Term of Reference

Towards more and better employment through enhanced support to private sectors in southern Iraq – with a focus on green business (PSD_GREEN)

TOR Title	A national consultant for Mapping Green Initiatives in Financial Support for the Private sector (MSMEs) and Start-ups in Iraq with a Focus on Basra and Muthanna		
Country	**Iraq**	**Project Code**	IRQ/22/03/ITA (109048)
Duration	From 10/11/2023	to	10/12/2023

PROJECT BACKGROUND

1. General background

Iraq faces significant challenges in unlocking its entrepreneurial potential due to heavy reliance on the oil sector and extensive government involvement in state-owned enterprises, hindering private-sector growth and diversification. This results in a small private sector struggling to compete against cheap imports and limited investments, compounded by a challenging business environment with complex registration processes, inadequate tax systems, and weak contract enforcement. Access to credit, especially for SMEs, is problematic, contributing to a prevalence of informal businesses. High unemployment rates, particularly among women and youth, worsen the situation. Iraq requires comprehensive structural reforms to address these issues, and the International Labour Organization (ILO) can play a vital role in supporting evidence-based policies, strengthening business and finance capacities, promoting formalization, and providing essential support to startups, ultimately aiming to boost job quantity and quality while diversifying the Iraqi economy.

In response to these challenges, the International Labour Organization (ILO), with support from the Italian Agency for Development Cooperation (AICS), is implementing a project in Southern Iraq. The project focuses on enhancing private sector development and creating decent jobs, emphasising sustainable green businesses and support for startups. The project operates on three levels: at the macro level, it supports evidence-based policy options for micro, small, and medium-sized enterprises (MSMEs) through business environment assessments. At the meso level, it builds the capacities of financial institutions to better serve their clients' needs and provides training to intermediary organizations. At the micro level, it offers training to youth, small business owners, and startups, focusing on business management and financial literacy, while facilitating their access to financial services. The project collaborates with various ministries, employers' and workers' organizations, and financial institutions, ultimately benefiting vulnerable workers in Iraq. This initiative aligns with the Iraq Decent Work Country Programme and the government's Riyada' initiative for development and employment, with a focus on the green economy, improving MSME capacities, enhancing financial inclusion, and providing essential support to startups. It includes enterprise assessments, identification of constraints in green business development, and training and support for trainers, financial institutions, and businesses.

Assignment background:

Recognizing Iraq's vulnerability to climate change and desertification, with a ranking among the world's five most susceptible nations (The Guardian, 2022), the integration of climate change policies into Iraq's developmental trajectory holds the potential to augment revenues and foster job creation in the medium term (World Bank, 2021a).

The private sector and start-ups in Iraq play a vital role in the country's economic development. Various government agencies, national banks, financial institutions, and business development services (BDS) have introduced green financial products and grants to foster sustainable and inclusive economic growth.

The International Labour Organization (ILO) aims to comprehensively map and evaluate these green initiatives.

OBJECTIVES

The primary objective of this consultancy is to conduct a comprehensive mapping and evaluation of green financial initiatives supporting the private sector (MSMEs) and start-ups in Iraq, with a specific focus on Basra and Muthanna. The aim is to identify, assess, and analyze the various green financial products and grants provided by government, national banks, the Central Bank of Iraq (CBI), microfinance institutions (MFIs), and business development services (BDS). The consultant will provide actionable recommendations to enhance the accessibility and effectiveness of these initiatives, thereby contributing to the promotion of environmentally sustainable businesses, economic growth, and employment opportunities in the region, with particular emphasis on the role of national banks in fostering green financing and sustainable development.

SCOPE OF WORK

The consultant will conduct an extensive mapping of all green financial products and grants provided by government, national banks, the Central Bank of Iraq (CBI), microfinance institutions (MFIs), and business development services (BDS) to support the private sector (MSMEs) and start-ups in Iraq, focusing on Basra and Muthanna.

