government is the Ministry of Trade and Industry. Collaborating partners include the Ministry of Environment, the Industrial Modernization Center (IMC), the Micro, Small and Medium Enterprises Development Agency (MSMEDA), the Luxor and Qena Governorates, as well as private sector associations and civil society organizations. The geographical coverage is the Luxor and Qena Governorates in Upper Egypt.

IGGE aims at contributing to the efforts of the Government of Egypt to boost growth, productivity and job creation, while at the same time safeguarding the environment. The green economy has great potential in this area, with the private sector acting as a key driver of inclusive green growth. Micro, small and medium-sized enterprises (MSMEs) in the green economy play a crucial role in local economic development and make use of resources traditionally overlooked or wasted. As such, their development brings about both economic and environmental benefits.

The project’s ultimate aim is to support market system changes for a favorable environment to businesses and the workforce in the green economy. To this end, the project will:

- (i) Support green MSMEs, including those led/owned by women, to improve their productivity, innovation and competitiveness, and strengthen their resilience;
- (ii) Enhance the offerings from financial and non-financial support institutions to green MSMEs;
- (iii) Foster the employability of youth and women in targeted green sectors;

- (iv) Mainstream green growth approaches into government policies and strategies.

The project targets the green economy sectors of sustainable agriculture and food production, waste management and sustainable energy. The project's activities will focus on promoting local value-added activities, the valorization of biomass residues generated in the agricultural and agro-industrial sectors, as well as the uptake of small-scale, distributed renewable energy systems in these sectors. The project will focus on value chains (VCs) and clusters with potential for enhanced competitiveness – sugar, date palm, tomato, and manure-to-fertilizer/biogas. During the project's mobilization phase, additional value chains that could be supported in light of their competitiveness potential were identified: fruit and vegetable processing and packaging, and medicinal and aromatic plants and herbs.

Moreover, during the recently completed mobilization phase, the project identified viable business opportunities that can enhance the quality, sustainability and competitiveness of the target VCs and potential clusters, either directly, i.e., by providing a product, service, or technology that fill a gap in the cluster/VC or add value to existing activities, or indirectly, i.e., by providing supporting products, services, or technologies.

The mobilization phase also identified the main barriers to green MSMEs' growth and competitiveness in the target governorates, by analyzing internal and external challenges as well as service gaps and opportunities.

The objectives and activities of the contracted services which are described in the following sections rest on the above-mentioned mobilization phase.

3. Objective of the present service agreement

The ultimate objective of the contacted services is to strengthen the market system for green MSMEs, with a focus on the Luxor and Qena Governorates. To this end, the specific objectives of the contracted service are as follows:

1. **Promote green firms' start-up and growth**, by promoting innovative green business opportunities, stimulating a constant entry of new firms in the target green sectors, clusters and VCs and building the capacities of existing MSMEs to grow above average and enhance their competitiveness;
2. **Foster linkages and networking**, by enhancing collaboration mechanisms, strengthening forward and backward linkages and enhancing the competitiveness of principal firms through facilitation of quality one-on-one linkages and tailored networking;
3. **Enhance the offerings from financial and non-financial support institutions**, by strengthening the capacities of NGOs, intermediary institutions and Government agencies as well as private service providers to offer entrepreneurship support and specialized technical advisory and business development services in line with the needs of the target green sectors, clusters and VCs, as well as enhancing the penetration of firm and end-user finance, and promoting existing green finance facilities to avail needed finance for green MSMEs for working capital/assets.

In the design and implementation of the activities¹ to achieve the above objectives, the Service Provider is required to duly take into account the following guiding principles:

- **Green growth:** Green growth opportunities to be identified are those that achieve the triple goals of (i) economic growth, (ii) social inclusivity, and (iii) environmental sustainability or improvement (through resource efficient and circular production models, waste valorization, renewable energy, etc.).
- **Harmonized multi-level Interventions:** the interventions should be designed and implemented in a highly harmonized manner addressing the micro, meso, macro and meta (e.g. social and cultural values, prevailing mindsets) levels and their interrelations, and should be aligned in terms of objective and timeline to collectively serve the ultimate objective mentioned above.
- **Catalyst of market system changes:** To ensure the project's sustainability and continuation of activities beyond its lifetime, the interventions should ensure the transfer of knowledge and skills to existing support institutions (Government and non-Government) at national and local levels. The activities should account for leverage points and capacity building needs of the project's partners and stakeholders which will accordingly play a supporting/co-implementation role including through receiving adequate capacity building.
- **Gender Mainstreaming:** The activities should address the barriers that truly hinder women's participation in the target sectors, VCs and clusters in the Luxor and Qena Governorates to ensure that green start-ups and MSMEs led/owned by women will benefit from the project's interventions through gender-sensitive interventions, by, for example, giving due consideration to locations and timings that respect the specific needs of women, leveraging female role models etc.

