#### FINANCING AGREEMENT BETWEEN THE GOVERNMENT OF DENMARK (THE DONOR) AND THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

WHEREAS the Donor hereby agrees to contribute funds to UNDP on a cost-sharing basis (hereinafter referred to as "the Contribution") for the implementation of Regional Green Growth and Jobs Accelerator Project (hereinafter referred to as "the Project"), as described in the Project document UNDP NRO Green Growth and Jobs Accelerator Project contributing to UNDP Regional Youth Project no. 141561, Output 1, in Morocco, Tunisia, Egypt and Jordan, and submitted to the Donor for information. Donor's reference, 2020-41913.

WHEREAS UNDP is prepared to receive and administer the Contribution for the implementation of the Project,

WHEREAS the Governments of Morocco, Tunisia, Egypt and Jordan have been duly informed of the Contribution of the Donor to the Project,

WHEREAS UNDP shall be the executing Entity and thus the Implementing Partner for the Project (hereinafter referred to as the "Implementing Partner"),

NOW THEREFORE, UNDP and the Donor hereby agree as follows:

#### Article I. The Contribution

1. (a) The Donor shall, in accordance with the schedule of payments set out below, contribute to UNDP the amount of DKK **64,872,268** pledged to the entire programme period (2022-27) with a first commitment of DKK 57,000,000 in 2022. Further annual commitments in 2023, 2024 and 2025 will be subject to the approval of the annual Danish Finance Act and to the satisfactory performance of UNDP.

The Contribution shall be deposited in the Danske Bank using the below details:

Account Name:UNDP Contributions AccountBank Name:DANSKE BANK (DENMARK)Account number:3996034445Address:Holmens Kanal 2-12, 1092 Copenhagen K., DENMARKIBAN/ABA:DK0830003996034445SWIFT Code:DABADKKKReference: Green Growth and Jobs Accelerator Project

See total budget in GGJA project application for breakdown of annual expenses and activities.

| No. | Payment date | Expected implementation period  | Amount in<br>USD* | Amount in DKK  |
|-----|--------------|---------------------------------|-------------------|----------------|
| 1   | 30 June 2022 | 1 January 2023 - 30             | 2,683,972.35 +    | 19,123,303 +   |
|     |              | June 2024                       | 90,147.36 (levy)  | 642,300 (levy) |
| 2   | 1 May 2024   | 1 July 2024 - 30 June<br>2025   | 1,894,420.07      | 13,497,743     |
| 3   | 1 May 2025   | 1 July 2025 - 30 June<br>2026   | 1,886,263.58      | 13,439,628     |
| 4   | 1 May 2026   | 1 July 2026 31<br>December 2027 | 2,550,076.35      | 18,169,294     |

Effective payment expected 30 days after receipt of payment notice.

\*Budget is stated in USD and converted to DKK by using the UN Treasury operational rate of exchange as per 15 June 2022, conversion rate 7.125.

(b) The Donor will inform UNDP when the Contribution is paid via an e-mail message with remittance information to <u>contributions@undp.org</u>, providing the following information: Government of Denmark, UNDP Nordic Representation Office in Denmark (NRO) and Regional Bureau for Arab States (RBAS), Project no. 141561and Green Growth and Jobs Accelerator Project, [donor reference no. 2020-41913]. This information should also be included in the bank remittance advice when funds are remitted to UNDP.

(c) UNDP will within 14 days after the Contribution have been received acknowledge receipt of the Contribution indicating the value in both DKK and USD.

2. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Donor with a view to determining whether any further financing could be provided by the Donor. Should such further financing not be available, the assistance to be provided to the Project may be reduced, suspended or terminated by UNDP.

3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of Project delivery.

4. UNDP shall receive and administer the payment in accordance with the rules, regulations, policies and procedures of UNDP.

5. All financial accounts and statements shall be expressed in United States dollars.

#### Article II. Utilization of the Contribution

1. The implementation of the responsibilities of UNDP as Implementing Partner pursuant to this Agreement and the Project document shall be dependent on receipt by UNDP of the Contribution in accordance with the schedule of payment as set out in Article I, paragraph 1, above. UNDP shall not start the implementation of the activities prior to receiving the Contribution or the first tranche of the Contribution (whichever is applicable).

2. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the Donor on a timely basis a supplementary estimate showing the further financing that will be necessary. The Donor shall use its best endeavours to make available to UNDP the additional funds required.

3. If the payments referred to in Article I, paragraph 1, above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph 2 above is not forthcoming from the Donor or other sources, the assistance to be provided to the Project under this Agreement may be reduced, suspended or terminated by UNDP.

4. Any interest income attributable to the Contribution shall be credited to UNDP Account, retained by UNDP and shall be utilized in accordance with established UNDP procedures.

#### Article III. Administration and reporting

1. Project management and expenditures shall be governed by the rules, regulations, policies and procedures of UNDP and, where applicable, the rules, regulations, policies and procedures of the Implementing Partner.

2. The Project period shall expire on 1<sup>st</sup> July 2027. UNDP shall provide to the Donor the following reports in accordance with UNDP accounting and reporting procedures.

- (a) From the Regional Bureau of Arab States (RBAS) (or relevant unit at headquarters in the case of regional and global projects) an annual status report of Project progress for the duration of this Agreement, as well as the latest available approved budget.
- (b) From UNDP Bureau of Management/Office of Finance and Administration, an annual certified financial statement as of 31 December every year to be submitted no later than 30 June of the following year.
- (c) From the RBAS (or relevant unit at headquarters in the case of regional and global projects) within six months after the date of completion or termination of this Agreement, a final

report summarizing Project activities and impact of activities as well as provisional financial data.

- (d) From UNDP Bureau of Management/Office of Finance and Administration, on completion of the Project, a certified financial statement to be submitted no later than 30 June of the year following the financial closing of the Project.
- 3. If special circumstances so warrant, UNDP may provide more frequent reporting at the expense of the Donor. The nature and frequency of this reporting shall be detailed in an annex to this Agreement.

#### Article IV. Administrative and support services

1. In accordance with the decisions, policies and procedures of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the Contribution shall be charged a fee equal to UNDP's cost recovery in force at the time of the project implementation. Furthermore, as long as they are unequivocally linked to the Project, all direct costs of implementation, including the costs of Implementing Partner, will be identified in the Project budget against a relevant budget line and borne by the Project accordingly.

2. The aggregate of the amounts budgeted for the Project, together with the estimated costs of reimbursement of related support services, shall not exceed the total resources available to the Project under this Agreement as well as funds which may be available to the Project for Project costs and for support costs under other sources of financing.

#### Article V. Evaluation

All UNDP Programmes and Projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Governments of Morocco, Tunisia, Egypt and Jordan in consultation with other stakeholders will jointly agree on the purpose, use, timing, financing mechanisms and terms of reference for evaluating a Project including an evaluation of its Contribution to an outcome which is listed in the Evaluation Plan. UNDP shall commission the evaluation, and the evaluation exercise shall be carried out by external independent evaluators.

UNDP shall be responsible for the monitoring and regular review of activities carried out under the Agreement. UNDP will keep the Donor informed on relevant preparation, review and evaluation missions or other activities in relation to the implementation of the Project. UNDP will, where the Parties agree it is appropriate, facilitate the participation of officials or designated representatives of the Donor in any such mission in accordance with UNDP Regulations and Rules. The cost of such participation will be borne by Denmark.

#### Article VI. Equipment

Ownership of equipment, supplies and other properties financed from the Contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

#### Article VII. Auditing

The Contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of UNDP. Should the annual Audit Report of the UN Board of Auditors to its governing body contain observations relevant to the Contribution, such information shall be made available to the Donor by NRO and RBAS.

#### <u>Article VIII</u> <u>Fraud, Corruption-related mismanagement and Counter-Terrorism</u>

1. Both Parties have a zero tolerance approach to fraud and recognize that it is important to take all necessary precautions to avoid corrupt, fraudulent or collusive practices. To this end, UNDP will maintain standards of conduct governing the performance of its staff, including the prohibition of corrupt, fraudulent, or collusive practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the UNDP regulations, rules, procedures and policies. UNDP will advise the Donor immediately of credible allegations of fraud or corruption involving the Contribution and will inform the Donor when an investigation is launched by UNDP, subject always to UNDP regulations, rules and procedures.

2. In the event that any part of the contribution is determined by UNDP to have been lost due to fraud, corruption or any other financial irregularities, such loss will be dealt with in accordance with the applicable financial regulations, rules, policies, procedures and directives of UNDP.

3. If UNDP has been able to recover mismanaged funds under this agreement such amount will be returned to the activity for which the contribution was intended. Where the activity for which the contribution was intended has been concluded or terminated the Parties shall consult to decide whether the amount shall be re-programmed for activities under a subsequent phase of the operation or to any follow-up operation towards the same objective or returned to Denmark on a pro rata basis upon agreement. In respect of such amount that has not been recovered, UNDP shall do its utmost to maintain its effort to recover such funds and continue consultations with Denmark with a view to determining a mutually agreeable solution. The Parties acknowledge and agree that UNDP shall not be obliged to reimburse any amount beyond the recovered amounts.

4. Consistent with United Nations (UN) Security Council Resolutions relating to terrorism, including UNSC Resolution 1373 (2001) and 1267 (1999) and other related resolutions, both Parties are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of Denmark to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, UNDP undertakes to use all reasonable efforts to ensure

that none of the donor funds provided under this Agreement are used to provide support to individuals or entities associated with terrorism.

#### Article IX. Completion of the Agreement

1. UNDP shall notify the Donor when all activities relating to the Project have been completed in accordance with the Project document.

2. Notwithstanding the completion of the Project, UNDP shall continue to hold unutilized funds from the Contribution until all commitments and liabilities incurred in implementation of the Project have been satisfied and Project activities brought to an orderly conclusion.

3. As a rule, upon completion of activities any balance of unspent funds must be returned to the Donor.

#### Article X. Termination of the Agreement

1. This Agreement may be terminated by UNDP or by the Donor after consultations between the Donor, UNDP and the programme country Governments, and provided that the funds from the Contribution already received are, together with other funds available to the Project, sufficient to meet all commitments and liabilities incurred in the implementation of the Project. This Agreement shall cease to be in force 30 (thirty) days after either of the Parties have given notice in writing to the other Party of its decision to terminate this Agreement.

2. Notwithstanding termination of all or part of this Agreement, UNDP shall continue to hold unutilized funds until all commitments and liabilities incurred in the implementation of all or the part of the Project have been satisfied and Project activities brought to an orderly conclusion.

#### Article XI: Notice

Any notice or correspondence between UNDP and the Donor will be addressed as follows:

(a) To the MFA MENA/DAPP Team

Address: Asiatisk Plads 2, 1448 Copenhagen K Email address: thechr@um.dk

(b) Upon receipt of funds, UNDP shall send an electronic receipt to the Donor email address provided below as confirmation that the remitted funds have been received by UNDP indicating the value in both DKK and USD

|                            | Donor email address: menastud@um.dk |  |  |
|----------------------------|-------------------------------------|--|--|
|                            | Attention:                          | Regarding the disbursement of funds to UNDP (our ref. 2020-41913)          |  |
| (c)                        | To UNDP:                            | Linda Haddad, Project Manager  |  |
| Address:<br>Email address: |                                     | United Nations Development Programme, RBAS, Amman<br>Linda.haddad@undp.org |  |
| (d)                        | To UNDP:                            | Stine Kirstein Junge, Private Sector and Partnership Analyst               |  |
| Address:<br>Email address: |                                     | United Nations Development Programme, NRO, Copenhagen Stine.junge@undp.org |  |

## Article XII. Amendment of the Agreement

This Agreement may be amended through an exchange of letters between the Donor and UNDP. The letters exchanged to this effect shall become an integral part of this Agreement.

#### Article XIII. Entry Into Force

This Agreement shall enter into force upon the signature of this Agreement by the parties hereto, on the date of the last signature.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, have signed the present Agreement in the English language in two copies.

For the United Nations Development Programme: For the Donor: Henrik Fredborg Larsen Darriann Riber Director, UNDP Nordic Representation Office Deputy Director MENA Department Ministry of Foreign Affairs of Denmark DocuSigned by: Signature: Darriann Riber 597926799E5F4A4... 15 / June/ 2022 And Signature: Dr. Khalida Bouzar, Assistant Administrator and, Regional Director, Regional Bureau for Arab States 29 / June/ 2022 Signature: 15 / June/ 2022

#### **ANNEX – COORDINATION LEVY**

## UNITED NATIONS GENERAL ASSEMBLY RESOLUTION A/RES/72/279

The present Annex is an integral part of the Agreement with the **Government of Denmark** for the Regional Green Growth and Jobs Accelerator Project.

Pursuant to paragraph 10(a) of United Nations General Assembly Resolution A/RES/72/279 (31 May 2018), the Donor agrees that an amount corresponding to 1% of the total contribution to UNDP shall be paid to finance the United Nations Resident Coordinator System. This amount, hereinafter referred to as the "coordination levy" will be held in trust by UNDP until transfer to the United Nations Secretariat for deposit into the United Nations Special Purpose Trust Fund, which has been established to finance the United Nations Resident Coordinator System and is managed by the United Nations Secretariat.

The Donor acknowledges and agrees that once the coordination levy has been transferred by UNDP to the United Nations Secretariat, UNDP is not responsible for the use of the coordination levy and does not assume any liability. The fiduciary responsibility lies entirely with the United Nations Secretariat as the manager of the Resident Coordination System.

The Donor acknowledges and agrees the coordination levy does not form part of UNDP's cost recovery and is additional to the costs of UNDP to implement the activity or activities covered by the contribution. Accordingly, there is no obligation for UNDP to refund the levy, in part or in full, even where the activities covered by the contribution are not carried out in full by UNDP. As deemed necessary by the donor, however, especially where the scale of the resources concerned or reputational risk justify the refund transaction costs, the donor can submit a request for refund to the United Nations Secretariat directly.

UNDP will not administer the coordination levy. UNDP will not report on the use of the coordination levy. UNDP does not have any liability on the use of the coordination levy by the United Nations Secretariat. Clarifications on the administration, reporting and/or use of the coordination levy by the United Nations Secretariat shall be discussed by the Donor and the United Nations Secretariat on bilateral basis.

A Contribution of DKK **64,872,268** is made under the Agreement. This Contribution amount includes a coordination levy of DKK 648,722.68. This coordination levy amount will be transferred to UNDP at the bank account indicated in the Agreement immediately after its signature.

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# ANNEX – PROJECT DOCUMENT

# Danish Arab Partnership Programme 2022-2027

# UNDP (NRO and RBAS) Green Growth and Jobs Accelerator

**Project Application** 

29 March 2022

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# LIST OF ABBREVIATIONS

| BERA      | Bureau of External Relations and Advocacy              |
|-----------|--|
| DAC       | Development Assistance Committee                       |
| DAPP      | Danish Arab Partnership Programme                      |
| DDD       | Danida's Doing Development Differently                 |
| DI        | Confederation of Danish Industries                     |
| FTE       | Full Time Employee                                     |
| GHG       | Green House Gas  |
| GMS       | General Management Support                             |
| IFU       | Investment Fund for Developing Countries               |
| IMM       | Impact Management and Measurement                      |
| IGE       | Inclusive Green Economy                                |
| ILO       | International Labour Organisation                      |
| IMF       | International Monetary Fund                            |
| IMP       | Impact Management Project                              |
| IVA       | Impact Venture Accelerator                             |
| LMS       | Learning Management System                             |
| MSME      | Micro, Small and Medium enterprises                    |
| MEAL      | Monitoring, Evaluation, Accountability and Learning    |
| MENA      | Middle East and North Africa                           |
| MNC       | Multinational Cooperation                              |
| NDC       | Nationally Determined Contributions                    |
| RBAS      | Regional Bureau of Arab States                         |
| RYEP      | Regional Youth Empowerment Programme                   |
| SDGs      | Sustainable Development Goals                          |
| SMEs      | Small and Medium-sized Enterprises                     |
| ТА        | Technical Assistance                                   |
| UNDP      | United Nations Development Program                     |
| UNDP CO   | UNDP Country Office                                    |
| UNDP NRO  | UNDP Nordic Representation Office                      |
| UNDP RBAS | UNDP Regional Bureaux for Arab States                  |
| UNEG      | United Nation Evaluation Group                         |
| UNICEF    | United Nations International Children's Emergency Fund |
| UNSMS     | UN Security Management System                          |
| YEP       | Youth Employment Programme                             |
| YEE       | Youth Employment and Entrepreneurship Programme        |
| YIS       | Youth Innovation Summit                                |
|           |  |

# 1. INTRODUCTION AND BACKGROUND

The present project application document outlines the background, rationale and justification, objectives, and management arrangements for the support to the UNDP managed 'Green Growth and Jobs Accelerator', which is part of the Danish-Arab Partnership Programme (DAPP) 2022-2027. The Green Growth and Jobs Accelerator will support *established entrepreneurs* and small and medium sized enterprises (SMEs) in developing and scaling business solutions that will enable green growth and job creation for youth.

DAPP and the projects part of the overall programme will be implemented in Morocco, Tunisia, Egypt, and Jordan (the DAPP partner countries) from 1 July 2022 to 30 June 2027.

UNDP Nordic Representation Office (UNDP NRO) will be tha main liaison and key technical adviser and will implement in close collaboration with the UNDP Regional Programme for Arab States (RBAS) and in partnership with the four relevant UNDP Country Offices (COs). This project document is signed by and agreed between UNDP NRO, as the project partner, and the MENA Department in the Danish Ministry of Foreign Affairs as the department responsible for the Danish Arab Partnership Programme (DAPP).

DAPP comprises of two programmes, the Youth Employment and Entrepreneurship Programme (hereinafter referred to as the Youth Employment Programme) and the Human Rights and Inclusion Programme. The Green Growth and Jobs Accelerator is project 2 out of three projects under the Youth Employment Programme and will be implemented in concertation with the 2 other projects, project 1 implemented by the winning tenderer, and project 3 implemented by the Danish Development Finance Institution (IFU).