Specific tasks include:

- Identifying various types of green financial support, including loans, grants, subsidies, capacity-building programs, and other financial mechanisms promoting environmentally sustainable practices and businesses, offered by government, national banks, and other financial institutions.
- Evaluating the eligibility criteria, application procedures, and disbursement processes associated with each green financial product and grant, considering the specific guidelines and requirements of government agencies, national banks, and financial institutions.
- Analyzing the impact of these initiatives on fostering the growth and development of sustainable businesses and the overall private sector (MSMEs).
- Identifying the challenges or barriers faced by private enterprises and start-ups in accessing and utilizing green financial support from various government entities, national banks, the CBI, MFIs, and BDS.
- Providing recommendations to enhance the effectiveness and accessibility of green financial support from the government, national banks, the CBI, MFIs, and BDS, thereby fostering a more robust and sustainable private sector (MSMEs) in the region.

Additional Considerations:

- To ensure the comprehensiveness of the mapping exercise, the consultant should consult with a wide range of stakeholders, including government agencies, financial institutions, BDS providers, private sector (MSMEs) representatives, and academics.
- When analyzing the impact of green financial initiatives, consider:
  - The number and types of businesses that have accessed green financial support.
  - The environmental and economic impacts of the businesses that have received green financial support, such as job creation and revenue generation.
  - Number of jobs created.
- Develop specific and actionable recommendations to address the challenges faced by private enterprises and start-ups in accessing and utilizing green financial support.

DELIVERABLES

1. A comprehensive report detailing the findings of the mapping exercise, presenting an inventory of green financial products and grants available for the private sector (MSMEs) and start-ups in Iraq, with a focus on Basra and Muthanna from governmental bodies, national banks, the CBI, MFIs, and BDS.

2. An analysis of the impact of these initiatives on the promotion of environmentally sustainable businesses and the fostering of economic growth and employment opportunities.

3. A list of challenges along with actionable recommendations to improve the accessibility and utilization of green financial support for private enterprises and start-ups from various government entities, national banks, the CBI, MFIs, and BDS.

4. Preparation of a presentation summarizing the findings in both Arabic and English for presentation at an event.

SELECTION CRITERIA: Qualifications and Expertise:

The consultant should possess the following qualifications and expertise:

- A master's degree in economics, finance, business administration, environmental studies, or a related field is preferred. A bachelor's degree in a relevant field, combined with significant practical experience in financial analysis and sustainable development, may also be considered.
- Proven experience and expertise in conducting comprehensive mappings and evaluations of financial support initiatives for the private sector (MSMEs) and start-ups, with a specific focus on green and sustainable financing, including a deep understanding of government-related programs and initiatives.
- Strong familiarity with the economic landscape and business environment in Iraq, particularly in Basra and Muthanna, including a comprehensive understanding of the policies and regulations of the Central Bank of Iraq and the operations of national banks.
- Demonstrated analytical and reporting skills, with the ability to effectively analyze complex data and present findings clearly and concisely.
- Experience in engaging with a diverse range of stakeholders, including government agencies, national banks, microfinance institutions, business development services, private sector (MSMEs) representatives, and academic institutions.
- Prior involvement in similar projects or initiatives within the region, particularly with international organizations or projects related to sustainable development, will be considered an asset.

SUPERVISION

The consultant will conduct the assignment under the overall supervision of the PSD-GREEN project manager, with direct technical support from the senior national project officer at ILO Basra.

TIME FRAME AND PROPOSAL SUBMISSION

The assignment will take place from **10 November 2023** to **10 December 2023**.

Proposal Submission:

Please submit the following, by maximum 26 October 2023 at COB 17:00 Baghdad time to : bgw-procurement@ilo.org, Baniawwad@ilo.org , al-hashamat@ilo.org
please indicate the title of the consultancy in the subject of the email (Mapping Green Initiatives in Financial Support for the Private sector in Iraq _PSD_GREEN))
Proposal (one page including previous experience in the similar works, and implementation methodology)
CV
Financial proposal (daily rate & Actual working days)

International Labour Organization