



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

TERMS OF REFERENCE

April 2021

**for the formulation of the Description of the Action under the programme
“EU contribution to Lebanon Reform, Recovery and Reconstruction following the Beirut
Explosion – Private Sector Component” (project no. 210028)**

1. GENERAL INFORMATION

These terms of reference (ToR) are for the services of formulation of the Description of the Action (i.e. project document) for the private sector component of the programme “EU contribution to Lebanon Reform, Recovery and Reconstruction following the Beirut Explosions”.

1.1 Background

The Port of Beirut explosion in August 2020 caused devastating loss to residences, businesses and infrastructure in the surroundings; however, the effects go far beyond the immediate impact zone and have exacerbated an already fragile situation in the country. It further aggravated years of economic and social crisis, coming at a time when the country had been grappling with the impact of the conflict in Syria and the resulting refugee crisis, followed by the financial crisis of 2019 and most recently by the COVID-19 pandemic.

Following the Beirut explosions, a reform, recovery and reconstruction Framework (3RF) was prepared by the European Union, the World Bank and the United Nations, in cooperation with the government, donors and civil society. The 3RF was launched in December 2020 and the first consultative meeting was held in March 2021. The 3RF builds upon the Rapid Damage and Needs Assessment (RDNA), also prepared by the EU, the World Bank and the UN, in the aftermath of the blast, as well as other relevant assessments. The 3RF aims to provide a roadmap to operationalise the findings of the RDNA and is meant as an efficient and unifying platform to promote coordination among different international initiatives, reducing duplication and ensuring an effective use of resources.

In December 2020 the European Union adopted the 2020 annual action programme (part II) for the Republic of Lebanon. The action programme aimed to contribute to Lebanon’s reform, recovery and reconstruction framework. It also builds upon the priorities of the Commission for the Republic of Lebanon for the period 2017 – 2020, which include promoting growth and job creation.

Its 2nd specific objective aims at “*reviving the local and national economy by restoring access to jobs and economic opportunities while making a more structural and systemic contribution of Lebanese stakeholders to the Green economy*”. It is articulated around three key stakeholders, i.e. local authorities, non-state actors and private sector. In view of the above, the European Union and the United Nations Industrial Development Organization (UNIDO) will collaborate in the private sector component whose main purpose is to support “*Startups, Micro and Small Enterprises, including women-led enterprises, develop sustainable, socially and gender responsible green and circular economy business models*”.

1.2 Aim of the project and expected results

The aim of the project is to scale up the results achieved in MED TEST II implemented by UNIDO. MED TEST II was part of the EU-funded regional programme “SwitchMed” (2014-2018), implemented by UNIDO together with its implementing partners in eight countries of the southern Mediterranean region, including Lebanon. The project will also build on the implementation of MED TEST III, currently underway as part of SwitchMed II.

MED TEST II addressed the challenges and barriers industries face to become more resource and energy efficient, non-polluting, and to produce goods that are responsibly managed throughout their life cycle, while also increasing productivity and enhancing access to international markets. This was done through the application of the TEST (Transfer of Environmentally Sound Technologies) methodology developed by UNIDO. The TEST methodology combines the essential elements of a set of tools for sustainable production, namely Resource Efficient and Cleaner Production (RECP), Material Flow Cost Accounting (MFCA) and environmental and energy management systems (EMS/EnMS). As a result of the customized implementation of these tools and their elements, best practices, new skills and a new management culture are adopted, enabling the company to move towards more sustainable production business models.

During MED TEST II in Lebanon capacity was built among 78 professionals from business consultancies, government institutions and industries on the TEST tools. A total of 112 resource efficiency measures were identified in the 8 participating demonstration companies. Of these, 101 measures were approved by the management and included in the company action plan for implementation. The resource efficiency measures identified represented 1.62M euro/year in savings and 1.44M euros in investments¹.

Following the outcomes of the MED TEST II project in Lebanon, a roadmap for scaling up RECP was drafted by the government and key stakeholders from industry. The initial activities of MED TEST III build on this roadmap and include improvement measures on the environmental performance of industrial areas and parks. Two industrial zones (Dekwaneh and Bauchrieh) were selected as target areas for developing the resource efficiency monitoring system.

The new project presented in these ToR will also assess the feasibility of replicating the activities related to circular value chains that are under development in MED TEST III. The Action will focus on the food industry and will assist companies to comply with environment regulations through technical assistance and direct support. Lessons learned identified during the implementation of MED TEST II and III will be taken into account and included in the Description of Action.

A minor portion of the budget should be allocated to support enterprises directly affected by the explosion of the Port of Beirut. To that end, partnership could be explored ensuring synergies with existing programmes; in particular those already financed by the European Union. Last but not least, provisions should be made to assess the technical and economic feasibility of developing at industrial scale low-cost alternative heating options for households.