In light of the COVID-19 pandemic, in the design and implementation of the activities under the contracted services, the Service Provider is expected to consider the impact of COVID-19 on the project's sectors (e.g. in terms of demand, supply, production, trade, logistics, financing, investment) and market players, as well as measures to mitigate the negative impact and take advantage of possible opportunities (e.g. in terms of domestic production and clean technologies). This is in line with the approach of the project, which aims at strengthening the resilience of local MSMEs and the wider market system in the face of climate change, environmental degradation and natural hazards and other potential future shocks.

Moreover, the Service Provider shall comply with the COVID-19 measures set by the Government of Egypt and any additional requirement set by UNIDO. In general, communication and engagement modalities via phone/teleconferencing should be included whenever feasible without compromising the quality of the output. Moreover, the Service Provider should consider team member(s)/expert(s) based in Egypt for undertaking field visits and in-person communication and engagement. The workplan will be reviewed regularly by UNIDO and the service provider jointly based on a continuous assessment of the development of the situation in Egypt, specifically in the Luxor and Qena governorates.

4. Activities and deliverables

The activities to be undertaken by the service provider and related deliverables are described in the table below.

¹ The activities are described in details in Section 4 below.

In support of UNIDO's Policy on Gender Mainstreaming, gender issues are to be mainstreamed by the Service Provider at all stages of activities execution. The Service Provider is to ensure gender equality by ensuring representation of both genders as part of the team. A designated expert within the Service Provider's team shall complete the basic online course I Know Gender Course on [UN Women's eLearning Campus](#) (1-2-3 concepts). A proof of successful completion of this course by the expert will have to be submitted as an annex to the Inception Report.

Activities	Deliverables
Work Package A. Promote green firms' start-up and growth	
<p>1. Design firm start-up and growth programmes tailored to the needs of start-ups and MSMEs in the project's target green sectors, VCs and clusters in the Luxor and Qena governorates. The design of the programmes should duly take into account the following:</p> <ul style="list-style-type: none"> a. Main objectives: promote innovative green business opportunities, stimulate a constant entry of new firms in the target green sectors, clusters and VCs and build the capacities of existing MSMEs to grow above average and enhance their competitiveness. b. Targets: four different programmes shall be designed to cater to the different needs of the various stages of enterprise development (idea, start-up, growth, maturity). <ul style="list-style-type: none"> - The programme dedicated to the idea stage shall build the capacities of at least 150 idea-stage entrepreneurs, of which 50% are women, through 3 cycles over the assignment's duration. - The programme dedicated to the start-up stage shall provide capacity building and specialized technical and business advisory services to at least 42 start-ups, of which 20% are led/owned by women or employ a majority of women, through 2 cycles dedicated to the start-up stage. - The programmes dedicated to the growth and maturity stages shall provide capacity building and specialized technical and business advisory services to at least 60 existing MSMEs, of which 20% are led/owned by women or employ a majority of women, through 2 cycles dedicated to the growth stage and 2 cycles dedicated to the maturity stage over the assignment's duration. Out of the supported start-ups, at least 34 should be generating revenues as a result of the project's interventions. Out of the supported MSMEs, at least 40 should have investment-ready proposals as a result of the project's interventions. c. Selection criteria: criteria for the competitive selection of the programmes' participants shall be defined according to the different stages of enterprise development. d. Main features: Notwithstanding the due differences, the four programmes should all include sector-specific capacity building and advisory with a strong focus on technical and strategic market aspects. In addition, the 	<p>D1. Four programmes submitted and approved by UNIDO</p>