# 2. STRATEGIC CONSIDERATIONS AND JUSTIFICATION

## 2.1. Project context

In the coming decades, some 70 million youth (aged 15 to 24) in the MENA region will require an economic future that provides a basis for human development and social cohesion as well as a vibrant and inclusive political life.<sup>1</sup> Unemployment in the MENA region is the fastest growing in the world, increasing from an unemployment rate of 23.1% in 2019 to 26% in 2020; in Northern Africa it increased from 28.5% to 31.5%. The labour force participation rate decreased among youth in the Arab States, from 27.9% in 2019 to 26.5% in 2020; in Northern Africa the rate decreased from 25.5% to 23.5%.<sup>2</sup> Over 39% of young women in the Arab region<sup>3</sup> and 85.1% of working-age youth are in the informal sector, with limited or no access to social and health insurance or credit facilities.<sup>4</sup>

Youth unemployment is driven by multiple factors. Broadly speaking, the region has been swept by multiple crises and societal and political changes. There is also an unprecedented transformation occurring as a result of the Fourth Industrial Revolution<sup>5</sup> and the impact of digital technologies on

<sup>&</sup>lt;sup>1</sup> ILO. Enterprise Development. <u>https://www.ilo.org/beirut/areasofwork/enterprise-development/lang--en/index.htm</u>

<sup>&</sup>lt;sup>2</sup> ILO World Employment and Social Outlook, Trends 2021. Retrieved from: wcms\_795453.pdf (ilo.org)

<sup>&</sup>lt;sup>3</sup> SG Policy Brief: The Impact of COVID-19 on the Arab Region: An Opportunity to Build Back Better

<sup>&</sup>lt;sup>4</sup> Ibid

<sup>&</sup>lt;sup>5</sup> The Fourth Industrial Revolution is fusing physical, digital, and biological spheres, evidenced by robotics, IoT, AI, additive (3D) printing and robotic software automation. "The Fourth Industrial Revolution: what it means, how to respond", K. Schwuab, World Economic Forum https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/

markets, business models, and competitiveness. On top of this, the adverse impact of COVID-19 on the job market for youth and the skills needed cannot be overstated. The COVID-19 crisis has severely disrupted the functioning of entrepreneurs and SMEs, with many reporting closures of their businesses, while others are managing to pivot to new products and services. However, most entrepreneurs and SMEs in the region have not kept pace with the current wave of technological change that would enable them to adapt to the current and post-COVID-19 economy. For example, only 8% of SMEs in the region have an online presence, and only 1.5% of the region's retail sales are online.<sup>6</sup>

Against this, there is a sizeable skills mismatch in the region, as young people fail to acquire the skills needed to meet such demand. Governments are struggling to adapt education and training to keep pace with the market demand and youth' expectations, with nearly 40% of employers in the region indicating that skill gaps are a major impediment to business growth.<sup>7</sup> Furthermore, the education systems are not aligned for 21<sup>st</sup> century skills, including digital literacy, financial literacy, skills for a green economy, critical thinking, collaboration, communication, and problem-solving.

Additionally, the socio-economic crisis generated by the COVID-19 outbreak brings with it a series of multi-dimensional impacts, including a risk of social instability and the onset of a major economic downturn. Meanwhile in the Arab region the crisis was predated by, and now converges with, other major crises – a decade long set of conflicts resulting in the largest levels of displacement in a generation, and the accelerating impacts of climate change and ecological fragility. The Arab region is the world's most water scarce and food import-dependent region and has emerged as a global climate hotspot with temperatures rising faster than the world average, threatening to further reduce food and water security with millions likely to suffer from climate induced displacement and poverty by 2030. Temperatures in the region are expected to increase by up to 2C by 2040 and by up to 6C by 2100. While climate change will accelerate into the future, it has already had devastating consequences across the region.

Among unprecedented economic instability along with climate change impacts and environmental challenges facing the region, green growth is the only way forward to ensure a prosperous and sustainable future. Countries in the Arab region are now turning towards green economy transitions that can help generate new employment opportunities, including for young people, along with contributing to the achievement of Green House Gas (GHG) emission reductions under the Paris Agreement and the protection of the environment.

In fact, many countries in the Arab region<sup>8</sup> have already outlined in their enhanced Nationally Determined Contributions (NDCs) and other related climate change plans (e.g. National Adaptation Plans and Long-Term Strategies) how to transition to green and resilient pathways that help spur economic growth and job creation, while aligning with national development objectives and the Sustainable Development Goals (SDGs). For instance, through its enhanced NDCs, Morocco pursues a rapid transition to a resilient, low-carbon economy and highlights the overall objective of 42% reduction of GHG emissions to be achieved by 2030.

The role of the private sector in achieving the commitments under the NDCs and the Paris Agreement is critical. According to the International Monetary Fund (IMF), SMEs are a cornerstone of MENA economies, accounting for over 90% of all businesses and providing a major source of new job creation. They are also the primary catalyst for entrepreneurship and innovation, as well as providing a stabilizing competitive force to major economic activities.

<sup>&</sup>lt;sup>6</sup> McKinsey. 2018. Entrepreneurship in the Middle East and North Africa: How investors can support and enable growth.

<sup>&</sup>lt;sup>7</sup> The Future of Jobs and Skills in the Middle East and North Africa. World Economic Forum. 2017.

<sup>&</sup>lt;sup>8</sup> See Annex 1 for details. Jordan: the National Vision and Strategy, NGGP and National Climate Change Policy and Sector strategic Guidance framework. Egypt: outlined in Egypt vision 2030. Tunisia: the SCP-NAP. Morocco: National Climate Plan for 2030 and National Sustainable Development Strategy 2030.

MSMEs<sup>9</sup> typically operate under low energy intensity and tend to have a small environmental footprint, often resulting in being overlooked in terms of their environmental footprint, despite their massive aggregate potential. For example, based on the analysis on Mainstreaming GHGs Reduction across MSMEs in Jordan, it was revealed that integrating MSMEs in the climate change discussion is essential in meeting national GHG reduction targets due to their massive aggregate footprint. In addition, there is a number of indirect, yet impactful benefits associated with actively engaged MSMEs, including the potential of MSMEs to pioneer eco-innovation in Jordan, and accelerate the development of carbon-neutral business model and the transition towards green economy.

These challenges are in many ways offset by the significant potential that exists to harness the power of both entrepreneurs and MSMEs and the creative, innovative power of youth themselves. Additionally, as noted in a recent assessment of MENA countries' competitiveness carried out by the World Bank and the World Economic Forum<sup>10</sup>, countries in the region need to strengthen the role of the private sector, particularly through entrepreneurship to create decent jobs for both women and youth, deliver higher and more inclusive job growth, and absorb excess labour.<sup>11</sup> Many Governments are responding by placing entrepreneurs and SME development at the centre of growth and jobs strategies to meet the needs of the young population.<sup>12</sup> From the perspective of youth entrepreneurship, according to the 12<sup>th</sup> Annual Arab Youth Survey, 40% of the youth aged 18-24 across the MENA region intend to start their own business within the next five years, and 46% view the private sector or their own business as their future careers.<sup>13</sup>

There are similarities among the many challenges facing young people's employment in the region, but each country has different circumstances, legislation, and approaches. Some of them are listed in Annex 1.

Significant efforts have focused on policy and legislative reform for entrepreneurs and SMEs to create a conducive environment for growth. Examples of reforms include simplifying business start-up and bankruptcy procedures, improving regulatory frameworks for access to finance and introduction of measures to foster SME growth and entrepreneurship but the depth and quality of these reforms varies widely by country. More can be done to enhance coordination among policy makers, and national and sub-national agencies through inclusive public-private dialogue platforms. Enhancing access to information on a variety of key elements such as access to credit, availability of support services, implementation of e-procurement systems and the improvement of access to and quality of entrepreneurial human capital can all go a long way in enhancing SME performance.<sup>14</sup> Further efforts need to be made by governments and policymakers to work with the entrepreneurs and SMEs as engines of entrepreneurship and innovation that can develop new products, services, and business models that incorporate the SDGs, drive green growth in businesses, and create green jobs for youth.

In this project, green growth is coined by the concept of an inclusive green economy (IGC), which is an economy, where growth contributes to improve human well-being and builds social equity

<sup>13</sup> https://www.arabyouthsurvey.com/findings.html

<sup>&</sup>lt;sup>9</sup> See Annex 1 for details: By employment share, the majority of the labour force in Jordan, Tunisia and Morocco are employed in Micro Enterprises (2-9 employees), followed by Medium/Large enterprises in Jordan/Tunisia, and Self-employed in Morocco. In Egypt, Micro Enterprises account for 3.7% of the labour force.

<sup>&</sup>lt;sup>10</sup> IMF. 2018. Opportunity for All: Promoting Growth and Inclusiveness in the Middle East and North Africa <sup>11</sup> Ibid.

<sup>&</sup>lt;sup>12</sup>https://www.imf.org/en/Publications/Policy-Papers/Issues/2019/12/13/Enhancing-the-Role-of-SMEs-in-the-Arab-World-Some-Key-Considerations-48873

<sup>&</sup>lt;sup>14</sup>OECD/EU/ETF (2018), The Mediterranean Middle East and North Africa 2018: Interim Assessment of Key SME Reforms, SME Policy Index, OECD Publishing, Paris. https://read.oecd-ilibrary.org/development/the-mediterranean-middle-east-and-north-africa-2018\_9789264304161-en#page4

while reducing environmental risks and scarcities.<sup>15</sup> Jobs enabled though this project is called 'green' jobs. ILO <sup>16</sup> defines green jobs as decent jobs that contribute to, preserve, or restore the environment, whether they are in traditional sectors, or in newer and quickly growing green sectors such as renewable energy and energy efficiency. Green jobs enable the production of goods or services that benefit the environment or use fewer natural resources.

Further, in this project, youth are defined as 15-35 years expanding the general UN definition of 15-24 years. Danida does not operate with a fixed age range but suggest a definition of youth up to 35 years<sup>17</sup>, which follows the logic that an individual in its 30s is still relatively young and can have solid business ideas that can create jobs at scale.

## 2.2. Brief introduction to the Green Growth and Jobs Accelerator Project

The Green Growth and Jobs Accelerator Project builds on UNDP's work and experience with implementing the SDG Accelerator for SMEs methodology.<sup>18</sup> The SDG Accelerator for SMEs methodology is unique in the United Nations family as it directly supports sustainable business development and commercial green growth in SMEs. While the outset is the methodology of the SDG Accelerator, the ultimate objective of the Green Growth and Jobs Accelerator Project (hereinafter referred to as the 'Accelerator') is to create green jobs for youth, and thus the Accelerator will not be an exact replicate of previous accelerator interventions implemented by UNDP.

The Accelerator will support established entrepreneurs<sup>19</sup> and SMEs<sup>20</sup>, of which 10% will be youthled, to accelerate green growth in their businesses and through this, support the local transition to a green and sustainable economy, and enable green jobs for youth.

UNDP will collaborate with local management consulting firms in each country or preferably regionally as possible to deliver strategic business development consulting on green growth and business instruments to grow their business. This will for example happen through the development of business plans for new environmentally friendly products and services, through implementation of greener production or operational processes, or/and through the integration of selected standards that can enable some companies to get access to new markets. Each year, in each DAPP country, two 5-months Accelerators will be implemented, and each Accelerator will include a cohort of up to 25 carefully recruited SMEs.

Each company in the Accelerator will develop one or more business plans for green growth also integrating relevant ways for the company to create jobs for youth, either as a result of the implementation of the business plan, as a means to realise the business plan, or preferably both. Each company will be supported to set a target for number of youths employed as part of the business plan, just as support will be provided to companies to seek relevant youth candidates, including opportunities for internships and paid job training.

All youth activities will be orchestrated by UNDP and in coordination and synergy with the consortia bidding for project 1 under the Youth Employment Programme, where relevant. Activities may also be subject to adjustment in the project inception phase to align and to avoid duplication with project 1.

<sup>&</sup>lt;sup>15</sup> https://www.unep.org/explore-topics/green-economy/about-green-economy

<sup>&</sup>lt;sup>16</sup> ILO (2016). What is a green job?

<sup>&</sup>lt;sup>17</sup> Danida AMG: Youth in Development. https://amg.um.dk/en/tools/youth-in-development/

<sup>18</sup> https://www.sdg-accelerator.org/

<sup>&</sup>lt;sup>19</sup> The category of established entrepreneurs are entrepreneurial businesses, who are beyond the initial survival and scale-up stage and who can show a track record of revenue. Established entrepreneurs cannot be less than 5 people.

<sup>&</sup>lt;sup>20</sup> The category of SMEs employs fewer than 250 people. Eligibility of cases where the SME is part of a larger group exceeding a total headcount of 250, will be assessed on a case-by-case basis.

Some SMEs in the Accelerator will rely on new partnerships and access to input from other sources external to the company and to the accelerator process, to qualify their business plans. External input can be sourced from research communities or, from practitioners within a specific field, or from the UN system, if relevant.<sup>21</sup> Potential partners, external experts, and practitioners could be part of the existing ecosystem of that particular DAPP country, in the region or in Denmark. SMEs will be matched with relevant network through a bespoke process depending on their specific case and needs.

In a Danish context, it may be relevant to engage with some of the following organisations (indicative list), who are already part of the UNDP NRO collaborative network:

- Maritime Stars an initiative under the Danish cluster for the maritime sector and logistics. Works to strengthen entrepreneurship and innovation in the maritime sector and provides mentoring in maritime business development.
- Maersk McKinney Møller Center for Decarbonizing Shipping a not-for-profit, independent research and development center looking to accelerate the transition towards a net-zero future for the maritime industry.
- EAT a non-profit dedicated to transforming the global food system through science, disruption, and novel partnerships.
- Agro Food Park is an industry-specific ecosystem for agricultural and food businesses and works to connect competencies in the industry and to help ensure the development of sustainable products for future generations.
- AM Hub a Danish anchor point for Additive Manufacturing (AM) and 3D printing, which works to put the technology and potential business models on the agenda.
- MATChE a non-profit anchored at DTU that helps companies transition businesses from a linear to a circular economy
- State of Green a not-for-profit, Danish public-private partnership. State of Green fosters relations with international stakeholders interested in discussing their challenges and bring into play relevant Danish competencies and technologies that enable the green transition.
- Sustainable Build a partnership and an innovation platform, comprising 32 Danish organizations and companies from across the value chain of the building industry

Some of the companies in the Accelerator will also rely on ensuring capital to grow and to implement their solution, and UNDP will work with relevant finance and capital providers including the Middle Eastern Investment Initiative (MEII)<sup>22</sup> to match and increase the target companies' access to the right financing instruments and stakeholders. Providers will vary in each of the four countries, but for example, in Morocco there is an ongoing partnership with a financial provider Caisse Centrale de Garantie (CCG) and Enactus Morocco that provide funding to SMEs and start-ups. In the Spring 2022, UNDP will be conducting a comprehensive mapping and study

<sup>&</sup>lt;sup>21</sup> UNDP's Global Policy Network is a network of global experts and practitioners providing cutting-edge development advice to country offices and programme countries, through a more cohesive and connected network of UNDP's top talent across country, regional and global teams, leveraging knowledge, resources and best practices needed to achieve development breakthroughs. The GPN structure ensures that UNDP's offer on development are intertwined and reflects the inter-related nature of the team compositions, breaking the siloes of the traditional bureaus.

<sup>&</sup>lt;sup>22</sup> https://meii.org/

of relevant investors and finance providers in the region and this study will be leveraged in the Green Growth & Jobs Accelerator Project. Success with raising growth capital or short and longer terms loans under the right conditions will, among other factors, depend on the identification and development of a solid green growth business plan.

Further, digital learning will be provided to both target companies and youth entrepreneurs as well as to companies and audiences outside of the Accelerator to capacitate the target group on driving, managing, and amplifying green growth business opportunities and practices. Some of these digital learning assets, will be delivered in collaboration with the consortia delivering on Project 1 under the Youth Employment Program, as relevant.

With the aim to inspire other companies, business leaders and youth in the DAPP countries on sustainability, green growth, and youth employment, and to make results from this project known to Danish stakeholders, external communication is key. Communication activities will be crosscutting in all three outputs in the project and will be carried out in close coordination with the DAPP Communication Unit. The project will have communication capacity both in Denmark and in the region, allowing for outreach and development of communication products on various platforms (social media, press etc) in both Danish, English, French, and Arabic as needed. The aim is to inspire other companies, business leaders and youth in the DAPP countries, ant to make results and progress from this project known by Danish stakeholders.

See section 4 for more details.

### 2.3. Strategic considerations

#### Linkages with UNDP strategic frameworks

The complexity of challenges in the region that has been further exacerbated by the COVID-19 crisis encompass youth unemployment, lingering political instability, and the absence of a conducive political environment. Addressing development challenges requires segments of society- youth, private sector, academia, etc. to collaborate as partners across several interventions. More specifically, to address youth unemployment, single point activities intended to support entrepreneurs and SMEs need to be situated in a broader set of coherent interventions that address the overall operating environment - from national policies and strategies to the ecosystem that provides the soft and hard infrastructure to help SMEs to thrive.

Therefore, this project works in synergy with a broader transformative regional agenda articulated in UNDP's Regional Youth Empowerment Project (RYEP),<sup>23</sup> which will work across three mutually reinforcing levers of change towards the development of policies and systems, institutional as well as individual capacities for delivering with and for young people, with their voices firmly placed at the centre of all decisions impacting their lives. The RYEP approach also ensures participation of young people through enabling the adoption of a deliberative process of policy articulation between governments and youth as policy shapers. In helping to create opportunities for youth in the Arab region to unleash their creativity and leadership in civic, economic, and political spheres, together with partners RYEP aims to fundamentally shift societies' perception of youth from problems to assets for regional transformation and social cohesion.<sup>24</sup> As

<sup>&</sup>lt;sup>23</sup> UNDP Arab States Regional Youth Project 2022-2024 is the first phase of three phases, estimated at 126 million over 9 years. Currently, it is partially funded, and resource mobilisation will continue.

<sup>&</sup>lt;sup>24</sup> This project is also in alignment with the UNDP Strategic Plan 2022-2025 (DP/2021/28) and contributes to Outcome 1 "Structural transformation accelerated, particularly green, inclusive and digital transitions", and more specifically Output 1.3 "Access to basic services and financial and non-financial assets and services improved to support productive capacities for sustainable livelihoods and jobs to achieve prosperity". It also addresses key priority areas of the Regional Programme for the Arab States,

such, there are strong synergies between RYEP and DAPP, which will be explored and leveraged in the project, as possible.

#### **Country focus**

The Youth Employment Programme addresses the essential elements of driving innovation, growth, and job creation in the private sector, including the enabling and regulatory environment, finance, technical and vocational education and skills training, and support to entrepreneurs and SMEs. When combined, these components complement each other so that the 'whole is greater than the sum of its parts'. The four DAPP countries Morocco, Tunisia, Egypt, and Jordan will thus receive coherent support rather than narrow silo-oriented interventions. UNDP COs in the four DAPP countries will implement the Accelerators at country-level and leverage on their longstanding local networks of relevant stakeholders across sectors. The UNDP RBAS Regional Hub in Amman (will be referred to as RBAS or the regional hub in this document) will technically support COs in implementation and coordinate activities cutting across all four countries tapping into the regional hubs' expertise areas central to the project including youth, inclusive growth and sustainable development, climate change, gender, digitalisation, and innovation.

Read more about UNDP NRO's role in relation to countries under section 6 and under Annex 4.

While there are commonalities across the countries covered by DAPP, there are also wide variances in terms of economic makeup, access to education and training for youth, prominence of entrepreneurs and SMEs in the economy, support to start-ups, policy and regulatory frameworks, access to finance, and other dimensions that impact on job creation. Thus, rather than seeking a 'one size fits all' approach, UNDP's methodology will tailor the approach to local conditions in each country, embrace local partners and both non-UN and UN-led initiatives, and draw on the experience and close government access of UNDP's network of country offices.

