TERMS OF REFERENCE FOR LOCAL AND INTERNATIONAL CONSULTANTS
Market Systems Analysis in Egypt based on the Approach to Inclusive Market Systems (AIMS) for labour inclusion of refugees

<table>
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<th>Project Title</th>
<th>PROSPECTS EGYPT - Improving Prospects For Forcibly Displaced Persons And Host Communities</th>
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<tr>
<td>ILO Project DC Code</td>
<td>EGY/19/50/NLD (107268)</td>
</tr>
<tr>
<td>Assignment Location</td>
<td>Cairo / Greater Cairo / Alexandria / Damietta</td>
</tr>
<tr>
<td>Contact</td>
<td><a href="mailto:prospects-egypt@ilo.org">prospects-egypt@ilo.org</a></td>
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HOW TO APPLY

The Submission should be individual, and the following documents/information are required to apply for this assignment:

1. Short technical proposal.
2. Financial proposal.
3. Consultant CV
4. Work samples for similar assignments, if any.

Application must include all the documents requested and shall be submitted by email to prospects-egypt@ilo.org under email subject “Market Systems Analysis”, also Should mention if National or International consultant. Deadline for submission 1st of May 2022.
1. GENERAL BACKGROUND

While forcibly displaced persons face specific vulnerabilities, including psychological trauma, lack of opportunity and protection risks, host communities also struggle to pursue their development efforts in an environment that has been transformed by a large influx of newcomers. As displacement has become increasingly protracted, responses are focusing more on durable solutions backed by more dignified, inclusive and comprehensive programmes for refugees and the communities that host them.

In response to the challenges facing both host communities and refugees, a new partnership initiative titled: ‘PROSPECTS - Partnership for improving Prospects for host communities and forcibly displaced persons’, has been launched by the Government of the Netherlands that brings together the International Finance Corporation (IFC), the International Labour Organization (ILO), the UN Refugee Agency (UNHCR), the UN Children’s Fund (UNICEF) and the World Bank. The Partnership has a four-year initial time horizon (2019-2023) where partners will join their efforts to develop a new paradigm in responding to forced displacement crises in 8 countries (Egypt, Ethiopia, Iraq, Jordan, Kenya, Lebanon, Sudan, and Uganda).

PROSPECTS EGYPT

The overall objective of PROSPECTS in Egypt is to improve the living standards and inclusiveness of refugees, asylum-seekers and vulnerable host communities, by contributing to the expansion of socio-economic opportunities through better education and mainstreamed protection interventions.

With a geographical focus on Greater Cairo, Alexandria, and Damietta, PROSPECTS Egypt work under three main pillars as shown below:

**Education and Learning**

- Quality of Education and Learning
- Increased attendance
- School to Work Support Measures

**Employment with dignity**

- Labour Market Governance
- Business Support and Financial Inclusion
- Working conditions

**Protection and Inclusion**

- Legal framework and Protection environment
- Protection and Social Protection services
- Capacity Building

The first pillar, **Education and Learning**, focuses on increasing the number of forcibly displaced persons, children on the move and host communities with quality education and training. The second pillar on **Employment with Dignity** seeks to increase the number of forcibly displaced persons, children on the move (i.e. youth) and host communities with enhanced livelihoods and/or employment in decent work through improvements in labour market governance supporting a transition and an entry into employment and formalization. The third pillar, on **Protection and Inclusion**, aims at increasing protection, social protection and inclusion for forcibly displaced persons, children on the move and host communities through the strengthening of legal, policy and enabling environment for protection, social protection and inclusion.
2. ASSIGNMENT BACKGROUND

The rise of technology is currently revolutionizing the labour market, leading to the automation of some professions and tasks on the one hand and the introduction of new types on the other. The digital economy reflects the transition from the third to the fourth industrial revolutions. The third industrial revolution, often known as the digital revolution, refers to the developments that occurred in the late twentieth century as a result of the shift from Analog electronic and mechanical equipment to digital technologies. As technology continue to bridge the physical and cyberworlds, the fourth industrial revolution builds on the digital revolution.