<p>programmes dedicated to the growth and maturity stages targeting at least 60 existing MSMEs shall include specialized support for the adoption of resource efficiency and cleaner production practices.² Moreover, the programmes' implementation shall be characterized by strong engagement of financial and non-financial support institutions who will play a supporting / co-implementation role, as relevant (see Work Package C). The programmes shall support the target firms in mobilizing the needed grant/debt/equity finance from various financiers (both traditional and non-traditional) including through providing the required technical assistance and due diligence support to potential financiers, as well as ensure the sustainability and continuous growth of the supported firms beyond the project's life through business linkages and connections with support institutions (see Work Package B). Each cycle dedicated to the idea stage shall have a total duration of around 3 months, each cycle dedicated to the start-up, growth and maturity stages shall have a total duration of around 9-12 months.</p>	
<p>2. Select jointly with UNIDO the programmes' participants. Organize (including logistics arrangements) and deliver the four green firms support programmes agreed upon with UNIDO taking duly into account all the aspects mentioned in Activity 1 above.</p> <p>Through the implementation of the four programmes, it is expected that 700 Thousand USD of investment/finance will be facilitated and that the revenues of the supported firms will increase by 1 Million USD.</p>	<p>D2. Green firms support programmes delivered timely and effectively</p>
<p>3. Monitor regularly (at least monthly) the performance of the supported green start-ups and MSMEs based on key performance indicators agreed upon with UNIDO (to be communicated to the selected Service Provider).</p>	<p>D3. Tracking sheets submitted regularly (at least monthly) and approved by UNIDO</p>
<p>Work Package B. Foster linkages and networking</p>	
<p>4. Devise dedicated activities to foster linkages and networking as follows:</p> <p>a. Linkages: facilitate vertical backward and forward business linkages between the supported green firms and suppliers, buyers and equipment providers locally, nationally, and/or internationally, as relevant, as well as horizontal linkages (e.g. joint purchase, group leasing of equipment, etc.) in the VCs and clusters where the supported firms operate. This should also include the identification of principal firms locally and nationally, and their engagement, including through capacity building/advisory, as needed. Over the assignment's duration, at least 70 business linkages shall be facilitated in total.</p> <p>b. Networking: facilitate networking between the supported green firms and financial and non-financial support institutions, both Government and</p>	<p>D4. Plan for linkages and networking submitted and approved by UNIDO</p>

² [UNIDO TEST methodology](#) (Transfer of Environmentally Sound Technologies) could be used with due adaptations to serve the project's purposes.

<p>non-Government, at local and national levels (see Work Package C) to ensure the sustainability and continuous growth of the supported firms beyond the project's lifetime.</p> <p>Linkages and networking facilitation can include the following to be held regularly over the assignment's duration: focused group discussions, one-on-one meetings, small and at least 3 large events. The logistics arrangements and costs of the large events will be covered by the project separately.</p> <p>Through the above-mentioned activities, at least 80 market actors shall be engaged, over the assignment's duration, in improved information sharing, joint planning, and improved coordination at firm level as well as between firms and institutions. As a result, at least 1 principal firm shall increase their operations in the target governorates.</p>	
<p>5. Organize (including logistics arrangements, except for the large events whose logistics arrangements and costs shall be borne by the project separately) and implement the agreed-upon activities to foster linkages and networking taking duly into account all the aspects mentioned in Activity 4 above.</p>	<p>D5. Linkages and networking facilitated timely and effectively</p>
<p>6. Monitor regularly (at least monthly) the outputs and outcomes of the established linkages and networking mechanisms based on key performance indicators agreed upon with UNIDO (to be communicated to the selected service provider).</p> <p>Through the implementation of Work Packages A and B, the awareness about innovative green business opportunities of at least 1,300 community members in total in the Luxor and Qena governorates shall be raised.</p>	<p>D6. Tracking sheets submitted regularly (at least monthly) and approved by UNIDO</p>
<p>Work Package C. Enhance the offerings from financial and non-financial support institutions</p>	
<p>7. Design institutional strengthening programmes targeting MSMEDA, IMC, Industrial Development Authority (IDA), Chamber of Food Industries (CFI), South Valley University (SVU) as well as National Bank of Egypt (NBE), Agricultural Bank of Egypt (ABE), Alex Bank, and local NGOs with the objective of enhancing their offer of specialized services, in terms of quality, outreach and effectiveness, for green MSMEs in the project's target sectors, VCs and clusters. The design shall include a detailed workplan to be agreed upon with UNIDO and each target institution. The programmes shall be tailored to each target institution's mandate, capacities, interest and willingness³ and specify each institution' role as supporting/co-implementing the project's firm start-ups and growth programmes (Work Package A) as well as their role in the linkages and networking activities (Work Package B). The programmes shall target the institutions' headquarters and/or their local offices in the Luxor and Qena governorates, as relevant. The scope of the institutional strengthening programmes shall be as follows:</p>	<p>D7. Institutional strengthening programmes submitted and approved by UNIDO</p>

³ The results of the stakeholders mapping and the results of consultations held with the target institutions conducted during the mobilization phase will be shared with the selected service provider.