#### Sector focus

Prioritisation of high-potential sectors and sub-sectors will be key to ensure strong results in the accelerator and will be based on sector analysis conducted, if possible, prior to the inception phase. Relevant sectors and sub-sector focus will ultimately be decided upon in coordination with the MENA DAPP Team. The sector analysis will survey existing available evidence, analyses and mappings of growth and job-drivers for each country, pointing to relevant target sectors and sub-sectors that hold pockets of green business opportunity that can lead to economic growth and to job creation, for example, but not limited to, water, renewable energy, food safety and security, ICT, blue economy, and digitalisation. The analytical work will also look into the potential spill over effects between local SMEs and global MNCs within certain sectors.

It is essential that focused attention is paid to reinforcement of broad macroeconomic and sectoral frameworks in support of job-rich green growth, and to direct political will and investment towards green and blue economy sectors, recognising the region's vulnerability to climate change, which will require the creation and adaptation of green technologies and climate solutions.<sup>25</sup> Indeed, climate technology is an area in which investments are expected to exceed USD 23 trillion in emerging markets between now and 2030, according to the International Finance Corporation (IFC).<sup>26</sup> Investing in sustainable solutions and sectors such as wind and

<sup>26</sup> Ibid.

UNDP's guiding document for its work in the region, namely: to promote inclusive and sustainable growth, with a focus on job creation for young people; and to support the transition to low-carbon energy solutions, with a focus on de-risking sustainable energy investments by IFIs and the private sector to close the energy gap faced by poor and displaced communities in the region, while advancing women's empowerment through decentralized sustainable energy solutions.

<sup>&</sup>lt;sup>25</sup> World Bank Group (2017). Igniting Climate Entrepreneurship in Morocco: Findings from the Climate Entrepreneurship and Innovation Ecosystem Diagnostic

solar energy and promoting circular principles in sectors such as food and waste management will generate green jobs and contribute to the economic recovery of the region.

#### Leveraging actors and business ecosystems

The Accelerator is unique in how it brings together a broad circle of Nordic, local and regional business ecosystems, experts, practitioners, and relevant stakeholders to provide sparring, network, and potential collaboration opportunities to help accelerate the green growth business plans of the target companies. Practically this means that, when possible and relevant, companies in the Accelerator are matched and brought together with relevant resource actors, who can potentially provide insights, network, mentoring or experience relevant to support the company in developing their specific business plan further. This could be an actor that some parts of the business already have relationships with, for example key customers or suppliers, but whom the company is not used to including in their business development efforts. It could also be external actors who are new to the company, for example a select researcher, a specific representative from the local authorities, a peer-company, or a potential multinational company that can help the particular business in progressing the solution they are working on. The need for matching target companies with external expertise is assessed on a case-by-case basis.

In previous SDG Accelerator projects, some companies have for example benefitted from being matched with master students from the Danish Technical University. These students were tasked with solving a defined part of the issue that the company was trying to address with their new business solution. Over a couple of months, these student groups worked directly with the company to come up with a solution to the specific challenge they were given by the company. Examples of 'challenges' given to student groups in previous accelerators include: Internet of Things (IoT) device for tracking food waste in catering business and calculation model supporting the design of an IT solution coordinating the truck fleet of a waste management company. This approach of including students as 'brainpower' in the business development efforts is also an excellent way of matching companies with students, who get to know the company and work on real-life company tasks and potentially end up getting an internship or a job. This approach is reflected in what in this project will be called the Youth4Sustainability group in section 4.

### Complementarity with project 1 the Youth Employment Programme

Project 1 under the DAPP Youth Employment Programme will be implemented through a Contractor (a consortia selected based on a tender) and will work to empower youth and create awareness of opportunities for self-realisation either as self-employed entrepreneurs or as capable, skilled employees in private companies in their home countries. The target group is youth, young entrepreneurs, and youth-led start-ups at the business introduction stage.

The Green Growth and Jobs Accelerator Project mainly targets the next level in the industry growth cycle following the start-up phase, namely the growth and maturity stage of established entrepreneurs and SMEs in the formal sector. Through the Accelerator process, these companies are provided with support and business growth instruments to expand their business through sustainable and green business solutions. This will ultimately lead to economic growth and growth in green and sustainable jobs.

The learning asset on sustainable innovation and business development<sup>27</sup> is relevant both to the target companies of the Accelerator, but also to other companies, both younger companies and more established companies, outside of the Accelerators, for example those in project 1. Other stakeholders that could also benefit from the learning assets provided through the learning modality are actors in the local business development ecosystem such as entrepreneurs and companies

<sup>&</sup>lt;sup>27</sup> See further elaboration under section 4, output 3

affiliated with business schools or universities, already existing accelerator or incubator programmes, networks of young innovators and business leaders etc.

As such, project 1 in the Youth Employment Programme could benefit from some of the learning assets coming out of the Green Growth and Jobs Accelerator Project, just as assets in project 1 on for example ecommerce and digital transformation, could have relevance to the companies in the Green Growth and Jobs Accelerator Project. Furthermore, through project 1 in the Youth Employment Programme, youth are provided with basic education, skills training, and specialised vocational and technical training, and so these youth may be part of the pool of youth candidates that the SME target group of the Green Growth and Jobs Accelerator Project can be matched with, provide on the job training and network to, and recruit from.

The capacity building efforts in project 1 will also have a particular focus on skills needed in private companies to drive the green transition in the partner countries. This is a strong match with the Accelerators, which specifically aims to develop green and sustainable business solutions that deliver green jobs for youth. These green jobs will need youth who are skilled to drive the green transition onwards. In this way, the Youth Inclusion and Employment Project could provide the skills basis and the employee pipeline needed to support the further growth journey of the established entrepreneurs and SMEs.

Explicitly, on the learning modality, UNDP, and the Contractor of project 1 could collaborate on ways to amplify the reach of digital learning assets on sustainable innovation and business development, digitalisation and ecommerce among local entrepreneurs and SMEs, ultimately to strengthen their capacity to take advantage of digital business opportunities. The learning assets will be designed in *SCORM*<sup>28</sup> formats, which is an international standard for e-courses that almost any learning management system (LMS) will recognise, and hence it can easily be shared with partners interested in using the assets in their context and through their systems. The learning assets from the Green Growth and Jobs Accelerator and potentially the learning assets in project 1 will be embedded in UNDP's Regional Youth Platform.<sup>29</sup> The Regional Youth Platform gives *youth* access to knowledge and networks, training opportunities and information about available funding opportunities.

#### Complementarity with project 3 in the Youth Employment Programme

As part of project 3 under the Youth Employment Programme, IFU/MEII<sup>30</sup> is building a fund called the 'Sharaka Capital Investment Fund Project' targeting SMEs in DAPP countries, while also embedding a technical assistance (TA) component. The Sharaka fund will provide risk capital to SMEs by mixing equity and loan instruments. The fund provides longer-term loans on beneficial terms to eligible SMEs, who will commit to a low interest rate payback scheme if not successful and a higher interest rate payback scheme if successful. The Sharaka fund may also take small equity shares in the SMEs they invest in. The fund will start activities in Egypt and Jordan first, and then expand to Morocco and Tunisia.

The Sharaka Fund can benefit from the flow of SMEs coming out of the Accelerators, which can serve as a pipeline of potential investment topics for the fund. On the other hand, UNDP can leverage on the Sharaka Fund's specific regional focus on SMEs to enable better access to risk capital for the target companies in the Accelerators.

<sup>&</sup>lt;sup>28</sup> Shareable Content Object Reference Model (SCORM) is a collection of standards and specifications for web-based electronic educational technology (also called e-learning).

<sup>&</sup>lt;sup>29</sup> Further elaborated under section 4, output 3

<sup>&</sup>lt;sup>30</sup> The Middle East Investment Fund (MEII) has established the Sharaka Capital Fund. The focus is on risk capital investment to SMEs in the DAPP countries and in Palestine. The Sharaka Capital Fund has as its objective to provide finance to SMES to better facilitate job creation, inclusive economic growth, and improved environmental, social and governance (ESG) standards. https://meii.org/3d-flip-book/sharaka-brochure/

Furthermore, the TA component of the Sharaka Fund targets SMEs in the *post-investment* phase. This phase focuses on SMEs that have identified expansion opportunities, but who need access to financing *and* TA to do so. TA in this context could be related to ensuring specific certifications, securing Intellectual property (IP), acquiring accounting skills and the like.

This type of support differs from the assistance provided in the Accelerators focusing on the *pre-investment phase*. Where the technical support from the Accelerator on innovation and sustainable business development phases out, the support from the TA component in the Sharaka Fund can take over.

UNDP will also explore with IFU/Sharaka potential ways of collaborating on the recruitment of companies to the Accelerators. IFU/Sharaka has access to multiple SME networks in the region and also a portfolio of SMEs that could potentially benefit from participating in the Accelerator. In summary, the IFU/Sharaka Fund and the Green Growth and Jobs Accelerator are complementary and hold strong potential for synergies.

### Further involvement of Danish enterprises and organisations

UNDP will collaborate with business confederations in Denmark such as the Confederation of Danish Industries (DI), SME Denmark, The Danish Chamber of Commerce (Dansk Erhverv), and other industry associations and business networks, as relevant. Collaboration with and access to the networks and members of these business associations will be relevant when recruiting local companies to the Accelerator and when potentially working with unlocking the potential of the value chains of local SMEs. This type of network would be of high value for local SMEs from the DAPP countries who are searching for potential customers and relevant partners in value chains linking into Danish markets.

Further, as specifically the Danish Chamber of Commerce and DI collaborates with sister employer and business organisations in the MENA region, just like UNDP CO's in the DAPP countries, relevant collaborations on engagement and recruitment of SMEs should be explored.

Danish enterprises can potentially be brought into the Accelerator in three capacities:

- Danish companies and MNCs who are sourcing products from local SMEs in DAPP countries can be brought in, if they are interested in collaborating with local suppliers in accelerating their green transformation, for example to lower their supply chain risk or deliver on carbon reduction strategies from the supply chain. The main criteria for bringing in Danish companies and MNCs is that a collaboration holds potential to scale local SMEs and create local green jobs for youth.
- 2) Danish SMEs that are already present in DAPP countries *or* who are looking to establish themselves in one or more of the four DAPP countries. Working with Danish SMEs with green business solutions that hold potential to accelerate job-opportunities for local youth is the main criteria for engaging with this target group.
- 3) Selected Danish companies from various points in the value chain can be brought into the Accelerator to provide mentoring or network to local companies, as relevant.

## 2.4. Justification and comparative advantage

### Justification for Danish Support

The SDG Accelerator concept, which is the cornerstone of the Green Growth and Jobs

Accelerator methodology, has been developed by UNDP NRO based out of Copenhagen in 2017 and since deployed both in Denmark and globally with UNDP NRO as the expertise behind the methodology, toolbox, and way of working. Since the inception and first successful implementation of an SDG Accelerator project in Denmark in 2018 with a cohort of 18 Danish SMEs targeting both domestic and international markets, the SDG Accelerator concept has evolved, solidified, and become part of UNDPs global service offer to enterprises and part of UNDP's private sector strategy, 'Making Markets work for the SDGs'.<sup>31</sup>

The SDG Accelerator is part of the UNDP service offer called the Impact Venture Accelerators,<sup>32</sup> and UNDP NRO is part of the centre of excellence that runs business accelerators together with UNDP regional centres, country offices and partners. The IVA encompasses different accelerator modalities, which are different in scope and depth, and which are delivered to start-ups, scaleups, SMEs and even non-commercial entities. Each accelerator is tailored to the specific engagement, and hence to the partner, target group, objective, and context. Previous accelerators implemented by UNDP have focused on maritime, fintech, health-tech, education, govtech, food systems, agri-tech, gender, and many other themes.

UNDP NRO has been instrumental in deploying the SDG Accelerator concept in Denmark, Bosnia and Herzegovina, Moldova, and the ASEAN region, and has similarly been part of accelerators run out of Serbia, Philippines, Indonesia, Turkey, Vietnam in collaboration with representatives from the UNDP Global Policy Network, UNDP regional centres and local country offices and partners such as foundations, venture capitalists, business accelerators, institutional investors, and donors. To date, the IVA centre of excellence has implemented accelerators in 45 countries. Additionally, UNDP has a dedicated global SDG Finance Geneva Summit<sup>33</sup> where the accelerated ventures are introduced to potential impact investors in Europe.

In this way, UNDP NRO has an incubation and convener role, where the NRO team is part of the process of establishing and growing service offers and concepts that show strong results and can be scaled and rolled out in the UNDP system, but always in collaboration with the wider system. The SDG Accelerator is one of these concepts that has been successfully incubated and developed by the UNDP NRO together with initially Nordic partners. Other examples of concept and project incubation include a recent gamification project for the SDGs piloted in Denmark in 2021, and the Youth Innovation Summit taking place in Morocco, which was also developed by the UNDP NRO and delivered by the Morocco country office and an external vendor in 2019-2020. Furthermore, the Youth Innovation Summit in Morocco finds inspiration from UNLEASH,<sup>34</sup> which is now a Global Innovation Lab for the SDGs, and that UNDP NRO took part in incubating together with key partners in 2015-2016.

In addition, the private sector partnerships that the Green Growth and Jobs Accelerator Project brings into DAPP, is well in line with the priorities of Danida's development strategy. The Danida development strategy puts forward that "sustainable global growth is in everybody's interest and a precondition of eradicating poverty. It is a precondition of creating jobs – particularly for young people".<sup>35</sup> The strategy also mentions that Denmark will contribute to the business sector's transition to sustainable production and trade and will help businesses transform the SDGs into

<sup>&</sup>lt;sup>31</sup> https://www.undp.org/publications/undp-private-sector-strategy-2018-2022

<sup>&</sup>lt;sup>32</sup> The IVA service offer: https://sdgfinance.undp.org/sdg-service/service-2-encouraging-growth-sdg-relevant-businesses

<sup>&</sup>lt;sup>33</sup> SDG Finance Geneva Summit (sgsgeneva.org)

<sup>&</sup>lt;sup>34</sup> https://unleash.org/

<sup>&</sup>lt;sup>35</sup> The World 2030 Denmark's strategy for development cooperation and humanitarian action, p. 26.

new markets, services and products that can contribute to sustainable development in society.<sup>36</sup> The Green Growth and Jobs Accelerator Project contributes to that specific purpose, by supporting the development of sustainable societies with opportunities, and jobs – especially for young people. The project will also have a dividend for Danish trade and investments.

#### Example: SDG Accelerator for SMEs, Denmark (2019)

#### About the Accelerator

- A cohort of 19 Danish SMEs ventured through the 10-months acceleration process.
- The process included individual advisory sessions with each company, joint sessions for all companies together, shorter coaching check-ins and company homework in between sessions.
- Companies spanned as diverse sectors as food production, fashion and textile, industrial components, renewable energy, aquaculture, agricultural processing, and construction.
- The Accelerator was implemented in collaboration with a management consulting firm who facilitated the process and provided the commercial tools used in the process.
- A large group of external curated expertise was invited to provide input to the companies on their specific business solution, where
  relevant.
- Through DTU Skylab, which is a living lab for innovation and entrepreneurship at the Danish Technical University, master students, where brought in to support companies on specific aspects of their business solution. For example, one student group supported a company in developing an artificial intelligence component that could help reduce food waste. Another group supported a company in developing a mathematical model for calculating ways to reduce transportation capacity.
- Finally, a catalogue of business cases was developed to showcase the solutions developed by each company.

#### Key results

- Increased economic growth in target companies.
- New employment and job growth created in the companies as a result of business expansion.
- Strengthened corporate competitiveness in national and international markets.
- Scaling business to new markets or adjacent domains.
- Support for establishing new national and international partnerships that enable growth, innovation, and job creation.
- Acceleration of green technologies and businesses and support for retrofitting more traditional businesses.
- At project finalization:
  - 1/3 of the companies had developed a prototype and sold it
    - 0 1/3 had developed a prototype
    - 0 1/3 had developed a solid business plan ready for implementation.

#### Justification based on DAC criteria

**This project is relevant** as an intervention under DAPP as it addresses the challenge of youth unemployment by proposing to strengthen the role of the private sector in creating inclusive growth among entrepreneurs and SMEs in Morocco, Tunisia, Egypt, and Jordan and hence create jobs and employment opportunities for youth. This ambition connects to the priority in all four DAPP partner countries – and the equivalent international consensus reflected in SDG 8.3 - that supporting sustainable business development, innovation, and growth of entrepreneurs and SMEs is pivotal to empower youth and ensure the much-needed formal jobs and employment opportunities that can absorb the growing workforce.

Further, by working with companies to advance sustainable business solutions, this project addresses the challenge of the climate crisis that only worsens the difficulties related to unemployment and irregular migration in the DAPP partner countries. A key strategy of this project is to capacitate young people to be employed in new, green industries and to work with SMEs to find innovative solutions to combat climate change and to promote circular principles.

UNDP runs other programmes and projects on empowering youth and youth employment, on sustainable growth in the private sector (for example Impact AIM<sup>37</sup>), and on increasing sustainable

<sup>&</sup>lt;sup>36</sup> Ibid, p. 29.

<sup>&</sup>lt;sup>37</sup> https://impactaim.com/en/

investments among investors (for example the SDG Impact Initiative<sup>38</sup> that is developing SDG Investor Maps<sup>39</sup> in collaboration with UNDP COs). The Tunisia CO for example, are at the stage of finalising both its SDG Investor Map and Ecosystem Study, which will provide a comprehensive mapping of investment opportunities areas for the private sector, aligned with the challenges, and needs for achieving a sustainable and green development in the country. The SDG Investor Maps are market intelligence products to help private investors (funds, financiers, corporations) identify opportunities and business models that have significant potential to advance the SDGs in each country. These SDG Investor Maps will be leveraged in the analysis phase of this project to inform sector analysis and in the focus on matching SMEs with capital providers to enable green growth.

This project will seek coherence and synergies where relevant and draw on the experiences and learnings already obtained to bolster the efficiency and impact of the project. This includes seeking close coherence and synergies with the other two projects under the Youth Employment Programme, and it includes other UNDP and broader UN projects or programmes locally or in the region, including but not limited to the UNDP RYEP.

**Effectiveness of this project** will be ensured by delivering on its outcome and objectives, as it places a persistent emphasis on learning, local flexibility, and adaptation. The project applies an incremental approach, where the learnings and feedback will be continuously compiled and used to improve and adapt deliverables and management across the four countries, where needed. 2023 will be the year 1 of implementation<sup>40</sup> and learnings and feedback from the first year and subsequent years will form basis for calibration of tools and processes for the following year. Learnings will be collected from UNDP staff and management consultant firms and not least from the target SMEs who are part of the project. Some learnings will only be relevant at country-level while others will be relevant for all four countries and for the other projects in the DAPP programme.

Learning sessions will be held regularly allowing for discussion and action on observations, blockers, feedback, and other items feeding into methodology, tools, and planning. There will be four key mechanisms for regularly capturing learnings, areas that need more attention and other input relevant for project management at country, multi-country or programme level:

- Joint learning sessions between RBAS/UNDP NRO and all four CO teams and management consulting firms on a monthly basis. Here broader learnings, progress and other items can be shared, and a way forward can be decided upon.
- Individual check-ins between CO teams and RBAS/UNDP NRO including supporting management consultants on a weekly basis. Here guidance on methodology, tools, process, SME progress and other items can be discussed. Items from check-ins can also be relevant for all four COs or can provide input for calibration of tools or processes, and if so, joint sessions will be initiated.
- The management consulting firms will prepare company-specific Team Reporting Sheets after each engagement with SMEs (see indicative example below), which is shared with the respective CO team and saved in a joint folder, which RBAS/UNDP NRO can also access. Observations and areas that need more attention will be discussed at weekly check-ins.