Digital economy is an economy that focuses on digital technologies, i.e. it is based on digital and computing technologies. It essentially covers all business, economic, social, cultural, … etc. activities that are supported by the web and other digital communication technologies.

The following are typical examples of economic activity that can be classified as part of the Digital Economy:

- Hardware Manufacturing.
- Automation.
- E-commerce.
- E-finance.
- E-health.
- Digital Marketing.
- Disruptive Technologies as:
  - Artificial Intelligence
  - Internet Of Things
  - Cloud services
  - Cybersecurity
  - Blockchain
  - 3D printing
  - Virtual reality and augmented reality

To inform the design of this project, the ILO will build on the consolidated Approach to Inclusive Market Systems for Refugees and Host Communities (AIMS) to conduct an assessment in the labour market offer and demand, in order to:

- Evaluate the socioeconomic profile of refugees to understand their Digital job skills and capacities.
- Identify and select high growing and job rich sectors at national and local level for economic inclusion and employment of the target communities’ inclusion into the labour market.
- Analyse the market systems of the selected sectors and identify the most prominent barriers and key constraints contributing to the exclusion and of the target community into the selected sectors and value chains.
- Develop concrete and feasible market-led ‘pull’ and ‘push’ concrete interventions addressing root barriers in the value chain while taking into account feasibility and project’s scope.

Within this framework, ILO will hire and supervise a local consultant to conduct most of the field research and an international consultant to advise on the digital economy domain. Together, the two consultants will conduct the above-mentioned AIMS assessment in Greater Cairo, Alexandria, and Damietta. These terms of reference details out the activities, tasks and objectives related to the delivery of this AIMS assessment.
3. OBJECTIVES OF THE ASSIGNMENT

The ILO is seeking to engage a team of local consultant and an international consultant to develop a market systems analysis covering the three governorates of Greater Cairo, Alexandria and Damietta to identify high relevant employment sector, key constraints as well as concrete recommendations for interventions to support refugees in accessing decent economic and employment opportunities in Egypt with a specific focus on the digital economy or on sectors where the digital transformation is seen as an opportunity to grow.

4. ASSIGNMENT METHODOLOGY AND KEY ACTIVITIES

The assessments will be conducted using the Approach to Inclusive Market Systems (AIMS) for Refugees and Host Communities and will result in one final report of a maximum of 60 pages (excluding annexes).

Based on aforementioned the approach guide, the assignment will focus on, but not be limited to, the following:

**Phase I: Socio-economic assessment and context analysis:**

1. **Socio-economic assessment** of the target group should give an overview of the target group’s profile including their age, educational background, capacities, skills, professional experience, legal status, current income-generating activities as well as key challenges and constraints. For this target group assessment, consultants can draw upon already existing profiling exercises and past assessments conducted by the ILO on the same domain. Missing data will be collected through surveys, field visits and interviews. The assessment must identify specificities and commonalities in the profile of the target group in the three governorates.

   **Rules and regulations pertaining to refugees’ access to economic opportunity.** An assessment of relevant rules and regulations should lead to a good idea of the legal environment as well as norms and informal rules that influence refugees’ access to the labour markets. The assessments should also highlight any specificities regarding starting a business or being employed in the digital sector.