<p>a. MSMEDA: transfer knowledge on business opportunities for green MSMEs; support MSMEDA in expanding financial and non-financial services to cater for green MSMEs' needs (with focus on Luxor and Qena); enhance linkages between MSMEDA and green MSMEs in Luxor and Qena.</p> <p>b. IMC: expand outreach of existing services to green small and medium enterprises (SMEs) in Luxor and Qena; build capacities of IMC on resource efficiency and waste valorization support services; enhance linkages between IMC and green SMEs in Luxor and Qena.</p> <p>c. IDA: enhance the awareness and knowledge of industrial zones' tenants on resource efficiency, circular economy and green finance; support IDA in increasing green investments in Luxor and Qena industrial zones.</p> <p>d. CFI: expand outreach of existing services to green SMEs in the food production sector in Luxor and Qena; build capacities of CFI on resource efficiency, circular economy and green finance; enhance linkages between CFI and green SMEs in the food production sector in Luxor and Qena.</p> <p>e. SVU: build capacities of SVU to provide specialized incubation and/or technical advisory services to green SMEs in Luxor and Qena.</p> <p>f. NBE: increase the penetration of finance for green MSMEs in Luxor and Qena.</p> <p>g. ABE and Alex Bank: increase the penetration of existing end-user financial products, and develop 1 new product upon assessment of market needs.</p> <p>h. Local NGO(s) – 1 or 2: expand ideation support services to cater for the target green economy sectors.</p> <p>Through the institutional strengthening programmes, the target institutions shall support cumulatively, over the assignment's duration, at least 60 existing green MSMEs of which 20% are led/owned by women or employ a majority of women (excluding the firms directly supported by the project).</p>	
<p>8. Design a green business growth advisory programme to strengthen the capacities of professionals (10) in the Luxor and Qena governorates to sustainably deliver specialized services for green start-ups and MSMEs, including through shadowing and co-delivering the project's firm start-up and growth programmes described in Work Package A above.</p>	<p>D8. Green business growth advisory submitted and approved by UNIDO</p>
<p>9. Select jointly with UNIDO the participants of the green business growth advisory programmes. Organize (including logistics arrangements) and deliver the institutional strengthening and green business growth advisory programmes agreed upon with UNIDO taking duly into account all the aspects mentioned in Activities 7 and 8 above.</p>	<p>D9. Institutional strengthening and green business growth advisory programmes delivered timely and effectively</p>
<p>10. In close coordination with IMC and the private industry, develop and support the implementation of a roadmap for promoting local manufacturing of renewable energy systems. The roadmap shall assess Egypt's existing capabilities for the local manufacturing of renewable energy systems, the</p>	<p>D10. Roadmap for local manufacturing of renewable energy systems submitted</p>

techno-economic feasibility of local manufacturing as compared to imports, Egypt's competitiveness, regulatory gaps and finance barriers, as well as key target markets and trends. Accordingly, a plan shall be devised to develop capabilities for local manufacturing, remove regulatory and finance barriers, increase the sector's value addition, productivity and competitiveness, and promote related investment opportunities. The plan shall include roles and responsibilities of involved stakeholders.	and approved by UNIDO
11. Monitor regularly (at least monthly) the outputs and outcomes of the institutional strengthening and green business growth advisory programmes based on key performance indicators agreed upon with UNIDO (to be communicated to the selected service provider).	D11. Tracking sheets submitted regularly (at least monthly) and approved by UNIDO
Final Report	
12. Prepare the final report, documenting all activities carried out, outputs and outcomes achieved, lessons learned, and including the beneficiary database and all relevant documentation.	D12. Final report submitted and approved by UNIDO

5. Timeline

The activities in this contract shall be finalized within about 29 months after the contract is awarded. As mentioned above, the workplan will be reviewed regularly jointly by UNIDO and the Service Provider. Extending the contract timeline will be considered if need be due to COVID-19.

The Service Provider is required to start work within a week from the signing of the contract.

6. Supervision and reporting

The Service Provider will work under the supervision of the UNIDO Project Manager, in close coordination and cooperation with the National Project Coordinator and the project team.

The UNIDO project team will share all relevant information and literature with the selected Service Provider. The UNIDO project team will regularly monitor the progress of the activities undertaken by the Service Provider. Upon completion of the first 17 months and in any case by 31 December 2022, the project team may evaluate the results of the activities undertaken by the Service Provider based on the agreed upon workplan and targets and assess the quality, efficiency and effectiveness of the services delivered before proceeding with the remaining 12 months of implementation.