<sup>38</sup> https://sdgimpact.undp.org/

<sup>39</sup> https://sdgimpact.undp.org/assets/SDG-Investor-Maps.pdf

<sup>&</sup>lt;sup>40</sup> 1 July to 31. January 2022 is the project inception phase.

• The RBAS/UNDP NRO team is available for individual sparring and guidance with CO teams and supporting management consultant firms beyond the weekly check-ins and monthly learning sessions. Especially during the first year of implementation, this mechanism is expected to be relevant, and probably less so the preceding years.

Making calibrations to tools and key processes is the responsibility of RBAS and UNDP NRO, whereas minor changes to country-level processes and activities are the responsibility of the CO team leader in dialogue with the project management level.

🗊 SDG ACCELERATOR **Team Reporting Sheet** Company: [insert name] Date: [insert date] Coach: [insert name of coach] Lessons learned in Last Week: Blockers & Challenges: Status report O SDG Cards progress 1 2 3 4 5 O Idea Progress 1 2 3 4 5 O Case for Change progress 12345 O Business Model Canvas 1 2 3 4 5 O Value proposition 1 2 3 4 5 O SDG Impact 1 2 3 4 5 O Collaboration 1 2 3 4 5 1 2 3 4 5 O Iteration Speed Next Steps: Additional Notes: Needs Good Progress Not Now attention × Legend: 1 2 3 4 5 Summary of status this week: ×

The below is an example of a company-specific Team Reporting Sheet:

**Cost-efficiency is ensured** by drawing on the experience and track-record of the UNDP in delivering and implementing similar interventions both virtually and face-to-face in the region and on a global scale. Synergies with RYEP will also ensure that resources, knowledge, and networks that UNDP has already invested in and developed in this area will benefit project implementation and DAPP. Ensuring and integrating these synergies with the project team and with DAPP as a whole will be the responsibility of the RBAS Hub, who is also the anchorage of the RYEP in UNDP. Similarly, knowledge and innovation generated by this project can be redeployed to the benefit of other countries in the region. When relevant and effective, the project will make use of virtual ways of engaging to reduce costs.

The **project will have a robust impact** on job-rich growth in entrepreneurs and SMEs both through the Accelerator and through the learning modality delivered to entrepreneurs and other actors in the business development ecosystem in the region and as a result of these efforts the project will create jobs for young people in DAPP countries. Working with entrepreneurs and SMEs to create growth will both lead to the creation of jobs in the directly engaged companies, and their growth will also trigger positive ripple effects in the supply and distribution chain, for example through increased demand for supplies and services.

**Sustainability** will be ensured at various levels; through the Accelerators, UNDP will work with SMEs to transform their business and supply chains to become greener and more sustainable, which will empower business leaders and the business community. Also, through the Accelerators and the learning modality, youth are engaged in, trained, and supported, just as assets and knowledge on green growth and sustainable business innovation are retained in each of DAPP

countries after the project. This contributes to building capacities of national partners and ecosystems. UNDP will also work to ensure synergies with the work being done by UNDP COs in the DAPP countries that support the enabling environment of SMEs and youth employment helping to ensure sustainability.

# 3. PROJECT OBJECTIVE AND OUTCOMES

The overall objective of the Youth Employment Programme is to increase the level of employment of young people in the DAPP partner countries through entrepreneurships and enterprise development. As such, the programme will contribute to SDG 8: "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all on productive employment for all." The objective links to DAPP's overall vision of a better life for young people in the Middle East and North Africa as young people need to experience that there are opportunities for gaining meaningful employment in order to create a better life for themselves in their home countries.

In order to reach the objective, the Green Growth and Jobs Accelerator Project will work towards obtaining this outcome:

# SMEs grow and create jobs through development of new innovative ideas or scaling of existing solutions.

The complementary outputs supporting the achievement of this outcome are:

Output 1: Target companies enabled to grow their business and create green jobs for youth.

Output 2: Green business solutions of target companies accelerated by increased access to finance.

**Output 3:** Youth and companies capacitated to accelerate and manage green, sustainable growth.

# 4. THEORY OF CHANGE AND KEY ASSUMPTIONS

Private sector employment and income for young people along with the transition to a green economy is central to achieving sustainable, inclusive, and stable societies, and to averting the worst threats and challenges from the impacts of climate change, unemployment, poverty, gender inequality, conflict, and migration in the MENA region.

Climate change poses one of the single greatest threats to the future of development in the MENA and for the DAPP countries, but it also presents an opportunity to innovate and transition to a more resilient future in line with the vision set forth in the 2030 Agenda.

Specifically, SMEs that are a cornerstone in the economies in the DAPP countries can - with the right support and access to growth capital - be a major source of sustainable and digital innovation, green growth, and new job creation. Young entrepreneurs and businesses in DAPP countries are increasingly taking their businesses online in order to expand the reach of their business. This pathway to growth can be boosted by further enhancing the skills and knowledge among the target companies to fully embrace the transition into e-commerce and digitalisation.

The outcome of this project is to enhance the capacity of established entrepreneurs and SMEs to manage and deliver on green growth and green jobs for youth through innovative Accelerators and digital learning.

In order to achieve the project objective, three complementary outputs have been established. The outputs are described below together with a summary of the main activities to be implemented at country level:

**Output 1: Target companies enabled to grow their business and create green jobs for youth.** Established entrepreneurs and SMEs, of which at least 10% will be youth-led enterprises, will be supported with green growth business instruments and advisory through an intensive 5-months business development process. The youth-led enterprises will follow the same process as the non-youth-led companies and will additionally be supported by the Regional Youth Platform<sup>41</sup>.

In the Accelerator process, each company will receive direct support from a joint team of UNDP specialists and local management consulting firms to identify and develop one or more individual green growth business plans. UNDP will partner with commercial management consultant firms, who can demonstrate a horizontal breadth in their business consulting experience and a vertical depth in the green growth agenda, in order to enable commercially viable business plans for each of the companies.<sup>42</sup>

Business plans will typically focus on a combination of the three business areas below:

- Green product/service, export, and market expansion
- Green upgrade of systems and production processes
- Upgrade of business governance and compliance, for example through management systems and standards.

The business plan will integrate ways for the company to create jobs for youth, either as a result of the implementation of the business plan, as a means to realise the business plan, or preferably both. Each company will be supported to set a target for number of youths employed as part of the business plan, just as support will be provided to companies to seek potential and relevant youth candidates, including opportunities for internships and paid job training.

Indicative high-level structure for a 5-months Accelerator process (aspects may be subject to adjustments):

<sup>&</sup>lt;sup>41</sup> See section 4

<sup>&</sup>lt;sup>42</sup> See Annex 4 for a Term of Reference for the management consulting firms.



The following topics and engagements will be covered during a 5-months accelerator:

- Base course in green and inclusive growth
- Development of individual SME baseline and impact plan
- Digital learning on sustainable business development and innovation same learning assets will also feed into outcome 3
- IMM kick off workshop (or webinar): Introducing IMM and impact facilitated by UNDP IMM specialists
- 1:1 IMM sparring and digital learning module facilitated by UNDP IMM specialists
- Business support on green growth business plan through bespoke process led by management consultant firms and delivered in tandem with UNDP country team
- Engagement with youth; Youth4Sustainability, on job training and internship opportunities.

## Youth engaged in the Accelerators

In output 1, there are at least three ways of engaging youth in the Accelerator: (i) at least 10% of the companies participating in the Accelerator will be youth-led enterprises, (ii) youth will be the target for company employment in the Accelerator, (iii) Youth4Sustainability groups will be cocreating solutions for companies going through the Accelerator. Where relevant the Youth4Sustainability work stream should be aligned with the DAPP Youth Sounding Boards to be established in each DAPP country, and thereby integrating the project further into DAPP.

More specifically on the third approach, in an effort to engage youth as innovators, Youth4Sustainability will be a flexible youth group made up of students or graduates formed in each of the four countries to support aspects of the business solutions of the SMEs and help address challenges to green and inclusive growth, where relevant. This will be a collaboration that not only taps into the knowledge, skills, and ingenuity of young people, but also provides youth first-hand work experience and potential ways into the company. This approach also lends itself to building national capacities and is enabling the sustainability of this project's impact to continue beyond the project end date.

## Opportunity analysis and recruitment of SMEs

The identification of relevant sectors and sub-sectors to focus on in the Accelerator will be based on initial analytical work conducted, if possible, prior to the 6-months inception phase starting July 2022. This work will only be possible to initiate before the inception phase if project funds from the DAPP budget can be released to UNDP ahead of inception.

The analytical work will survey and triangulate existing available analyses and mappings of green growth and general growth-drivers along with identification of specific job-drivers for youth in each country, pointing to the relevant target sectors and sub-sectors. The analysis will further encompass a diagnostics tool that will be used to both inform the SME recruitment strategy along with defining a practical screening process and screening criteria for each SME.

### Solicitation, review, and selection of SMEs

UNDP will provide a custom webpage for the program and will provide information about the accelerators and accept SME applications through that page. SME participants can submit their business information, along with other information that can be used to inform the selection of the top companies.

Advertisement of the accelerators can make use of following mediums (indicative) to solicit applications:

- Announcement of the accelerators on UNDP regional, and country-level social media
- Outreach to local partners across the region, and at country-level to solicit applications and refer interested SMEs
- Email blast to people and businesses in the UNDP network and partner networks to announce the accelerators and request applications.
- Direct invitations to apply sent to pre-identified companies

Relevant partners will be mobilised through the advertisement and recruitment efforts, and relevant partners will be mapped and may include UN Global Compact local networks, Chambers of Commerce, business associations and confederations, local accelerators and incubators, other local business development actors, youth serving organisations, universities and more as needed.

### Screening criteria

Indicative SME screening criteria may include other key characteristics such as:

- Geography
- Absorptive capacity of organisation and leadership team
- Leadership motivation and coachability
- Project fit and sustainable impact potential
- Internal growth blockers.

These characteristics will be assessed through both desktop review of applications and a 1:1 virtual meeting with each company as needed. Experience from previous accelerators show that this process is time-consuming, but also absolutely critical to ensure the right fit and results in the end.

# Output 2: Green business solutions of target companies accelerated by increased access to finance

Many of the target companies in the Accelerator are expected to need risk capital to realise their green growth business plans, although the exact nature of the potential investments needed is likely

to be manifold. UNDP is currently mapping the investment landscape and investment trends across 16 countries in the MENA region including the DAPP countries and will function as a 'convener' and connector between the target companies and relevant financial institutions in and outside the region. This insight will inform the approaches to identifying and matching the target companies with relevant SME capital providers and in the support provided to the target companies on gaining access to capital for green growth. Through the Accelerator, target companies that need finance will also be offered coaching aiming to strengthen their ability to pitch green growth business plans to potential investors and capital providers.

Additionally, over the last couple of years, UNDP's SDG finance flagship, SDG Impact<sup>43</sup>, has made targeted interventions to increase SDG-aligned investments globally and holds SDG Impact Investor Convenings to bring together investors and enterprises interested in the SDGs to mobilize private capital for the priority sectors identified in the SDG Investor Maps.<sup>44</sup> So far 16 facilitation events have been organised world-wide, which attracted great interest. For example, the Ghana SDG Investor Map, finalized in 2020, sourced 15 potential investments worth over \$55M that meet the West African nation's SDG priorities. Another example is UNDP Egypt, which is in the process of establishing an SDG Investor Map and as a first steps has finalised a study to map out the supply and demand of investment appetite for impact and sustainability in the country. One of the main outcomes of the study was partnering with a private equity fund and establishing the first impact fund in Egypt. The study helped connect UNDP with the main investors and the rising start-ups and SMEs in the market, which positions UNDP well to link both sides for investment opportunities.

UNDP currently has an SDG Investor Map in place for Jordan, and maps are under finalisation in Morocco and Tunisia. The maps will not be covered by the budget of the Green Growth and Jobs Accelerator but are UNDP assets that will be leveraged both under output 1 to inform the sector analysis and analysis of opportunities for green growth and under output 2.

Further, under output 2, close collaboration will also be established with the Danish Investment Fund for Developing Countries (IFU), who is responsible for implementing the 'Sharaka Capital Investment Fund Project', project 3 under the DAPP Youth Employment Programme. The collaboration between UNDP and IFU/'Sharaka Capital Investment Project' is described in section 2.2 on strategic considerations, in the paragraph "Complementarity with IFU/Sharaka in the Youth Employment Programme".

### Output 3: Youth and target companies capacitated to accelerate green growth

Entrepreneurs and SMEs in the DAPP countries need to find new ways of growing their business despite declining economic growth rates and the economic tail off from COVID-19. One way of doing this is to expand on the current rise in the MENA region of young entrepreneurs and businesses using digital platforms and technology and taking advantage of digital payment opportunities as seen under the COVID-lockdown. Another way is to strategically tap into the growing green and blue economy and the business opportunities embedded in the global push for the green economic transition.

Output 3 will work to strengthen the capacity of entrepreneurs and SMEs to take advantage of these new growth opportunities and will be delivered through a targeted learning modality. The learning modality will comprise different learning assets including:

1. Digital learning on 1) sustainable business development and innovation, 2) Impact Management and Measurement (IMM); and 3) ecommerce. The digital learning assets will be

<sup>&</sup>lt;sup>43</sup> SDG Impact: https://sdgimpact.undp.org/

<sup>44</sup> SDG Investor Maps: https://sdgimpact.undp.org/assets/SDG-Investor-Maps.pdf

provided to entrepreneurs and SMEs (youth-led and non-youth-led) in and outside of the Accelerator. In addition to the SMEs who go through the accelerator, UNDP will also connect with relevant actors in the business development environment (existing accelerators, incubators, and business programmes) to share and amplify the learning assets from the project, in order to benefit a much wider circle of SMEs in each DAPP country. Users will be reached through UNDP channels such as the Regional Youth Platform, through partners in project 1 of the DAPP Youth Employment Programme, and by tapping into the existing business ecosystem in the DAPP countries. The target is to reach at least 5,000 entrepreneurs and SMEs with these two customised digital learning assets.

Using SCORM format will allow for partners to easily adapt the learning assets to fit the curriculums and offerings that key partners may already have in place. Partnerships with innovation hubs, business schools, universities, youth serving organisations, business associations and other key actors will be leveraged to amplify reach. One obvious partner is the Contractor of project 1 of the DAPP programme that is expected to provide learning assets on ecommerce and digital transformation that can be embedded in UNDPs learning modality, if possible.

2. A Green Growth Community will be offered to alumni from the accelerators to further support their work with their green growth business plan and job creation. This virtual community will be established accommodate the first graduating cohort of 100 SMEs in July 2023 and will be run by one or more community managers to keep the group vibrant and relevant. Through the community, SMEs will have easy access to peer-sparring from alumni companies in the DAPP countries, mentoring from external professionals, as well as support for further matchmaking with relevant youth candidates.

Mentors can include professionals from the management consultant firms, who have provided support to the SMEs in the accelerators, youth graduates who have been part of the accelerators, subject-matter experts who have been part of previous UNDP accelerators, for example from Draper University, Rainmaking Innovation, Norrsken foundation, Monitor Deloitte, or The Impact Hub in Jordan. But it could also include professionals from relevant corporates in the wider network of UNDP, as relevant. Mentoring will be provided on an inkind basis. The Community will also make the digital learning assets available, as described in this section, and it will be linking into the UNDP Regional Youth Platform, described below. Also, this network will provide support and collaboration opportunities that will last longer than the project duration further ensuring project sustainability.

3. A Regional Youth Platform will be made available to the target youth-led enterprises and other youth involved in the Green Growth and Jobs Accelerator. The UNDP Regional Youth Platform was originally created in 2015 as part of the UNDP Regional Youth Project to support young people in the 16 countries covered by UNDP in the MENA region to access knowledge and resources needed to enable their journey as entrepreneurs, job seekers, community builders and policy shapers. As part of UNDP's youth programming (such as the Youth Leadership Programme) over 20,000 youth and 80 youth-serving organizations over seven years have been engaged. Their engagement led to a recommendation for this regional platform that connects youth and partners working with youth to continue to facilitate networking, knowledge sharing, and access to opportunities and resources. While the platform has not officially been launched, all stakeholders are keen on seeing this valuable asset come to life. Selected youth have co-created the platform to ensure its utility. The Regional Youth Platform is currently under expansion (2021-2022) to become a one-stop-shop for knowledge, network, and opportunities for youth beyond the Accelerator. The

expanded platform will comprise the following features: Listing of funding opportunities for youth-led businesses, list of accelerators and incubators relevant for youth, e-learning, and professional mentorship for youth. The platform is open source and can be accessed by all interested youth and youth-serving organisations, including those under project 1 in the DAPP Youth Employment Programme. The exact resources and assets provided will be informed by the engagement and input on what is needed identified during the first round of the accelerator implementation in quarter 1 and quarter 2 of 2023. Existing youth networks that are already projected to be using the Regional Youth Platform, will also be able to benefit from the expansion to the platform provided with the Accelerator. Also, this platform will provide on-going support that will last longer than the project duration further ensuring sustainable support. It will also connect the youth-led SMEs to other youth entrepreneurs to share ideas, knowledge, and know-how.

## Key assumptions:

The theory of change rests on several key assumptions including:

- In the DAPP countries, entrepreneurs and SMEs account for most of the employment, and the assumption is that there is a recognised need and interest from the group of formal and established entrepreneurs and SMEs to get support and tools to accelerate their path to sustainable and green growth and the creation of new green jobs for youth;
- Entrepreneurs and SMEs are willing to and can afford to spend the time required to participate in a 5-month intensive acceleration process focusing on green growth and green jobs;
- Providing entrepreneurs and SMEs with targeted learning on innovation, e-commerce, and digital transformation which can help them bring both new and existing solutions to market and as an effect contribute to growth will create pathways for the entrepreneurs and SMEs to expand their businesses and create new green jobs;
- Green jobs created as an effect of sustainable and green growth in entrepreneurial enterprises and in SMEs will benefit youth and women in DAPP countries;
- The business environment including policies and regulations is currently not inducive, but will not stand significantly in the way of the targeted entrepreneurs and SMEs quickly growing their business after receiving support and business instruments through the Green Growth and Jobs Accelerator Project;
- COVID-19 recovery efforts will contribute to creating demand and commercial space for the involved companies to reap the benefits of the Green Growth and Jobs Accelerator.
- Companies participating in the Accelerator will not object to setting a target for number of youth employed as a part of their commitment to the Green Growth and Jobs Accelerator.
- Youth engaged as solution-creators in direct collaborations with the SMEs, under coordination of the UNDP and the management consultant firms providing support to the SMEs, are able to provide relevant and qualified input to viable business solutions that can be implemented and will create value to the SMEs.
- Youth-led enterprises are able to access resources required for growth in the limited space for investment opportunities.