The Action will target the North and Akkar Governorates as well as in the districts of Jbeil and Keserwan.

1.3 Organizational set-up for implementation of the project

The contractor will work in close collaboration with the UNIDO project manager (PM) to prepare the Description of Action (DoA). They will also work in close cooperation with the UNIDO Representative (UR) in Lebanon, the technical team based both in UNIDO HQ and Beirut, and with the European Union Delegation in Lebanon. The contractor will also seek collaboration with other

¹ https://switchmed.eu/wp-content/uploads/2020/04/Lebanon-National-Publication_EN-1.pdf

local partners, experts and beneficiaries, as needed, to collect information and input for the design of the project proposal.

In light of any Covid-19 restrictions put in place in the country of residence of the contractor, they shall adapt their approach to overcome the challenges and deliver the expected results. All the activities should be able to be achieved through available communication tools, including virtual meetings, phone calls, emails, online research, etc. The contractor should have the capacity to conduct local travel in Lebanon, within the permissible travel restrictions in the country.

2. SCOPE OF THE PROPOSED CONTRACTING SERVICES

The purpose of these contracting services is to provide decision-makers in UNIDO and the EU Delegation with sufficient information:

1. To confirm the relevance of the proposed actions, i.e. assessing the extent to which the proposed project is coherent with the policy environment, and addresses real problems.
2. To appraise the feasibility of the project, i.e.
 - a. Determining and improving the feasibility of the projects by analysing the alternative solutions, taking account of economic and financial, institutional and management, environmental and socio-cultural, gender, regulatory and operational standards and practices;
 - b. Preparing a coherent project design and an efficient project organisation;
 - c. Pre-conditions necessary for the start of project activities.
3. To assess the sustainability of the projects using the key sustainability / quality factors and suggesting appropriate measures to improve sustainability/quality and integrate them into the project design.

These terms of reference (ToR) provide the scope of services for the preparation of the Description of Action (DoA) and the results-based budget of the aforementioned project. The following defines the activities foreseen for the preparation of the document for submission to the EU.

Activity 1: Collection of background information through desk review of documents, research, as well as communication and consultations with key stakeholders

UNIDO will provide documentation for review, including the “Commission Implementing Decision of 11.12.2020 on the annual action programme part II for 2020 in favour of the Republic of Lebanon”, a preliminary concept note, results from SwitchMed/MED TEST II, among others.

The contractor will conduct any necessary research or collection of information on the current conditions in Lebanon, profile of potential SMEs/industries, local partners/experts available to support in the day-to-day implementation of the proposed actions, review of the relevant regulatory and legal framework, mapping of stakeholders, other recent and ongoing initiatives that are relevant for the proposed activities, etc.

As part of the communication and consultation, the contractor will:

- a) Participate in meetings and conference calls to discuss the development of the DoA;
- b) Engage in close communication UNIDO and the EU Delegation in Lebanon to coordinate the formulation of the DoA; and consult with external stakeholders such as donors supporting private sector development and selected MSME to draw lessons learned and best practices;
- c) Work closely with the PM and UNIDO team to ensure that the proposed activities are aligned with UNIDO standard practices and methodologies.

Expected result:

- a. Background information collected and reviewed, and ongoing communication with the key stakeholders for development of the DoA.
- b. Outline of two consultation workshops with potential beneficiary and external stakeholders (detailed in Activity 2 below)

Activity 2: Consultation of potential beneficiaries and external stakeholders

As part of the preparation of the DoA the contractor will hold two consultation workshops, the first to conduct an analysis of the current conditions that will feed into the project formulation and the second to agree on the objectives and log frame. If the Covid-19 situation permits, the workshop will be held in person; if conditions do not permit they may be conducted online.

Expect results:

- a. Summary report on the two workshops (including gender disaggregated list of participants),
- b. Stakeholders' analysis
- c. Problem tree and strategy analysis
- d. Logframe matrix

Activity 3: Draft the Description of the Action

Prepare a draft of the DoA document for submission to the EU in close coordination with the PM and the UNIDO team. The contractor will take the lead in drafting the DoA and will incorporate information and material collected from the donor, government counterpart and experts. There is no set format or length for the proposal; however the main sections are listed below.

- a. introduction
- b. features of the sector and review of regulatory and legal framework
- c. mapping of key stakeholder and problem analysis
- d. lessons from past experiences, best practices and linkages with other operations
- e. description of the outcomes/outputs/activities, including indicators
- f. description of the budget
- g. risks and assumptions
- h. reporting, monitoring & evaluation
- i. factors ensuring sustainability (beneficiaries' ownership, policy support, institutional and management capacity, economic and financial viability)
- j. environment and gender mainstreaming
- k. Annexes: logical framework, budget, summary of consultation workshops

The contractor will prepare the budget to accompany the proposed activities, based on local costs and resources needed. UNIDO will provide the template for the budget, which is in line with their financial reporting system.