A kick-off meeting between the UNIDO project team and the selected Service Provider will be organized within a week from the signing of the contract.

Regular meetings (at least every 2 weeks and as required by the UNIDO project team) will be organized between the Service Provider and UNIDO to discuss progress and outstanding issues. The Service Provider is expected to present in power point the progress of the various activities and their results as per the agreed upon key performance indicators, lessons learned, challenges encountered and recommendations moving forward.

The Service Provider is expected to submit the following reports in the course of the assignment:

- (i) Inception report, including finalized work plan and methodology for the work packages' implementation and progress monitoring incorporating UNIDO's feedback on the proposal and kick-off meeting, as well as proof of successful completion of online course I Know Gender Course on [UN Women's eLearning Campus](#) – by week 3.
- (ii) 1st Progress Report including programmes' designs as per D1, D4, D7, D8 in Section 4 above – by week 5.
- (iii) Monthly tracking sheets based on the key performance indicators agreed upon with UNIDO (to be communicated to the selected service provider) for the three Work Packages, as per D3, D6, D11 in Section 4 above – each month.
- (iv) Quarterly progress report documenting the progress of the programmes under the three Work Packages as per D2, D5, D9 in Section 4 above, detailing activities carried out in the reporting period, progress towards targets (aggregating the quarter results tracked through the monthly tracking sheets), risks and mitigation measures, lessons learned and recommendations, and including beneficiary database – every three months.
- (v) 2nd Progress report including roadmap for local manufacturing of renewable energy systems, as per D10 above – by month 15.
- (vi) Final report documenting all activities carried out, outputs and outcomes achieved, lessons learned, and including the beneficiary database and all relevant documentation, as per D12 in Section 4 above – latest by month 29.

All documents will be provided to UNIDO with 1 electronic copy, consisting of the following electronic files:

- PDF file
- Original work files (WORD, POWER POINT, EXCEL, etc.)
- Photographs

The electronic copy can be provided via e-mail. Reports and documents submitted to UNIDO should be in English, unless otherwise specified.

7. Reporting language Requirements

Reports and documents submitted to UNIDO should be in English, unless otherwise specified.

Training and training material shall be in Arabic with synopses in English, as requested by UNIDO.

All written material submitted to UNIDO should be of such quality that no additional technical editing is required.

8. Team/Experts Requirements

The proposed team shall collectively possess relevant technical and hands-on expertise in designing, organizing, delivering and monitoring support programmes for the creation of green firms and the greening of existing MSMEs and large firms as well as institutional strengthening programmes, linkages and networking interventions in the project's target green economy sectors.

The proposed team shall possess the following expertise and academic qualifications (as measured by CVs of the team leader and key staff/experts):

- For the team leader, advanced University degree in engineering, economics, agriculture or other relevant discipline, and at least 8 years of professional experience in agribusiness, waste management and renewable energy technologies and business development for MSMEs and large firms including manufacturing ones, as well as in knowledge and capacities strengthening of financial and non-financial support institutions in the project's target green economy sectors.
- For key staff/experts, University degree in engineering, economics, agriculture or other relevant discipline at least 5 years of professional experience in agribusiness, waste management and renewable energy technologies and business development, establishment and strengthening of business linkages and networking, as well as in knowledge and capacities strengthening of financial and non-financial support institutions in the project's target green economy sectors.
- Exposure to the needs, conditions and problems of local communities in Upper Egypt is an asset.
- Very good analytical, conceptual and writing skills.
- The proposed experts shall collectively ensure fluency in Arabic and English.

The Service Provider shall also possess adequate internal technical capabilities through onboard long-term senior staff and advisors with at least 10 years of experience in the target green economy sectors to be able to technically backstop staff/experts (as measured by the team composition)

9. Service Provider Qualifications and Requirements

The Service Provider shall demonstrate through project references proven track record of projects in the development of IGGE green economy sectors, preferably in Egypt and the Middle East and North Africa region. More specifically, the Service Provider shall demonstrate through project references proven track record of projects in industrial development with focus on promoting the creation of green firms and the greening of existing MSMEs and large firms including through resource efficiency and cleaner production at industrial level, as well as green value chain and cluster development, institutional strengthening of financial and non-financial support institutions at both Government and non-Government level with regard to the project's green economy sectors.