#### 4.1. Cross cutting issues

The project follows an adaptive design and will ensure compliance with Denmark's approach to Adaptive Management. This is key to the project not least because of its innovative nature, where the accelerators set the frame for a business process, where SMEs are supported with tools and expertise enabling them to innovate on their business models, products, and production processes with the goal of tapping into green growth business opportunities. The adaptive management and learning approach are also critical, as many aspects of the project implementation will have an experimental quality due to the existing fragile project contexts in the four DAPP countries, which is further exacerbated by the global COVID-19 pandemic. The fragile project contexts underline the demand for an innovative, adaptive, and very pragmatic approach from everybody involved.

UNDP is already embracing adaptive management approaches in its programmes and projects and has invested substantially in new ways of working. In responding to complex, recalcitrant development challenges, UNDP embeds an agile way of working, testing and prototyping across the organization through adaptive and anticipatory management approaches that encompass people, knowledge, risk management, funding, operational excellence and impact measurement.

Further, during the project inception phase, it will be key that the GGJAP team engages deeper with the MFA/DAPP Team and alongside the DAPP Programme Secretariat to further understand the particularities of the proposed policies and guidelines - including Danida's Doing Development Differently approach and Denmark's Strategy for Development Cooperation ("The World We Share")- and where UNDP potentially need to deploy further focus and capacities to ensure alignment in approaches. A particular focus will be put on ensuring alignment with expectations to project monitoring, reporting, and learning capacities across all levels of the GGJAP.

Lessons learned from implementation will be captured regularly at country-level and on a technical level by UNDP NRO and RBAS, and incorporated into activities through work plan adjustments and as needed. It is expected that more adaptations will be made through 2022-2024 than from 2025-2027. With input from the management consultant firms, the COs are responsible for capturing relevant learnings and change needs; learnings and needs that may be relevant to the other COs, to methodology, or to other DAPP country partners must be escalated through the regular learning meetings or can be fed directly to UNDP NRO through regular check-ins. In the project inception phase, it will be key to lock in and detail all the specific accountability and monitoring structures for the project at both country-level, multi-country-level, and programme-level, and determine the specific roles of COs vis-à-vis RBAS and UNDP NRO in relation to monitoring, learning and adaptions. In this exercise, the organisational setup proposed for this project will have both strengths and challenges that need to be factored in, as the right information needs to flow to the right levels in the project and the wider programme, without introducing unnecessary processes.

**External communications** ties closely into the Accelerators and will support the activities of all three project outputs. Communication on progress results, cases and inspirational stories about the entrepreneurs, SMEs, and youth to both local, regional, and Danish audiences will be coordinated with the DAPP communications unit, and communications products will be the joint responsibility of UNDP NRO (in Danish/English/Arabic) in collaboration with the RBAS Hub (French/English/Arabic). The objective of the communications activities is to strengthen results by inspiring other companies and youth in the specific DAPP countries, and to make results and progress from this project known by relevant stakeholders to DAPP both in the region and in Denmark. By continuously communicating results and stories from the implementation phases of the project (quarter 2, 2023-2027), through social media, other owned media, press and other platforms, the aim is to have youth view entrepreneurship and SMEs as positive means for employment and for making an impact in the green transition in their countries.

### 4.2. Aggregated results framework

For reporting purposes, the below results framework describing impact, outcome and output indicators have been selected to document and follow progress in project implementation. The aggregated results framework covers all four DAPP countries equally, meaning that the same indicators and targets are applied across the four DAPP countries. The country-based results framework can be found in Annex 2.
However, during the inception phase from July to December 2022, the results framework will be refined and completed in cooperation with the MENA DAPP Team as the partner dialogue and activity detailing have not yet allowed for outputs and indicators to be fully defined and baselines set.

Here it will be key to discuss, if the project scope of creating a total of 4,000 direct and sustainable jobs (on average 5 jobs per supported SME) for youth from the GGJAP, is too optimistic given the concrete operating context.

Economic prospects vary by target country, but the general bleak economic outlook of each of the countries has recently been exacerbated by the shocks to the economy from the impacts of the COVID-19 pandemic, a steep drop in tourism, and rising energy prices, all of which adds dimensions to the general volatile project environment and could have consequences for the GGJAP's ability to meet the current project scope and targets. Furthermore, it is still uncertain what the consequences of the war between Russia and Ukraine will be on the four DAPP countries.

| Aggregated  |       |  |
|---|-------|--|
| Engagement Ti   | itle  | Green Growth and Jobs Accelerator  |
| Objective SMEs grow and create green jobs through develop<br>sustainable revenue streams or by greening and sc<br>business. |       |  |
| Impact indicato   | ors   | <ul> <li>No. of new green jobs for youth created by target companies that have been part of the Green Growth and Jobs Accelerator <ul> <li>Proportion of green jobs filled by women</li> <li>Proportion of green jobs filled by youth</li> </ul> </li> <li>Proportion of target companies who experience an increase in turnover as an effect of the Green Growth and Jobs Accelerator.</li> <li>No. of indirect jobs created along the value chain, based on the turnover and employment increase in the target companies.</li> </ul> |
| Baseline  | 2022  | <ul> <li>0, baseline for turnover/FTEs is established for target companies when an Accelerator edition is initiated</li> <li>0%</li> <li>0</li> </ul>  |
| Target  | 2027  | <ul> <li>4,000 new green jobs for youth<sup>45</sup> <ul> <li>40% green jobs filled by women</li> <li>70% green jobs filled by youth</li> </ul> </li> <li>75% experience an increase in company turnover</li> <li>10,000 indirect jobs created in the value chain<sup>46</sup></li> </ul>  |
| Outcome   |       | Capacity of entrepreneurs and SME to deliver on green growth and green jobs for youth enhanced through innovative Accelerators   |
| Outcome indica  | ators | <ul> <li>No. of target companies benefiting from green growth business instruments and support to generate growth         <ul> <li>Proportion of target companies which are youth-led</li> </ul> </li> <li>No. of youth employed in target companies</li> <li>No. of solutions supported by Youth4Sustainability group.</li> <li>No. of youth part of the national youth advisory committee as partners in influencing national approaches and interventions</li> </ul>  |

<sup>&</sup>lt;sup>45</sup> The analytical work conducted prior to implementation will help refine these targets and adjust them to countries contexts.
<sup>46</sup> Indirect jobs include those employed in supplying the inputs to the target companies. Indirect jobs will be measured through an input-output-model and in alignment with the indirect jobs measurement approach of IFU. https://www.jointimpactmodel.org/

| Baseline          | 2022 | - 0/0   |
|-------------------|------|---|
| Dasenne           | 2022 | <ul> <li>0/0</li> <li>FTE baseline stablished at each Accelerator edition initiation</li> </ul>   |
|                   |      | <ul> <li>If the basenine stabilished at each Accelerator edition initiation</li> <li>()</li> </ul>  |
|                   |      | • 0   |
| Target            | 2027 | • 800 /of which 10% are youth-led   |
| 0                 |      | • 4,000   |
|                   |      | • 160 business solutions co-created with Youth4Sustainability group   |
|                   |      | • 24 youth part of the national youth advisory committee  |
| Output 1          |      | Target companies enabled to grow their business and create green jobs for youth   |
| Output indicators |      | No. of Accelerators implemented   |
|                   |      | • Proportion of target companies who have changed their operational   |
|                   |      | systems to work with sustainability and green transition  |
|                   |      | • No. of youth engaged in co-creation activities with target companies as part of Youth4Sustainability  |
|                   |      | <ul> <li>Proportion of target companies who have implemented their business<br/>plans at the end of the project in 2027<sup>47</sup></li> </ul> |
| Baseline          | 2022 | • 0   |
|                   |      | • 0   |
|                   |      | • 0   |
|                   |      | • 0   |
| Annual target     | 2022 | Not applicable for 2022 <sup>48</sup>   |
| Annual target     | 2023 | • 8   |
|                   |      | • 75%<br>• 60   |
| Annual target     | 2024 | • 8   |
| initial target    | 2021 | • 75%   |
|                   |      | • 60  |
| Annual target     | 2025 | • 8   |
| 0                 |      | • 75%   |
|                   |      | • 60  |
| Annual target     | 2026 | • 8   |
|                   |      | • 75%   |
|                   |      | • 60  |
| Target            | 2027 | • 32  |
|                   |      | • 75%   |
|                   |      | • 240   |
| -                 |      | • 75%   |
| Output 2          |      | Green business solutions of target companies accelerated by increased access to finance   |
| Output indicators |      |   |
| c uput maleators  |      | <ul> <li>No. of solid green growth business plans of interest to investors developed</li> </ul>   |
|                   |      | <ul> <li>No. of capital providers engaged in dialogues with target companies</li> </ul>   |
| Baseline          | 2022 | Business plans developed through the Accelerators, and investor interest is   |
|                   |      | mapped before engaging investors.   |
| Annual targets    | 2022 | Not applicable for 2022   |
| Annual targets    | 2023 | • 60  |
|                   |      | • 32  |

<sup>&</sup>lt;sup>47</sup> Results on this indicator will be measured in 2027
<sup>48</sup> All annual targets are set for 2023-2026, as the 5-months Accelerators processes are implemented from 2023 and through 2026. Hence there are no individual targets for 2027.

| Annual targets    | 2024 | • 60  |
|-------------------|------|---|
| 0                 |      | • 32  |
| Annual targets    | 2025 | • 60  |
|                   |      | • 32  |
| Annual targets    | 2026 | • 60  |
|                   |      | • 32  |
| Target            | 2027 | • 240   |
|                   |      | • 128   |
| Output 3          |      | Youth and companies capacitated to accelerate and manage green, sustainable growth.   |
| Output indicators |      | <ul> <li>No. of entrepreneurs and SMEs trained in sustainable innovation and business development</li> <li>No. of target companies part of and contributing actively to the Green Growth Community</li> <li>No. of youth utilising the Regional Youth Platform</li> </ul> |
| Baseline          | 2022 | <ul> <li>0</li> <li>0</li> <li>Number of youth already utilising the platform will be recorded before initiating the project and serves as baseline.</li> </ul>   |
| Annual targets    | 2022 | Not applicable for 2022   |
| Annual targets    | 2023 | <ul> <li>1,260</li> <li>100</li> <li>2,000</li> </ul>   |
| Annual targets    | 2024 | <ul> <li>1,260</li> <li>100</li> <li>2,000</li> </ul>   |
| Annual targets    | 2025 | <ul> <li>1,260</li> <li>100</li> <li>4,000</li> </ul>   |
| Annual targets    | 2026 | <ul> <li>1,260</li> <li>100</li> <li>4,000</li> </ul>   |
| Target            | 2027 | <ul> <li>5,000</li> <li>400</li> <li>12,000</li> </ul>  |

## 5. BUDGET

Please note that the contribution will be subject to:

In accordance with the decisions, policies, and procedures of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the Contribution shall be charged a fee of 8%, included in the budget below.

Further, an amount corresponding to 1% of the total contribution, shall be paid to finance the United Nations Resident Coordinator System.<sup>49</sup> This amount, hereinafter referred to as the additional "coordination levy" will be held in trust by UNDP until transfer to the United Nations Secretariat for deposit into the United Nations Special Purpose Trust Fund, which has been established to finance the United Nations Resident Coordinator System and is managed by the United Nations Secretariat.

## Summary Project Budget

| Summary                  |              |            |            |            |            |              |            |  |  |  |
|--------------------------|--------------|------------|------------|------------|------------|--------------|------------|--|--|--|
|                          | 2022 - 6 mos | 2023       | 2024       | 2025       | 2026       | 2027 - 6 mos | Total      |  |  |  |
| Output 1                 | 1.868.158    | 7.864.823  | 7.641.488  | 7.641.488  | 7.338.840  | 2.699.508    | 35.054.305 |  |  |  |
| Output 2                 | 911.008      | 1.975.160  | 1.975.160  | 1.975.160  | 1.672.512  | 989.400      | 9.498.400  |  |  |  |
| Output 3                 | 1.663.966    | 3.136.502  | 2.689.832  | 2.689.832  | 2.387.184  | 1.448.832    | 14.016.148 |  |  |  |
| M&E                      | 95.715       | 191.430    | 191.430    | 137.620    | 191.430    | 95.715       | 903.340    |  |  |  |
| Total ex admin fees      | 4.538.847    | 13.167.915 | 12.497.910 | 12.444.100 | 11.589.966 | 5.233.455    | 59.472.193 |  |  |  |
| Administrative fees (8%) | 363.108      | 1.053.433  | 999.833    | 995.528    | 927.197    | 418.676      | 4.757.775  |  |  |  |
| Summary Grand Total      | 4.901.955    | 14.221.348 | 13.497.743 | 13.439.628 | 12.517.163 | 5.652.131    | 64.229.969 |  |  |  |

The budget has been developed in USD and converted to DKK by using the UN Treasury operational rate of exchange as per 1 November 2021.<sup>50</sup> The full output-based budget can be found in Annex 5.

The **additional 1% UN coordination levy** amounts to DKK 642.300. Find the calculation in Annex 5 together with the full output-based budget.

### Project grand total including the coordination levy amounts to DKK 64.872.269.

Further, UNDP will make an annual assessment to see what activities that can potentially be scaled up in order to accelerate results and reach of the project and what potential additional budget allocations would be needed. Activities that are suggested to be accelerated, will be presented to the Programme Secretariat (see section 6) and, if agreed, they will be put forward to the MENA DAPP Team for funding approval.

To augment impact, UNDP NRO will seek to source additional external funding for the project. If such funding materialises, the project budget and results framework will be adjusted accordingly. The portfolio of activities and outputs presented in the results framework will remain the same while (some) outputs is expected to be increased and deepened as a result of a possible budget increase. The MFA will be informed in writing accordingly.

 <sup>&</sup>lt;sup>49</sup> The 1% levy on contributions to the UNDP is paid for on tightly earmarked third-party non-core contributions to development-related activities, pursuant to paragraph 10(a) of United Nations General Assembly Resolution A/RES/72/279 (31 May 2018)
 <sup>50</sup> UN Treasury: https://treasury.un.org/operationalrates/OperationalRates.php

## 6. INSTITUTIONAL AND MANAGEMENT SET-UP

The Green Growth and Jobs Accelerator Project is based on mutual contractual obligations outlined in the tripartite Agreement signed between the Danish MFA, UNDP NRO, and the RBAS Hub.

The complexity of the youth employment challenge, the development context of the countries involved, as well as the ambition of the Green Growth and Jobs Accelerator Project call for a robust organisational setup that balances the strategic view as well as quality, local flexibility, and adaptability.

Therefore, as per the standard practices and policies of UNDP, the project will leverage on UNDPs existing, strong project management structure and division of accountabilities between UNDP Bureaus, including the Bureau of External Relations and Advocacy (BERA) where UNDP NRO sits, the Regional Bureau of Arab States (RBAS) where the regional hub sits, and country offices that are overseen by the regional hub in the region. In matters relating to day-to-day management, monitoring, and annual reporting UNDP NRO, accompanied by RBAS, will be member of the Programme Coordination Board as described in the Programme Document for Youth Employment and Entrepreneurship (section 6.2).

The below provides an overview of the roles and responsibilities of the main parties involved in the implementation of the GGJAP. Further down an output-based terms of reference defines the terms for each unit involved:

A UNDP Project Board composed of representatives from UNDP and MENA DAPP Team will convene annually to hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the final year, the Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up. Relevant representatives from national/regional stakeholder groups should take part in Project Board and identified in discussion with COs. Depending on the context, they could include local business associations, SME representatives, or youth serving organisations.

**UNDP Nordic Representation Office** will provide the key liaison to the MENA DAPP Team and the other Danish partners under the YEE. UNDP NRO will also be part of and lead the coordination with the DAPP secretariat and DAPP project board. Communication activities for Danish audiences and coordination with DAPP communications team will also sit with UNDP NRO. Other examples are liaison towards investors and finance providers from Nordic/Global context and coordination of learning efforts to target SMEs and youth beneficiaries.

In addition - and based on UNDP NRO's expertise with the SDG accelerator, UNDP NRO will also function as the main technical advisor for the accelerator methodology. It is expected that UNDP NRO will exercise a greater and more in-depth technical role in the first phases of the accelerator, ensuring that technical expertise can be passed on to country stakeholders for later cycles. This will among others include (indicative) technical guidance on accelerator methodology and supporting toolbox to COs and management consultant firms working on the GGJAP in the DAPP countries. In coordination with RBAS, UNDP NRO will also lead on creating a diagnostics tool for selection and recruitment of SMEs to accelerators. Technical support to COs on how to ensure the best results from the collaboration with the management consultant firms, and guidance to consultant firms will be provided. Furthermore, UNDP NRO will take part in virtual sessions with the consulting firms, COs, and SMEs to be informed about progress and to support where needed, and lead on calibrating the toolbox to be deployed in accelerators, conduct training of trainers and drive identification of relevant community manager and design of the Green Growth Community for accelerator alumni. Together with RBAS, UNDP NRO will establish project-specific operating procedures to ensure flawless implementation and timely decision making. Regular weekly meetings among focal points from UNDP NRO, RBAS and the 4 country offices will ensure coordinated planning, sharing of information, and the prompt addressing of eventual issues or bottlenecks as they emerge. Monthly check-ins with each country office, beyond the regular provision of technical assistance, will allow more in-depth country-specific discussion. The risk log will be regularly monitored and updated by RBAS in close consultation with COs, and UNDP NRO will immediately be notified in case the situation on the ground changes. This set up will allow the application of adaptive management principles, quickly adjusting the implementation plan as new opportunities emerge or risks escalate and need to be mitigated.

**UNDP Regional Bureau for Arab States** Hub in Amman serves as the management unit for UNDP regional programmes and support to country offices in the Arab/MENA countries.<sup>51</sup> The project management role for the GGJAP will reside with RBAS, who has the required project management structures, capacities, and experience to run and oversee regional projects, including oversight, implementation and monitoring support to multiple country offices. The Youth team within the Hub Regional Programme will be the daily project manager of the GGJAP ensuring cross-fertilisation among country activities, and with close coordination and reporting lines to UNDP NRO. The Regional Programme will also ensure that the project adheres to UNDP programming quality standards, including Social and Environmental Safeguards, and risk monitoring as well as financial and administrative rules and regulations. Data needed to the project monitoring and evaluation will be collected as per the format required by the MENA DAPP Team and submitted to UNDP NRO for their further review and communication with the MENA DAPP Team as needed.

**Local teams in the DAPP countries** will comprise of dedicated project teams hired by **UNDP COs**, who together with local consulting firms will deliver engagements at the country level. The country teams will be sourced specifically for this project and will hold experience from related projects and programmes involving youth, inclusive growth, enterprise development and digital transformation, as well as solid insight into the business environment of their national and regional context. Overall, country teams will be responsible for the day-to-day implementation of activities related to local implementation and project outputs.

**The partners of the DAPP YEP** will collaborate closely throughout the 5-year programme, particularly as members of the Programme Coordination Board and through the support of the Programme Secretariat. The partners will support each other on the effective delivery of the overall DAPP and through exploration of synergies and provision of expertise and exchange of knowledge and learnings.

Find a draft terms of reference for UNDP project staff and consultant firms in Annex 4.