The preparation of the DoA will take into account the results from MED TEST II, the EU Commission Implementing Decision, the 3RF and results of the consultation workshops.

In support of UNIDO’s policy on **Gender Mainstreaming**, gender issues are to be mainstreamed by the contractor in the project development. The contractor is to ensure gender considerations are taken into account in the development of the project; including how to ensure that representatives of both genders have equitable access to training and capacity building activities; ensuring that the reinforcement of policies and tools for the promotion of RECP takes into account gender issues; and by including gender indicators/markers in the project monitoring activities and logical framework.

Expected result:

- a. Draft Description of Action, including budget, is prepared.

Activity 4: Integrate comments received from into the final draft of the project

Expected result: The Description of Action is finalized, with feedback from UNIDO and the EU Delegation incorporated.

3. DELIVERABLES AND TIME SCHEDULE

3.1 Expected reporting on deliverables

The contractor is requested to undertake the described activities in close collaboration with UNIDO and to submit two deliverables to the Organization as follow:

- **Deliverable 1: Aide memoire**, including stakeholder analysis, problem and strategy analyses and logframe matrix
- **Deliverable 2: Draft Description of Action**, including budget.
- **Deliverable 3: Final Description of Action**, with feedback from donor incorporated.

3.2 Timeline of activities

The Contract has an indicative duration of four months and shall be completed by **30 August, 2021**. Below is an indicative timeline for the main activities. The contractor shall provide a more detailed work plan as part of the proposal.

Activities	May	Jun	Jul	Aug
Act. 1: Collection of background information. Outline of two workshops				
Act. 2: Consultation of beneficiaries and stakeholders				
Consultation workshops and corresponding reports				
Preparation of stakeholder analysis; problem tree & strategy analysis; and logframe matrix				
Act. 3: Draft the Description of the Action				
Drafting of the DoA				
Submission of draft DoA			30-Jun	
Act. 4: Integrate comments received into the final draft				
Integrate comments from UNIDO and EUD				
Submission of final draft				30-Aug

3.3 Budget and payment modality

The estimated budget for these services is EUR 40,000.

Payments under the contract are subject to the successful completion of the activities defined in Section 2 and UNIDO's approval of reports listed in section 3.1. The payments shall be made in three instalments as described below:

- Twenty percent (20%) upon UNIDO receipt of the Contractor's countersigned contract and submission of a preliminary work plan;
- Fifty percent (50%) upon provision of the draft DoA in satisfactory quality and upon clearance of the report by the UNIDO Project Manager; and
- Thirty percent (30%) upon provision of the final DoA, in satisfactory quality and upon clearance of the report by the UNIDO Project Manager.

4. LANGUAGE AND QUALIFICATION REQUIREMENTS

4.1 Project personnel

The contractor shall provide the required personnel to carry out the activities described under these ToR, ensuring gender balance. The contractor shall provide at least one senior consultant who will lead the assignment, plus additional expertise, as needed.

The senior consultant should have an advanced university degree (Master or above) in engineering, environmental sciences, business administration and/or economy. He/she should also have a minimum of seven years professional experience mainly focused in the field of support to the development of businesses and industries.

The contractor/firm should have the following experience:

- Experience in the formulation of technical cooperation projects (at least one in the past five years);
- Experience in implementing technical cooperation projects targeting industries/MSMEs and sustainable development is essential (minimum three years);
- A sound track record in implementing development projects in Lebanon;
- Excellent interpersonal and communication skills, ability to communicate ideas effectively and strong writing skills are needed;
- Experience in implementing EU funded projects/programmes is considered an asset;
- Experience with the Lebanese food industry is considered an asset.

4.2 Language requirements

Fluency in English and Arabic are required. The DoA will be drafted in English.

5. CONTENT OF THE PROPOSAL

The executing partner is requested to present a proposal with information including, but not limited to, the following:

5.1. General data of the company, including:

- Complete name of the organization,
- Address;
- Telephone;

- E- Mail;
- Description of past experience in which the provider is, or has been, involved in terms of developing or implementing technical assistance programs to MSME/businesses/industry for similar projects in the last seven years.

5.2. Description of the methodology to ensure the provision of the services detailed in each activity under Section 2 of these Terms of Reference, including a proposed work plan (schedule) for the project formulation.

5.3. CVs of key expert(s) participating in the implementation of this contract and their corresponding roles;

5.4. Detailed and itemized cost breakdown (e.g., expert fees, travel, development of training materials, all other expenses to complete the services required).