   **Access to market supporting functions for refugees.** An assessment of supporting functions available to refugees should result in a thorough understanding of the type of support that refugees can or cannot draw on to build livelihoods. Supporting functions include but are not limited to access to finance, access to information, access to skills development and to business development support services. These aspects may vary depending on the governorate’s context, the employment sector and the type of labour inclusion (employment/ entrepreneurship, formal/informal, position in the value chain). Through focus group discussions and key informant interviews, the assessment will elucidate the availability and quality of market supporting functions, as well as whether and how they are available to refugees.
Phase II: Sector selection and market system analysis:

2. **Identification of high-potential sector in the three governorates**: The sector selection exercise will identify sectors which have potential for profitability, growth and decent employment for the target group. Selection criteria will include the following: relevance to the target group, potential for employment creation and feasibility for intervention. A particular focus will be given to sectors with strategic synergies with the digital economy or with sectors where the digital transformation is seen as an opportunity to grow. Opportunities in the digital economy may lie in digitalisation trends of “traditional sectors” or in the emergence of cross-sectorial digital services. Based on these reflections and the results of the socioeconomic assessments and profiling of the target groups, one to three sectors (one per governorate or less depending on relevance) will be selected for detailed analysis in order to promote employment creation for refugees with different skills and educational background.

3. **Market system analyses of the selected sectors**: The analyses of the market systems of the selected sectors will be conducted based on the methodology outlined in the ILO publication “Value chain development for decent work”. The analysis must map out the market systems of the three sectors, key actors, transactions, role and positions of the target group as well as key root constraints to the well performance of the sector and to the sustainable economic inclusion of the target group. This should include an overview of existing financial and business support services as well as regulatory constraints and opportunities for the economic development of the sector. The work on this section will be organized in two phases:
   a. A preliminary value chain analysis and identification of knowledge gaps and key bottlenecks/actors/deficits to be further explored, and;
   b. In-depth primary research through virtual and field interviews in collaboration with the research team (see v. Management) which will help to strengthen the soundness of analysis of the key constraints and potential areas of intervention. All findings and collected information should be discussed and validated during technical meetings with the ILO.

4. **Recommendations for market-based refugee livelihoods interventions.** Based on the above analysis, the assessment will make actionable and practical recommendations that would help the design a solid strategy to develop the selected value chains for the benefit of refugees and host communities. The analysis and related recommendations will be presented and validated during a virtual workshop with ILO and key local stakeholders.
5. DELIVERABLES

The main deliverable of this assignment is the **final AIMS studies**, however, to facilitate the process, the below deliverables are organised based on the AIMS approach key activities and the expected final study’s contents.

<table>
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<tr>
<th>Key Activities¹</th>
<th>Deliverables</th>
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<tr>
<td>Assignment inception phase, which includes, but not limited to: desk review, methodology and tools, detailed work plan, timeline, logistical preparations, and coordination of the work between the national and international consultants ...etc. The inception report will include the proposed final study structure based on the AIMS Guide book.</td>
<td>Inception Report</td>
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**Phase I: Socio-economic assessment and context analysis:**

**Key Activity 1: A Socio-economic assessment**, which includes, but not limited to:
- Socio-economic assessment and context analysis including target group assessment, assessment of supporting function and rules and regulations
- Assessment on rules and regulations pertaining to refugees’ access to economic opportunity
- Assessment on access to market supporting functions for refugees

**Phase II: Sector selection and market system analysis:**

**Key Activity 2: Identification of high-potential sector in the three governorates**, which includes, but not limited to:
- A long list of sectors.
- A short list of sectors (6-8) with related secondary and primary data collected.
- Sectors’ evaluations and final selection for 3 sectors.

**Key Activity 3: Market system analyses of the selected sectors**, which includes, but not limited to:
- A preliminary value chain analysis and identification of knowledge gaps and key bottlenecks/actors/deficits to be further explored.
- In-depth primary research through virtual and field interviews.
- Validation workshop on the study findings with key sectors actors and ILO.

**Key Activity 4: Recommendations for market-based refugee livelihoods interventions**, which includes, but not limited to:
- Practical recommendations that would help the design a solid strategy to develop the selected value chains for the benefit of refugees and host communities.

¹ As stated in section 4 “Assignment Methodology and Key Activities”.