For further information about the institutional and management set-up of this project within the DAPP Employment Programme please refer to the section 6.1 of the programme document outlining the organisation of the YEE programme.

## 7. FINANCIAL MANAGEMENT, PLANNING AND REPORTING

Financial management of the DAPP funds will be undertaken by UNDP NRO together with RBAS in accordance with UNDP's Financial Rules and Regulations (as per executive board decision

<sup>&</sup>lt;sup>51</sup> UNDP RBAS covers the League of Arab States member countries, with the exception of Comoros and Mauritania.

2011/33). UNDP shall be responsible for administering the DAPP contribution in accordance with UNDP Regulations and Rules, policies, and procedures (including, but not limited to, those related to direct and indirect costs, interest, audit, procurement selection and engagement of staff, consultants, suppliers and contractors, monitoring, evaluation, reporting and UNDP Policy against Fraud and other Corrupt Practices).

## Disbursement

Disbursement of the contributions will be undertaken by the MENA DAPP Team upon written requests from UNDP in instalments based on the documented financial need of the activities and shall consider that payment shall be made in advance of the implementation of planned activities. Instalments will take place annually or more frequently as agreed in the specific agreement.

Disbursements to UNDP NRO should cover foreseen expenditures for up to twelve months in accordance with the approved work plan and budget. UNDP NRO is to produce an indicative disbursement schedule that covers the duration of the engagement. The transfer request should include:

- Detailed bank account information
- Output based budget for the period in accordance with the approved work plan and budget
- Requests must be signed by an authorised person

The overall conditions for disbursement of funds includes:

- Satisfactory use of prior transfers
- Satisfactory programmatic and financial reporting has been submitted on previous periods
- Availability of approved work plan and budget for the period to be financed

### Audits

The Contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies, and procedures of UNDP. Should the annual Audit Report of the UN Board of Auditors to its governing body contain observations relevant to the Contribution, such information shall be made available to the MENA DAPP Team by UNDP NRO.

### Sub-granting to implementing partners

In case UNDP sub-grants to other implementing partners, UNDP will ensure sound grants management in accordance with UNDP rules and regulations. This will include, but not be limited to:

- Thorough pre-grant assessments, including an assessment of the entity' financial and administrative procedures to ensure acceptable fiduciary standards;
- Ensure adequate anti-corruption measures (such as adequate anti-corruption clauses in all contracts), procedures for whistleblowing, induction and continuous follow up on anti-corruption measures etc;
- Maintain clear manuals for grants management within UNDP, including for financial management of grants;
- Ensure adequate monitoring set up including both programmatic and financial monitoring of all grants and partnerships including but not limited to: monitoring guidelines, monitoring plans and systems for follow up on monitoring findings and recommendations;

• Maintain adequate M&E frameworks to enable focus on results and on how results at subpartner level link up to the results at output and outcome level and ultimately to the objectives of this engagement.

### Fraud, anti-corruption, and ethical behaviour

Both Parties have a zero-tolerance approach to fraud and recognize that it is important to take all necessary precautions to avoid corrupt, fraudulent, or collusive practices. To this end, UNDP will maintain standards of conduct governing the performance of its staff, including the prohibition of corrupt, fraudulent, or collusive practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the UNDP regulations, rules, procedures and policies. UNDP will advise the Donor immediately of credible allegations of fraud or corruption involving the Contribution and will inform the Donor when an investigation is launched by UNDP, subject always to UNDP regulations, rules, and procedures.

In the event that any part of the contribution is determined by UNDP to have been lost due to fraud, corruption or any other financial irregularities, such loss will be dealt with in accordance with the applicable financial regulations, rules, policies, procedures, and directives of UNDP.

If UNDP has been able to recover mismanaged funds under this agreement such amount will be returned to the activity for which the contribution was intended. Where the activity for which the contribution was intended has been concluded or terminated the Parties shall consult to decide whether the amount shall be re-programmed for activities under a subsequent phase of the operation or to any follow-up operation towards the same objective or returned to the Danish MFA on a pro rata basis upon agreement. In respect of such amount that has not been recovered, UNDP shall do its utmost to maintain its effort to recover such funds and continue consultations with Denmark with a view to determining a mutually agreeable solution. The Parties acknowledge and agree that UNDP shall not be obliged to reimburse any amount beyond the recovered amounts.

Consistent with United Nations (UN) Security Council Resolutions relating to terrorism, including UNSC Resolution 1373 (2001) and 1267 (1999) and other related resolutions, both Parties are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of Denmark to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, UNDP undertakes to use all reasonable efforts to ensure that none of the donor funds provided under this Agreement are used to provide support to individuals or entities associated with terrorism.

All project partners directly or indirectly receiving Danish MFA grants must abide by local laws as well as by applicable international instruments, including the UN Convention on the Rights of the Child and International Labour Organisation Convention. Further, all participating partners must have an approved ethical codex, covering, among others, stipulations against sexual abuse.

### Reporting

UNDP will produce yearly progress reports (narrative and financial). The reports will be submitted to the MENA DAPP Team.

The following shall be addressed in the narrative reporting:

• An assessment of developments in the contextual framework during the past year;

- Implementation of the work plan and budget based on output targets for the reporting period, including explanations of challenges encountered and deviations from targets/milestones and how these have been assessed and handled;
- Progress to date compared to output and outcome targets for the entire programme period as stipulated in the results framework;
- An analysis of risks and how UNDP has reacted to or mitigated them, including both reflection on the reporting period and the upcoming reporting period;
- Challenges encountered and specification of recommended changes and adjustments (including budget re-allocations) for approval by MENA DAPP Team;
- Update on implementation of decisions, follow-up on recommendations from reviews, monitoring visits, etc.

UNDP shall provide to the MENA DAPP Team the following financial reports in accordance with UNDP accounting and reporting procedures.

- An annual certified financial statement as of 31 December every year to be submitted no later than 30 June of the following year;
- A certified financial statement to be submitted no later than 30 June of the year following the financial closing of the Project.

# 8. MONITORING, EVALUATION, AND LEARNING

UNDP will follow DAPP's monitoring procedures and requirements as laid out in the DAPP Strategic Framework Document. UNDP will assure **continuous project monitoring**, with a focus on quality assurance, validation of outcomes and achievements, and cost and efficiency. Monitoring procedures and requirements will be laid out in a manual, and data such as outputs and costs will be consolidated at national level on a biannual basis.

Management, monitoring, and evaluation of the project is **grounded in UNDP's programme and operations policies and procedures** (POPP). The 2021 Quadrennial Comprehensive Policy Review (in progress), and its recommendations for a UN development system that is fit to deliver on the 2030 Agenda, will also guide the project.

RBAS will oversee the tracking and monitoring implementation and progress at country-level and submit data and narrative reports to UNDP NRO upon request. As a minimum, CO's will prepare and submit quarterly monitoring updates to UNDP NRO and RBAS.

Additional insights (such as communication clippings, documentation of learnings and feedback, risk logs, company surveys, overview of company solutions, and analysis of other stakeholder interests) may need to be provided, per request. CO's will allocate resources for M&E in addition to the M&E resources provided by RBAS. Debriefs between UNDP NRO, RBAS, and CO's will take place on a bi-monthly basis or more frequently as needed.

Data for all indicators of the results framework will be shared on a regular basis, to allow RBAS and UNDP NRO to aggregate results and integrate findings into reporting on progress and dialogues with the DAPP secretariat.

Knowledge, good practices, and lessons learned will also be captured regularly, as well as actively sourced from other relevant projects and partners and integrated into the project, as needed.

UNDP will provide input on potential synergetic projects, initiatives, and stakeholders in the region, which may be relevant to the project.

Specific risks that may threaten achievement of results will be identified continuously and documented in a project risk log. RBAS is responsible for aggregating risks, and risks are reported by CO's on country-level and RBAS aggregates this on regional level for reporting to UNDP NRO.

The quality of the project will be assessed annually against UNDP's quality standards<sup>52</sup> to identify project strengths and weaknesses and to inform management decision making to improve the project.

Evaluations will follow the UN Evaluation Group's (UNEG) Norms and Standards for Evaluation in the UN System, using relevant guidance on evaluations. The evaluation process will be participative and involve relevant project stakeholders and partners.

UNDP evaluation requirements will cover the below:

- **Project appraisal review** of the project document prior to its finalisation, providing an opportunity to assess alignment with UNDP regional programming framework, and corporate quality standards, including results-based management provisions, results framework, and social and environmental safeguards.
- An annual work plan (AWP) with annual budget, related activities, and expected results measured through project output indicators.
- Annual reports on progress made against project output indicators and results, as well as conduct the quality assurance assessment in the design, implementation, and closure stages of the project.
- **Final project review report** on progress covering the entire duration of the project (cumulative), in addition to a section on the **lessons learned** as annex.
- **Mid-term reviews** and **project evaluations** are carried out as per agreement with the MENA DAPP Team.

<sup>&</sup>lt;sup>52</sup> https://popp.undp.org/SitePages/POPPSubject.aspx?SBJID=135&Menu=BusinessUnit

| Key activities  |    |    |     |          |        |    |     |           |           |       |     |         |           |     |    |          |          |      |    |    |
|---|----|----|-----|----------|--------|----|-----|-----------|-----------|-------|-----|---------|-----------|-----|----|----------|----------|------|----|----|
| Key activities  | Q3 | Q4 | Q1  | Q2       | Q3     | Q4 | Q1  | Q2        | Q3        | Q4    | Q1  | Q2      | Q3        | Q4  | Q1 | Q2       | Q3       | Q4   | Q1 | Q2 |
| Dutput 1: Accelerators  |    |    |     |          | DI     |    |     |           |           |       |     |         |           |     |    |          |          |      |    |    |
| ector analysis and green growth research                                      |    |    | Ann | 1al Worł | r Plan |    | AWF | ' and ani | iual repo | ort - | AWF | and and | nual repo | ort | AW | P and ai | mual rej | port |    |    |
| Accelerator implementation (2 editions<br>per year per country)               |    |    |     |          |        |    |     |           |           |       |     |         |           |     |    |          |          |      |    |    |
| Recruitment of companies to<br>Accelerators                                   |    |    |     |          |        |    |     |           |           |       |     |         |           |     |    |          |          |      |    |    |
| Engagement and co-creation with<br>Youth4Sustainability groups                |    |    |     |          |        |    |     |           |           |       |     |         |           |     |    |          |          |      |    |    |
| Dutput 2: Access to finance   |    |    |     |          |        |    |     |           |           |       |     |         |           |     |    |          |          |      |    |    |
| Mapping of relevant investors and   |    |    |     |          |        |    |     |           |           |       |     |         |           |     |    |          |          |      |    |    |
| Facilitation of dialogues with capital providers                              |    |    |     |          |        |    |     |           |           |       |     |         |           |     |    |          |          |      |    |    |
| Output 3: Learning modality   |    |    |     |          |        |    |     |           |           |       |     |         |           |     |    |          |          |      |    |    |
| Digital learning on 1) sust. business<br>levelopment/innovation, 2) ecommerce |    |    |     |          |        |    |     |           |           |       |     |         |           |     |    |          |          |      |    |    |
| Green growth community for graduated arget companies                          |    |    |     |          |        |    |     |           |           |       |     |         |           |     |    |          |          |      |    |    |
| Regional Youth Network  |    |    |     |          |        |    |     |           |           |       |     |         |           |     |    |          |          |      |    |    |

### Indicative high-level timeline including suggested review milestones:

## 9. RISK MANAGEMENT

UNDP will monitor and act on developments in contextual, programmatic, and institutional risks in close dialogue with the MENA DAPP Team and other programme partners as relevant. As the risk matrix in Annex 3 is intended to cover all four DAPP countries, country specific risks may have been overlooked and will be added. The different contexts also influence the likelihood and impact of each risk, and therefore might differ between the countries.

The three main risks identified at this point in the identification stage are:

- Slow projected GDP growth recovery after COVID-19 may impact the business environment and hence companies' ability to grow and create jobs, despite support from the Accelerators;
- Political instability in the region and increased insecurity; if increased it can lead to three different identified scenarios with varying impact on the project. Instability also affects investments and international cooperation with government, both of which the project is dependent on.
- Institutional challenges to the coordination efforts across the DAPP programme and the project partners as well as coordination efforts with other actors active in this field, may lead to overlapping or competitive initiatives that create confusion instead of improving the ecosystem in the DAPP countries.

Risk management is an integrated part of the project and closely linked to the adaptive management and innovative approach of the project. Adaptations to project implementation as an effect of changes in the project risk register, will be an ultimate decision made by the project Steering Committee. Updates of the risk register is conducted on a regular basis, but at least annually (new risks will be recorded as they arise). UNDP will apply full flexibility in planning and implementation to respond adequately to changes and potential risks. Risks are monitored and documented through risk logs and adequate risk responses are kept updated. UNDP CO's are equipped to measure and respond to project and security risks complying with the policies, procedures, and practices of the UN Security Management System (UNSMS).

## **10.CLOSURE**

On top of the current project proposal, UNDP NRO will seek to raise additional funding during the five years of programming to potentially expand the project beyond DAPP, if relevant.

Tentative timeframe of the formal closure in three steps:

| Deliverable                                     | Tentative end date                           |
|---|--|
| Final results report +Narrative report          | 6 months after project completion            |
| Financial Report                                | By 30 June the year following the completion |
| Closure of accounts:                            | of the project                               |
| Final internal audit, return of unspent funds   |  |
| and accrued interest and administrative closure |  |
| by reversing remaining provision                |  |

### Signatures

## **ANNEX 1: COUNTRY-LEVEL CONTEXTUAL DETAILS**

## Key country indicators

The below tables provide an overview of key country indicators in DAPP countries on demography, employment, and employment division. However, the table also reflects the lack of accessible, good quality statistical data and hence tables are based on data points sourced from 2019-2021 (Q2) and in this way must be used indicatively.

| Demography   | Jordan <sup>53</sup>          | Egypt <sup>54</sup>          | Tunisia <sup>55</sup>            | Morocco <sup>56</sup>            |
|--|-------------------------------|------------------------------|----------------------------------|----------------------------------|
| Total population, 2021                               | 10.27 million                 | 101.48 million               | 11.94 million                    | 37.34 million                    |
| Youth share of population, age 20-<br>24, 2021       | 0.947 million                 | 8.77 million                 | 0.808 million                    | 2.87 million                     |
| Youth share of population, age 25-29, 2021           | 0.868 million                 | 8.07 million                 | 0.892 million                    | 2.99 million                     |
| Median population age, 2021                          | 22.5                          | 23.9                         | 31.6                             | 29.3                             |
| Employment   |                               |                              |                                  |                                  |
| Unemployment level,                                  | 24.8% (Q2 2021) <sup>57</sup> | 7.5% (Q3 2021) <sup>58</sup> | 18.4% (Q3<br>2021) <sup>59</sup> | 11.8% (Q3<br>2021) <sup>60</sup> |
| Unemployment women                                   | 23.81% (2019)61               | 17.7% (2020)62               | 22.41% (2019)63                  | 16.2% (2020)64                   |
| Unemployment men                                     | 15.29% (2019)65               | 6% (2020)66                  | 12.39% (2019)67                  | 10.7% (2020)68                   |
| Youth unemployment (15-25), 2019 <sup>69</sup>       | 37.28%                        | 26.54%                       | 35.78%70                         | 22.29%71                         |
| Youth unemployment women (15-24), 2019 <sup>72</sup> | 50.71%                        | 53.35%                       | 38.19%                           | 22.88%                           |
| Youth unemployment men (15-24), 2019 <sup>73</sup>   | 34.25%                        | 18.21%                       | 34.76%                           | 22.1%                            |

73 Ibid.

<sup>&</sup>lt;sup>53</sup> World Population Review, 2021. https://worldpopulationreview.com/countries/jordan-population

<sup>&</sup>lt;sup>54</sup> Statista, 2021. https://www.statista.com/statistics/1230371/total-population-of-egypt-by-age-group/ and World Population Review 2021. https://worldpopulationreview.com/countries/egypt-population

<sup>55</sup> World Population Review, 2021. https://worldpopulationreview.com/countries/tunisia-population

<sup>&</sup>lt;sup>56</sup> World Population Review, 2021. https://worldpopulationreview.com/countries/morocco-population

<sup>&</sup>lt;sup>57</sup> Jordan Department of Statistics, http://dosweb.dos.gov.jo/

<sup>&</sup>lt;sup>58</sup> Trading Economics, https://tradingeconomics.com/egypt/unemployment-rate

<sup>&</sup>lt;sup>59</sup> National Institute of Statistics Tunisia, http://www.ins.tn/en

<sup>60</sup> Haut Commissariat Au Plan, Morocco, https://www.hcp.ma/

<sup>&</sup>lt;sup>61</sup> The World Bank data (Modelled ILO estimate), 2019.

https://data.worldbank.org/indicator/SL.UEM.TOTL.FE.ZS?locations=TN-MA-EG-JO

<sup>&</sup>lt;sup>62</sup> MSMEDA, CAPMAS, UNDP, AfDB survey 2020.

<sup>&</sup>lt;sup>63</sup> The World Bank data (Modelled ILO estimate), 2019.

https://data.worldbank.org/indicator/SL.UEM.TOTL.FE.ZS?locations=TN-MA-EG-JO

<sup>&</sup>lt;sup>64</sup> HCP, 2020. https://www.hcp.ma/Effets-du-Covid-19-sur-l-activite-des-entreprises-3eme-enquete-Janvier-2021\_a2648.html <sup>65</sup> The World Bank data (Modelled ILO estimate), 2019.

https://data.worldbank.org/indicator/SL.UEM.TOTL.MA.ZS?locations=TN-MA-EG-JO

<sup>&</sup>lt;sup>66</sup> MSMEDA, CAPMAS, UNDP, AfDB survey 2020.

<sup>&</sup>lt;sup>67</sup> The World Bank data (Modelled ILO estimate), 2019.

https://data.worldbank.org/indicator/SL.UEM.TOTL.MA.ZS?locations=TN-MA-EG-JO

<sup>68</sup> HCP, 2020. https://www.hcp.ma/Effets-du-Covid-19-sur-l-activite-des-entreprises-3eme-enquete-Janvier-2021\_a2648.html

<sup>&</sup>lt;sup>69</sup> Most recent statistics from the World Bank and the ILO for youth is 2019: The World Bank (modelled ILO estimate), 2019.

https://data.worldbank.org/indicator/SL.UEM.1524.ZS?locations=MA-TN-JO-EG

<sup>70</sup> In Q2 of 2021 the unemployment rate was 41.7%.

<sup>&</sup>lt;sup>71</sup> Youth unemployment (15-24) at 31.2% in 2020.

<sup>&</sup>lt;sup>72</sup> The World Bank (Modelled ILO estimate), 2019. https://data.worldbank.org/indicator/SL.UEM.1524.FE.ZS?locations=MA-TN-JO-EG

| Informal employment of total workforce                     | 46% (2020) <sup>74</sup> | 64% (2020) <sup>75</sup> | 44.8% (2019) <sup>76</sup> | N/A     |
|--|--------------------------|--------------------------|----------------------------|---------|
| Employment division  | Jordan                   | Egypt                    | Tunisia                    | Morocco |
| Self-employed (1 person), 201977                           | 9.4%                     | 60%                      | 18.6%                      | 24.5%   |
| Micro-Enterprises (2-9 employees), 2019 <sup>78</sup>      | 39.7%                    | 3.7%                     | 38%                        | 59.9%   |
| Small Enterprises (10-49<br>employees), 2019 <sup>79</sup> | 22.6%                    | 7.4%                     | 13.6%                      | 13.1%   |
| Medium to Large enterprises (50+), 2019 <sup>80</sup>      | 28.4%                    | 28.8%                    | 29.8%                      | 5.5%    |

#### Jordan

#### Economic situation

Jordan's informal economy contributes around 25% of the national income and employs around 46% of the total workforce.<sup>81</sup> In recent impact assessments of COVID-19 on enterprises showed that 4 in 10 SMEs laid off one or more employees and many saw their debt increase. One of their main remaining concerns is the costs of energy and utilities, therefore the adoption of green business models can be a way of fostering economic recovery and businesses' resilience.<sup>82</sup>

#### Green agenda

- The overarching climate plans for 2025 counts the National Vision and Strategy, the National Green Growth Plan (NGGP), and the National Climate Change Policy and Sector Strategic Guidance Framework, of which the latter has been extended to 2030. In this, Jordan puts more emphasis on adaptation rather than mitigation with the goal of achieving both environmental resilience and socio-economic development, in order to ensure the creation of green jobs for its citizens and increased investment in green projects.<sup>83</sup>
- Established "Jordan Green Growth National Action Plans 2021-2025" for six targeted sectors: water, agriculture, energy, tourism, digital economy, land use and desertification, in efforts to design an economic growth approach that will foster long-term resilience, especially for post-COVID-19 economic recovery.<sup>84</sup>
- Despite unprecedented stresses caused by regional volatility, Jordan has consistently demonstrated effective resilience capacities in maintaining stability and responding to crises.
- Access to green finance is lacking in Jordan. Even with several green financing mechanisms in place, they are only
  able to sustain small-scale projects.<sup>85</sup> It has therefore been voiced that large investments are needed in order to
  facilitate the green transition.<sup>86</sup>

#### **Digital transformation**

• Jordan has formulated a comprehensive Digital Economy Strategy, Reach 2025.

- <sup>78</sup> ILO, 2019. Employment Data https://ilo.org/infostories/en-GB/Stories/Employment/SMEs#power-of-small/employment
- <sup>79</sup> ILO, 2019. Employment Data https://ilo.org/infostories/en-GB/Stories/Employment/SMEs#power-of-small/employment

<sup>83</sup> A National Green Growth Plan for Jordan, 2017:

<sup>74</sup> Al Quds Centre for Political Studies, (Feb2020)

<sup>75</sup> Al Quds Centre for Political Studies, (Feb2020)

<sup>76</sup> INS, 2019 http://ins.tn/sites/default/files/publication/pdf/Note%2520emploi%2520informel%25202019.pdf

<sup>77</sup> ILO, 2019. Employment Data https://ilo.org/infostories/en-GB/Stories/Employment/SMEs#power-of-small/employment

 $<sup>^{80} \ \</sup>mathrm{ILO}, 2019. \ \mathrm{Employment} \ \mathrm{Data} \ \mathrm{https://ilo.org/infostories/en-GB/Stories/Employment/SMEs \# power-of-small/employment} \ \mathrm{SMEs} \ \mathrm{Holds} \ \mathrm{SMEs} \ \mathrm{Holds} \ \mathrm{SMEs} \ \mathrm$ 

<sup>&</sup>lt;sup>81</sup> Al Quds Centre for Political Studies, Feb. 2020.

<sup>&</sup>lt;sup>82</sup> UNDP Arab States 2021. https://www.arabstates.undp.org/content/rbas/en/home/library/crisis-response0/impact-of-covid-19-on-enterprises-in-jordan--one-year-into-the-p.html

https://www.greengrowthknowledge.org/sites/default/files/A%20 National%20 Green%20 Growth%20 Plan%20 for%20 Jordan.pdf

<sup>&</sup>lt;sup>84</sup> GGGI, 2020. https://gggi.org/report/jordan-green-growth-national-action-plans-2021-2025-agriculture-sector/ <sup>85</sup> GGGI, 2021. https://gggi.org/country/jordan/

<sup>&</sup>lt;sup>86</sup> K4D Combaz, E., 2019.

https://assets.publishing.service.gov.uk/media/5d30a131ed915d2ff003b781/619\_\_Jordan\_Environment\_Policies\_and\_Engagem t.pdf

 Jordan has committed to the launch of the World Economic Forum "Internet for All Initiative" in 2017, focusing on creating opportunities for job creation.<sup>87</sup>

### Egypt

#### **Economic Situation**

- 3.741million entrepreneurs and SMEs in Egypt employing 9.7 million people or 72.3% of private-sector employees.<sup>88</sup>
- Almost 91% of entrepreneurs and SMEs are suffering from the negative economic implications of COVID-19.89

#### Green Agenda

- In 2016, Egypt launched the Sustainable Development Strategy: Egypt Vision 2030 that is aligned with the SDGs and African Agenda 2063. The strategy identifies seven enablers: data availability, financing, digital transformation, technology and innovation, legislative environment, supportive cultural values, and population growth management.<sup>90</sup>
- The updated 2021 version of the plan highlights how COVID-19 has hampered the progress. The 2021 revisited document states that they will aim to achieve all of the goals, as soon as possible, but some are to be achieved post 2030. Two catalysts that could accelerate the progress have been identified: Firstly, the prevalence of IT/DT as that could cut government bureaucracy, red tape, and transaction costs, while support good governance. Secondly, partnerships to achieve the goals, pinpointing the private sector as a key contributor to achieving the agenda, as well as the international community.<sup>91</sup>

#### Digital transformation

- Egypt ranks 80 out of 115 on the Enabling Digitalization Index in 2018 (data not available for later years).<sup>92</sup>
- Egypt seeks to establish a digital economy that provides wide access to information and digital rights for citizens.<sup>93</sup>
- The Egyptian government partnered with UNCTAD in 2017 to develop a new strategy that aims at increasing the current share of e-commerce in GDP to 2.32% and doubling the number of businesses selling online by 2020. 17% of large firms and 3% of SMEs sell online according to 2020 estimates of the Egyptian government.<sup>94</sup>
- The central bank of Egypt has developed a financial strategy and created a fund to support technological innovations, in addition to other efforts, has the aim been to develop an integrated strategy in accordance with the latest international standards and in line with the Egyptian market. As well as, to advance financial technology industry and its services, while also transform Egypt within three years into an important regional centre in the field of financial technology.<sup>95</sup>

#### Tunisia

#### **Economic Situation**

- More than 735,000 SMEs (95% of SMEs) have only 0-9 employees (Micro businesses MSMEs).
- COVID-19 has worsened the financial fragility of most microenterprises, particularly those operating in the transport and storage sector, and the accommodation and catering sector.<sup>96</sup>

- 90 Egypt's 2021 Voluntary National Review, 2021
- https://sustainabledevelopment.un.org/content/documents/279512021\_VNR\_Report\_Egypt.pdf <sup>91</sup> Egypt's 2021 Voluntary National Review, 2021.

<sup>&</sup>lt;sup>87</sup> Reach, 2020. http://www.reach2025.net/

<sup>&</sup>lt;sup>88</sup> Egypt Economic Census, 2017/2018.

<sup>&</sup>lt;sup>89</sup> UNSDG, 2020. https://unsdg.un.org/sites/default/files/2020-08/EGY\_Socioeconomic-Response-Plan\_2020.pdf

https://sustainabledevelopment.un.org/content/documents/279512021\_VNR\_Report\_Egypt.pdf

<sup>&</sup>lt;sup>92</sup>Enabling Digitalization Index, 2018. https://www.eulerhermes.com/en\_global/news-insights/news/enabling-digitalization-index-2018-measuring-digitagility.html

<sup>93</sup> ICT 2030 Strategy, 2020. https://www.unescwa.org/publications/perspectives-digital-economy-arab-region)

<sup>94</sup> Ibid.

<sup>&</sup>lt;sup>95</sup> EHDR, 2021.

<sup>%</sup>UNDP, 2020. https://www.tn.undp.org/content/tunisia/fr/home/presscenter/pressreleases/2020/09/23/barometre-de-la-sante-des-pmes-miqyes-2019---les-entreprises-tun.html

 $https://www.tn.undp.org/content/tunisia/fr/home/library/environment\_energy/etude-sur-l-impact-economique-du-covid-19-en-tunisie-.html$ 

COVID-19 had a strong impact on SMEs in 2020: 90% of companies were impacted by the health crisis, with 34% halting their activity, while 50% experienced a very slow recovery. 51% of the companies were unable to adjust their activities to the context and 18% of the companies surveyed did not resume their activity.<sup>97</sup>

• In 2019, a Startup Act was adopted by Parliament to help promoting innovative entrepreneurship.

#### Green Agenda

- Tunisia is struggling with desertification, water scarcity and the degradation of natural resources. With limited
  national energy sources, there are great opportunities to develop renewable sources and improving efficiency,
  which has been linked to a strategy to reduce youth unemployment. Tunisia is working towards reducing its carbon
  footprint by 13% by 2030, increase share of renewable energy by 14% by 2020 and to 30% by 2030.<sup>98</sup>
- In 2019, Tunisia adopted an Investment Climate Improvement Law to reduce bureaucratic hurdles for investments and increase access to finance for SMEs, focused on advancing its green transition and carbon reduction.<sup>99</sup>
- The Tunisian Sustainable Consumption and Production National Action Plan (SCP-NAP) is a part of Tunisia's efforts to achieve Agenda 2030 and the Sustainable Development Goals. Through that, two priority sectors (tourism and agri-food) are addressed by developing a 10-year plan in collaboration with a diverse set of stakeholders. Each of these action plans aimed to insert sustainability in each sector's daily processes and to raise awareness among Tunisian organization.<sup>100</sup>
- Tunisia lacks funding to support the transition in energy infrastructure as well as developing environmental awareness, education, information, and proper management.<sup>101</sup>

#### **Digital Transformation**

- Tunisia ranks 75 out of 115 on Enabling Digitalization Index in 2019, which is an 8-place increase from 2018.<sup>102</sup>
- Tunisia's updated digital strategy "Tunisie Digitale 2025" focuses on six main objectives including the development
  of digital and financial inclusion, the promotion of local investment in the ICT sector as well as the adaptation of
  training and employment policies to the needs of the sector.<sup>103</sup>
- In 2020, there were 7,55 million internet users in Tunisia<sup>104</sup>. In 2019, 66,7% of the population used the internet.<sup>105</sup>

#### Morocco

#### **Economic Situation**

- Moroccan entrepreneurs and SMEs account for more than 95% of operating enterprises, contributing over 20% of GDP and 30% of exports.<sup>106</sup>
- Private sector development, as a major driver for growth and job creation, ranks among the top priorities of the Government.
- The government has created a USD 3.3 billion emergency COVID-19 fund to support firms.<sup>107</sup>

#### Green Agenda

Newly, a green partnership between Morocco and EU was intended to be established with the aim to strengthen cooperation on climate issues. It is expected that the first result of this work will be presented during COP26. Morocco has committed to reach a 45.5% reduction in greenhouse gas emissions by 2030, and it is expected that

publ/documents/publication/wcms\_737648.pdf

insights/2019Enabling-digitalization-index-beyond-potential.html

<sup>&</sup>lt;sup>97</sup> UNDP, 2020. https://www.tn.undp.org/content/tunisia/fr/home/library/environment\_energy/etude-sur-l-impact-economique-du-covid-19-en-tunisie-.html

<sup>&</sup>lt;sup>98</sup>https://www.greengrowthknowledge.org/sites/default/files/Factsheet%20SCP-NAP%20Tunisia.pdf

<sup>99</sup> ILO, 2020. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---

<sup>&</sup>lt;sup>100</sup> UNEP, 2020. https://www.greengrowthknowledge.org/sites/default/files/Factsheet%20SCP-NAP%20Tunisia.pdf <sup>101</sup> Ecomena, 2021. https://www.ecomena.org/climate-change-tunisia/

<sup>&</sup>lt;sup>102</sup>Enabling Digitalization Index, 2019 https://www.eulerhermes.com/en\_global/news-insights/economic-

<sup>&</sup>lt;sup>103</sup> UNDP, 2020. https://www.tn.undp.org/content/tunisia/fr/home/presscenter/pressreleases/2020/09/23/barometre-de-la-sante-des-pmes-miqyes-2019---les-entreprises-tun.html and

 $https://www.tn.undp.org/content/tunisia/fr/home/library/environment\_energy/etude-sur-l-impact-economique-du-covid-19-en-tunisie-.html$ 

<sup>&</sup>lt;sup>104</sup> Datareportal, 2020. https://datareportal.com/reports/digital-2020-tunisia

<sup>&</sup>lt;sup>105</sup> The World Bank Data, 2019. https://data.worldbank.org/indicator/IT.NET.USER.ZS?locations=TN

<sup>106</sup> Ibid.

<sup>107</sup> IMF, 2020. https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19

this partnership has an aim of contributing to this, as well as creating climate-resilient economies and transition to a green economy.<sup>108</sup>

 Along with the decarbonization of the Moroccan industry, the digitization of the industrial sector is one of the top strategic visions of the Moroccan Ministry of Industry, Trade, Green and Digital Economy (MITGDE) and its Agence du Dévelopement du Digital (ADD).

#### **Digital Transformation**

- The government has adopted a strategy that addresses digital literacy for students at all levels, including primary, secondary, and higher education.<sup>109</sup>
- In January 2021, there were 27.62 million internet users in Morocco. The number increased by 2.3 million (+9.1%) between 2020 and 2021.<sup>110</sup>

<sup>&</sup>lt;sup>108</sup> European Commission, 2021. https://ec.europa.eu/clima/news-your-voice/news/eu-and-morocco-form-green-partnershipenergy-climate-and-environment-ahead-cop\_en
<sup>109</sup> The Inclusive Internet, 2020.

https://theinclusiveinternet.eiu.com/explore/countries/MA/performance/indicators/readiness/literacy/support-for-digital-literacy)

<sup>&</sup>lt;sup>110</sup> Datareportal, 2020. https://datareportal.com/reports/digital-2021-morocco

## **ANNEX 2: COUNTRY-BASED RESULTS FRAMEWORK**

Full results framework, applicable to each of the four DAPP countries. Each country has the same indicators, annual targets, and baseline, hence only one table is presented below.

| Per Country      |      |  |
|------------------|------|--|
| Engagement Tit   | le   | Green Growth and Jobs Accelerator  |
| Objective        |      | SMEs grow and create green jobs through development of new sustainable revenue streams or by greening and scaling existing business.   |
| Impact indicator | rs   | <ul> <li>No. of new green jobs for youth created by target companies that have been part of the Green Growth and Jobs Accelerator <ul> <li>Proportion of green jobs filled by women</li> <li>Proportion of green jobs filled by youth</li> </ul> </li> <li>Proportion of target companies who experience an increase in turnover as an effect of the Green Growth and Jobs Accelerator.</li> <li>No. of indirect jobs created along the value chain, based on the turnover and employment increase in the target companies.</li> </ul> |
| Baseline         | 2022 | <ul> <li>0, baseline for turnover/FTEs is established for target companies when an Accelerator edition is initiated</li> <li>0%</li> <li>0</li> </ul>  |
| Target           | 2027 | <ul> <li>1,000 new green jobs for youth from collaboration with 200 SMEs<sup>111</sup> <ul> <li>40% green jobs filled by women</li> <li>70% green jobs filled by youth</li> </ul> </li> <li>75% experience an increase in company turnover</li> <li>2,500 indirect jobs created in the value chain<sup>112</sup></li> </ul>  |
| Outcome          |      | Capacity of entrepreneurs and SME to deliver on green growth and green jobs for youth enhanced through innovative Accelerators   |
| Outcome indicat  | tors | <ul> <li>No. of target companies benefiting from green growth business instruments and support to generate growth         <ul> <li>Proportion of target companies which are youth-led</li> </ul> </li> <li>No. of youth employed in target companies</li> <li>No. of solutions supported by Youth4Sustainability group.</li> <li>No. of youth part of the national youth advisory committee as partners in influencing national approaches and interventions</li> </ul>  |
| Baseline         | 2022 | <ul> <li>0/0</li> <li>FTE baseline stablished at each Accelerator edition initiation</li> <li>0</li> <li>0</li> </ul>  |
| Target           | 2027 | <ul> <li>200 / of which 10% are youth-led</li> <li>1,000</li> <li>40 business solutions co-created with Youth4Sustainability group</li> <li>6 youth part of the national youth advisory committee</li> </ul>   |
| Output 1         |      | Target companies enabled to grow their business and create green jobs for youth  |
| Output indicator | rs   | No. of Accelerators implemented  |

<sup>&</sup>lt;sup>111</sup> The analytical work conducted prior to implementation will help refine these targets and adjust them to countries contexts.
<sup>112</sup> Indirect jobs include those employed in supplying the inputs to the target companies. Indirect jobs will be measured through the Joint Impact Model input-output-model and in alignment with the indirect jobs measurement approach of IFU.
https://www.jointimpactmodel.org/

| Output 3            |      | Youth and companies capacitated to accelerate and manage green, sustainable growth.  |
|---------------------|------|--|
| Output <sup>2</sup> |      | • 32<br>Youth and companies capacitated to accelerate and manage green   |
| Target              | 2027 | • 60   |
|                     |      | • 8  |
| Annual targets      | 2026 | • 15   |
|                     |      | • 8  |
| Annual targets      | 2025 | • 15   |
|                     |      | • 8  |
| Annual targets      | 2024 | • 15   |
|                     |      | • 8  |
| Annual targets      | 2023 | • 15   |
| Annual targets      | 2022 | Not applicable for 2022  |
| Baseline            | 2022 | Business plans developed through the Accelerators, and investor interest is mapped before engaging investors.  |
|                     |      | <ul> <li>No. of capital providers engaged in dialogues with target companies</li> </ul>  |
| Output indicators   |      | No. of solid green growth business plans of interest to investors developed  |
| -                   |      | increased access to finance  |
| Output 2            |      | <ul> <li>75%, aggregate target</li> <li>Green business solutions of target companies accelerated by</li> </ul>   |
|                     |      |  |
|                     |      | • 75%<br>• 60  |
| Target              | 2027 | • 8<br>• 75%   |
| Taucot              | 2027 | • 15   |
|                     |      | • 75%  |
| Annual target       | 2026 | • 2  |
|                     |      | • 15   |
|                     |      | • 75%  |
| Annual target       | 2025 | • 2  |
|                     |      | • 15   |
|                     |      | • 75%  |
| Annual target       | 2024 | • 2  |
|                     |      | • 15   |
| 0                   |      | • 75%  |
| Annual target       | 2023 | • 2  |
| Annual target       | 2022 | Not applicable for 2022 <sup>114</sup>   |
|                     |      | • 0  |
|                     |      | • 0<br>• 0   |
| Baseline            | 2022 | • 0  |
| D !!                |      | plans at the end of the project in 2027 <sup>113</sup>   |
|                     |      | Proportion of target companies who have implemented their business   |
|                     |      | as part of Youth4Sustainability  |
|                     |      | <ul> <li>systems to work with sustainability and green transition</li> <li>No. of youth engaged in co-creation activities with target companies</li> </ul> |
|                     |      |  |

<sup>&</sup>lt;sup>113</sup> Results on this indicator will be measured in 2027
<sup>114</sup> All annual targets are set for 2023-2026, as the Accelerators are implemented from 2023 and through 2026.

| Output indicators |      | No. of entrepreneurs and SMEs trained in sustainable innovation and business development                                      |
|-------------------|------|---|
|                   |      | <ul> <li>No. of target companies part of and actively contributing to the Green<br/>Growth Community<sup>115</sup></li> </ul> |
|                   |      | No. of youth utilising the Regional Youth Platform  |
| Baseline          | 2022 | • 0   |
|                   |      | • 0   |
|                   |      | • Number of youths already utilising the platform will be recorded before initiating the project and serves as baseline.      |
| Annual targets    | 2022 | Not applicable for 2022   |
| Annual targets    | 2023 | • 315   |
|                   |      | • 25  |
|                   |      | • 500   |
| Annual targets    | 2024 | • 315   |
|                   |      | • 25  |
|                   |      | • 500   |
| Annual targets    | 2025 | • 315   |
|                   |      | • 25  |
|                   |      | • 1,000   |
| Annual targets    | 2026 | • 315   |
|                   |      | • 25  |
|                   |      | • 1,000   |
| Target            | 2027 | • 1,250   |
|                   |      | • 100   |
|                   |      | • 3,000   |

<sup>&</sup>lt;sup>115</sup> The Green Growth Community is a managed network that allows participation of all companies who have been part of the Accelerator, and provides access to peer-sparring, coaching, and matching with relevant youth candidates.