**Preliminary report** (i.e. first chapters of the final study report(s)).

**Presentation with key findings.**

**First draft of the final study report per sector** (i.e. the following chapters of the final study report(s)).

**Validation workshop.**

**Final Study report per sector** (including all the above chapters).
All the aforementioned deliverables will be considered final upon the technical clearance by the ILO. In addition, the consultant will also submit to the ILO the following materials:

- Electronic copies of all data sets.
- All quantitative and qualitative data (completed questionnaires, recorded interviews, focus groups, etc.).
- Any other documents that will be used or collected in the course of the consultancy.
- An executive summary of the key findings and recommendations.
- A PowerPoint presentation of the methodology, key findings and recommendations.

6. MANAGEMENT AND SUPERVISION

The consultants team will perform their assignment under the overall supervision of PROSPECTS National Coordinator for digital economy, and the overall guidance of PROSPECTS Egypt Programme Manager.

All technical clearances will be obtained the ILO SME Unit, as well as the ILO Regional Enterprise Development Specialists. The local consultant and the international consultant will carry out most of the research but will benefit from the support and direct contribution of a broader core research team, which will be comprised of:

- **Lead local consultant on Market Systems (object of these TORs)** – to lead and carry out most of the research and drafting of the study, source and analyse secondary and primary research data, organise and conduct virtual and face-to-face interviews in both phases of the market system analysis, identify feasible areas of intervention, draft most of the study (in collaboration with the international consultant and the broader research team) and contribute to the final validation workshop/presentation.

- **International consultant on Digital Economy (object of these TORs)** – to advise and orient each step of the research so that key aspects of the digital economy are taken into account and captured in each of the sections of the study. Support will be mainly provided remotely during planning and brainstorming sessions, selected interviews with key consultants and in the review and drafting of preliminary products and the final assessment. A more hands-on support is expected during the in-depth market system analysis (Part II) and the interventions design, including a potential field mission depending on the evolution of the pandemic and budget.

- **ILO SME Unit, and ILO Regional Enterprise Development Specialists** – to provide technical direction, remotely provide technical backstopping on the methodology and assist the research team by providing technical inputs and strategic insights on the potential synergies with the overall PROSPECTS programme. and to the review of each preliminary product and final assessment described above.

- **PROSPECTS National Project Coordinator** – to lead, participate and contribute to the research while helping to ensure a continuity between the research’s results and future implementation.

7. TIMEFRAME

The assignment is expected to start by 1st of June 2022 and all assignment’s deliverables are expected to be delivered to the satisfaction of the ILO not later than 1st of September 2022.

8. CONSULTANTS’ EXPERTISE REQUIREMENTS
The consultants must have experience in Value Chain Development and or Market Systems Development. The consultants will be expected to work in close consultation with the ILO project team from the ILO.

Technical competencies **Local Consultant on Market Systems:**

- Capacity to provide practical technical advice on how to implement research in value chains and market systems
- Experience with migrant and refugee contexts
- Experience with the digital economy.
- Fluency in Arabic and English with excellent drafting skills in English
- Strong social, organizational and knowledge management skills required in order to coordinate and manage a research and project network
- Capacity to produce high-quality reports.

Technical competencies **International Consultant on Digital Markets:**

- Capacity to provide practical technical advice on how to implement research in digital markets and identify existing and emerging opportunities for economic inclusion of marginalized groups
- Fluency in English with excellent drafting skills in English
- Strong social, organizational and knowledge management skills required in order to coordinate and manage a research and project network
- Capacity to produce high-quality reports
- Experience with migrant and refugee contexts.

**9. CONFIDENTIALITY AND INTELLECTUAL PROPERTY RIGHTS**

All data and information received from ILO for this assignment are to be treated confidentially and are only to be used in connection with the execution of these Terms of Reference (TOR). The contents of written materials obtained and used in this assignment may not be disclosed to any third parties without the express advance written authorization of the ILO. All intellectual property rights arising from the execution of these TOR are assigned to the International Labour Organization. The intellectual property rights of the materials modified through the assignment remains with the International Labour Organization.