# ANNEX 3: RISK MATRIX

The following preliminary risk management matrix is a dynamic document that **will be adjusted** as part of the inception phase and hereinafter on a continuous basis. Country-specific risks are to come in the inception phase. Moving into implementation, project risk logs will be used as practical tools for monitoring and managing risks.

## Contextual risks

| Risk Factor      | Likelihood  | Impact | Risk response        | Residual risk      | Background to assessment   |
|------------------|-------------|--------|----------------------|--------------------|--|
| Risk of conflict | Likely      | Major  | Implementation of    | A constant issue   | Varying from country to  |
| and major        | •           | ,      | precautionary        | in the region that | country, but the overall trend   |
| conflict         |             |        | measures; monitor    | will require       | suggests a reduction in support  |
| escalation       |             |        | developments and     | systemic           | of democratisation in the  |
|                  |             |        | implement a crisis   | transformation     | aftermath of the Arab Spring of  |
|                  |             |        | response plan, incl. | in the various     | 2011. Political and social   |
|                  |             |        | division of          | states and across  | instability can result in the  |
|                  |             |        | responsibility and   | the region at      | following scenarios. Firstly, a  |
|                  |             |        | clear                | large.             | major conflict escalation will   |
|                  |             |        | communication        | 0                  | mean that the project will have  |
|                  |             |        | lines that easily    |                    | to be suspended. Second  |
|                  |             |        | update staff on      |                    | scenario is that on and off  |
|                  |             |        | security protocols   |                    | tensions, demonstrations,  |
|                  |             |        | if needed. If        |                    | attacks, etc, will lead to security  |
|                  |             |        | political and/or     |                    | measures being stepped up,   |
|                  |             |        | social conflict      |                    | likely followed with delays, and   |
|                  |             |        | escalates, the       |                    | increase costs, but activities   |
|                  |             |        | project will be      |                    | might continue with some   |
|                  |             |        | suspended. If on     |                    | adaptation. Last scenario is   |
|                  |             |        | and off tensions     |                    | sudden political changes at  |
|                  |             |        | demonstrations,      |                    | national or local level, which   |
|                  |             |        | attacks, then        |                    | might mean that we must re-  |
|                  |             |        | security measures    |                    | negotiate our engagement in the  |
|                  |             |        | will be stepped up,  |                    | country, which is likely to result   |
|                  |             |        | and delays will be   |                    | in delays. Insecurity and  |
|                  |             |        | expected and likely  |                    | instability can also affect  |
|                  |             |        | increase costs, with |                    | investments and international  |
|                  |             |        | activities           |                    | cooperation with the   |
|                  |             |        | continuing with      |                    | government, both of which this   |
|                  |             |        | some adaptation. If  |                    | project is dependent on.   |
|                  |             |        | sudden political     |                    |  |
|                  |             |        | changes at national  |                    |  |
|                  |             |        | or local level, re-  |                    |  |
|                  |             |        | negotiating project  |                    |  |
|                  |             |        | engagement in the    |                    |  |
|                  |             |        | country, might       |                    |  |
|                  |             |        | cause delays.        |                    |  |
| Slow projected   | Very likely | Major  |                      | Risk cannot be     | COVID-19 has caused  |
| GDP growth       | 5 5         | ,      | seeks to accelerate  | fully mitigated,   | output losses in the   |
| recovery after   |             |        | private sector-led   | however the        | region of an estimated   |
| COVID-19         |             |        | green growth and     | project itself     | 5% in 2020. The  |
|                  |             |        | hence job-growth,    | addresses this     | income shock from the  |
|                  |             |        | the economic         | issue and is part  | pandemic is expected to  |
|                  |             |        | downturn             | of remedying this  | increase the number of   |
|                  |             |        |                      | risk.              |  |
|                  |             |        |                      |                    |  |
|                  |             |        |                      |                    |  |
|                  |             |        | 0                    |                    |  |
|                  |             |        |                      |                    |  |
|                  |             | 1      |                      |                    |  |
|                  |             |        | 0                    | risk.              | people below the USD<br>5.50 per day poverty<br>line in the region by<br>tens of millions in 2021.<br>The DAPP countries |

|  |        |             | reduced conducive<br>business<br>environment may<br>impact companies'<br>ability to grow and<br>create jobs, despite<br>the qualified<br>support from the<br>Accelerators.   |   | stimulus packages that<br>include increased<br>spending on health and<br>social safety nets, tax<br>payment reductions and<br>deferrals. Economic<br>crisis reduces the<br>overall prospect and<br>aims of a private sector-<br>led growth and<br>entrepreneurship<br>becomes increasingly<br>difficult.  |
|--|--------|-------------|--|---|---|
| Extended<br>COVID-19<br>confinement<br>measures<br>hinder project<br>delivery.   | Likely | Minor       | A significant part<br>of the project can,<br>and most likely<br>will, be delivered<br>through virtual<br>ways of working,<br>not only to ensure<br>project delivery<br>under COVID-19,<br>but also to ensure<br>cost-efficiency in a<br>project with a<br>major volume of<br>participants across<br>geographies. | A risk, but<br>DAPP is not<br>vulnerable unless<br>the consequence<br>of the pandemic<br>creates<br>widespread<br>economic crises,<br>as described in<br>the risk above.  | UNDP has shifted to an even<br>stronger focus on virtual ways<br>of working and delivery of<br>projects - a development, which<br>has only been accelerated under<br>COVID-19.  |
| Delay in<br>growth and job<br>creation due to<br>existing and<br>new barriers in<br>laws,<br>regulations,<br>and policies. | Likely | Major       | The existing<br>barriers in laws,<br>regulations and<br>policies is known<br>by UNDP and is<br>further explored<br>through the RYEP.<br>Additionally,<br>Project 1 under the<br>Youth<br>Employment<br>Programme also<br>seeks to address<br>this issue.   | Systemic risk and<br>cannot be fully<br>mitigated.  | Significant efforts have focused<br>on policy and legislative reform<br>for entrepreneurs and SMEs to<br>create a conducive environment<br>for their growth, however this is<br>still an issue in the DAPP<br>countries.  |
| Increasing<br>authoritarian<br>rule, repression<br>of minorities<br>and abuse of<br>power by<br>security<br>apparatus.     | Likely | Significant | Monitor<br>developments to<br>evaluate its effect<br>on our engagement<br>in the country.<br>The UNDP Social<br>& Environmental<br>Screening<br>Procedure (SESP)<br>would be applied<br>in case of<br>escalation   | A move towards<br>further<br>authoritarian rule<br>can create a<br>more<br>unpredictable<br>project<br>environment due<br>to the less<br>transparent and<br>bureaucratic<br>proceeding<br>governmental<br>processes that it<br>may be situated<br>in and changes<br>in government<br>priorities. While<br>youth<br>employment may | Authoritarianism is already ripe<br>with signs of repression across<br>the region. Additionally,<br>repression will naturally render<br>prospects for private sector-led<br>growth and entrepreneurship<br>difficult. In terms of<br>authoritarianism, the most<br>recent example of decrease of<br>democracy is the developments<br>in Tunisia with President Kais<br>Saied issuing a decree granting<br>him full presidential powers that<br>could lead to him changing the<br>constitution, threatening the<br>democratic systems built in<br>Tunisia. This environment leads<br>to instability in the project<br>context, and subsequently back<br>to the risk mentioned above. |

|  |        |             |  | remain a priority<br>and the project<br>will continue. It<br>can also make it<br>more difficult to<br>engage with<br>some<br>constituencies<br>within the target<br>group in case of<br>repression. The<br>risk can<br>therefore not be<br>fully mitigated,<br>but through the<br>risk response it<br>can be prepared<br>for and ensure a<br>degree of<br>flexibility in the<br>project.<br>Additionally, an<br>escalation of the<br>situation might<br>lead to the donor |  |
|--|--------|-------------|--|---|--|
|  |        |             |  | some<br>constituencies<br>within the target<br>group in case of<br>repression. The<br>risk can  |  |
|  |        |             |  | but through the<br>risk response it<br>can be prepared<br>for and ensure a<br>degree of<br>flexibility in the   |  |
| The persistence  | Likely | Significant | The project places   | Additionally, an<br>escalation of the<br>situation might<br>lead to the donor<br>disengaging.<br>As social norms  | Some legal restriction on  |
| of<br>discriminatory<br>laws preventing<br>certain kinds of<br>employment<br>for women and<br>social norms<br>hindering<br>women<br>participation in<br>the labour<br>force can limit<br>young women<br>engagement in<br>the project |        | 6           | strategic focus on<br>creating jobs, and<br>specifically jobs for<br>women. The<br>identification of<br>jobs where women<br>do not have legal<br>limitations will be<br>prioritised. | change slowly,<br>the project might<br>not be able to<br>engage enough<br>women during its<br>duration.   | women work is present in all<br>four countries, moreover, Egypt<br>and Jordan provisions for<br>maternity leave in the private<br>sector are below ILO standards.<br>Further, gender roles associated<br>with traditional norms limit<br>women's decision-making<br>power and therefore their<br>economic opportunities,<br>including their choice of the<br>type of work and whether to<br>engage in paid work. |
| Further<br>marginalisation<br>of youth in the<br>workforce   | Likely | Significant | The project seeks<br>to address this very<br>issue through<br>project activities.  | Risk cannot be<br>fully mitigated,<br>however by<br>focusing<br>strategically on<br>job creation for<br>youth, the<br>project itself<br>addresses and is<br>a part of<br>remedying this<br>risk.  | Education is a key asset to<br>access decent jobs. However,<br>the notable higher level of<br>unemployment amongst youth<br>than the general national level,<br>as seen in Annex 1, shows a<br>clear marginalization of youth in<br>the workforce. In Egypt this<br>phenomenon has been named<br>"graduate unemployment".  |

## Programmatic risks

| Risk Factor Likelihood Impact Risk response Residual risk Background to assessment |                    |            |        |               |               |                          |
|--|--------------------|------------|--------|---------------|---------------|--------------------------|
| Hisk Tuetor Enterniood Impuet Hisk Tesponse Residual fish Duenground to assessment | <b>Risk Factor</b> | Likelihood | Impact | Risk response | Residual risk | Background to assessment |

| D:00 1  | т., .    |       | . 1   | D :  | <b>D</b>  |
|---|----------|-------|---|--|---|
| Difficult to  | Likely   | Major | Accelerators are  | Recruitment  | For most projects and   |
| recruit high-   |          |       | initiated with new cohorts of   | efforts will be  | programs, recruitment of  |
| potential companies of  |          |       |   | ongoing<br>throughout  | companies is an issue, due to competing priorities for  |
| the needed  |          |       | companies twice a year for each   |  | companies. Competing  |
| volume to   |          |       | DAPP country.   | 2022-2026. As the project  | priorities can be internal as fr  |
| Accelerators.   |          |       | Significant   | progresses,  | example other internal projects,  |
| Accelerators.   |          |       | resources will be   | recruitment is   | and it can be external such   |
|   |          |       | put into  | likely to become   | other partnerships or   |
|   |          |       | recruitment efforts   | easier due to the  | engagements. This is the  |
|   |          |       | incl. calls for   | established  | experience for UNDP, just as it   |
|   |          |       | participation,  | processes and  | is a known risk from other  |
|   |          |       | recruitment trough  | recruitment  | similar business programs.  |
|   |          |       | partners and cold   | partnerships, and  | sinniai business programs.  |
|   |          |       | canvassing.   | that more SMEs   |   |
|   |          |       | Additionally,   | will know about  |   |
|   |          |       | business cases and  | the opportunity.   |   |
|   |          |       | individual stories  | and off officially.  |   |
|   |          |       | coming out of the   |  |   |
|   |          |       | Accelerators will   |  |   |
|   |          |       | be used to  |  |   |
|   |          |       | promote the   |  |   |
|   |          |       | opportunity of  |  |   |
|   |          |       | taking part in the  |  |   |
|   |          |       | accelerators from   |  |   |
|   |          |       | Q3-4 2023 and   |  |   |
|   |          |       | onwards.  |  |   |
| Difficulty for  | Unlikely | Minor | Emphasis in the   | Risk cannot be   | Access to risk capital is an issue  |
| businesses to   |          |       | project on building   | fully mitigated.   | for SMEs and entrepreneurs in   |
| attract capital   |          |       | bankable projects   |  | all four countries as it is in most   |
| due to lack of  |          |       | and solid business  |  | countries. Moreover, getting  |
| bankable  |          |       | plans, and on   |  | capital for SDG-aligned   |
| solutions   |          |       | exposing  |  | opportunities is challenging in   |
|   |          |       | companies to the  |  | the region at large.  |
|   |          |       | right types of  |  |   |
|   |          |       | capital. In parallel,   |  |   |
|   |          |       | partnerships with   |  |   |
|   |          |       | key ecosystem   |  |   |
|   |          |       | players and   |  |   |
|   |          |       |   |  |   |
| 1 1   |          |       | investors in the  |  |   |
|   |          |       | investors in the<br>region are  |  |   |
|   |          |       | investors in the<br>region are<br>established.  |  |   |
|   |          |       | investors in the<br>region are<br>established.<br>Alternative   |  |   |
|   |          |       | investors in the<br>region are<br>established.<br>Alternative<br>financing  |  |   |
|   |          |       | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such  |  |   |
|   |          |       | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact   |  |   |
|   |          |       | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact<br>investment and   |  |   |
|   |          |       | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact<br>investment and<br>crowdfunding   |  |   |
|   |          |       | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact<br>investment and<br>crowdfunding<br>vehicles will also be  |  |   |
| Difficulties in   | Likelv   | Minor | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact<br>investment and<br>crowdfunding<br>vehicles will also be<br>explored.   | Risk cannot be   | Data and statistics are not   |
| Difficulties in<br>ensuring the   | Likely   | Minor | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact<br>investment and<br>crowdfunding<br>vehicles will also be<br>explored.<br>The project is   | Risk cannot be<br>fully mitigated as   | Data and statistics are not<br>always available or uniform.   |
| ensuring the  | Likely   | Minor | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact<br>investment and<br>crowdfunding<br>vehicles will also be<br>explored.<br>The project is<br>invested in  | fully mitigated as   | always available or uniform,  |
| ensuring the right data from  | Likely   | Minor | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact<br>investment and<br>crowdfunding<br>vehicles will also be<br>explored.<br>The project is<br>invested in<br>levelling-up data   | fully mitigated as successful data   | always available or uniform,<br>making it difficult to compare  |
| ensuring the<br>right data from<br>participant  | Likely   | Minor | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact<br>investment and<br>crowdfunding<br>vehicles will also be<br>explored.<br>The project is<br>invested in<br>levelling-up data<br>and will spend time  | fully mitigated as<br>successful data<br>collection will   | always available or uniform,<br>making it difficult to compare<br>across countries and with   |
| ensuring the right data from  | Likely   | Minor | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact<br>investment and<br>crowdfunding<br>vehicles will also be<br>explored.<br>The project is<br>invested in<br>levelling-up data<br>and will spend time<br>in the beginning of   | fully mitigated as<br>successful data<br>collection will<br>depend on  | always available or uniform,<br>making it difficult to compare<br>across countries and with<br>international sources. In the  |
| ensuring the<br>right data from<br>participant<br>companies to  | Likely   | Minor | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact<br>investment and<br>crowdfunding<br>vehicles will also be<br>explored.<br>The project is<br>invested in<br>levelling-up data<br>and will spend time<br>in the beginning of<br>each Accelerator to  | fully mitigated as<br>successful data<br>collection will<br>depend on<br>company data  | always available or uniform,<br>making it difficult to compare<br>across countries and with<br>international sources. In the<br>private sector, this is particularly  |
| ensuring the<br>right data from<br>participant<br>companies to<br>establish valid   | Likely   | Minor | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact<br>investment and<br>crowdfunding<br>vehicles will also be<br>explored.<br>The project is<br>invested in<br>levelling-up data<br>and will spend time<br>in the beginning of<br>each Accelerator to<br>collect data from   | fully mitigated as<br>successful data<br>collection will<br>depend on<br>company data<br>availability, the   | always available or uniform,<br>making it difficult to compare<br>across countries and with<br>international sources. In the<br>private sector, this is particularly<br>difficult. The project needs valid  |
| ensuring the<br>right data from<br>participant<br>companies to<br>establish valid<br>individual                                 | Likely   | Minor | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact<br>investment and<br>crowdfunding<br>vehicles will also be<br>explored.<br>The project is<br>invested in<br>levelling-up data<br>and will spend time<br>in the beginning of<br>each Accelerator to  | fully mitigated as<br>successful data<br>collection will<br>depend on<br>company data<br>availability, the<br>data integrity in                                    | always available or uniform,<br>making it difficult to compare<br>across countries and with<br>international sources. In the<br>private sector, this is particularly<br>difficult. The project needs valid<br>data in order to establish                                |
| ensuring the<br>right data from<br>participant<br>companies to<br>establish valid<br>individual<br>baselines and                | Likely   | Minor | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact<br>investment and<br>crowdfunding<br>vehicles will also be<br>explored.<br>The project is<br>invested in<br>levelling-up data<br>and will spend time<br>in the beginning of<br>each Accelerator to<br>collect data from<br>each company and                             | fully mitigated as<br>successful data<br>collection will<br>depend on<br>company data<br>availability, the<br>data integrity in<br>the company and                 | always available or uniform,<br>making it difficult to compare<br>across countries and with<br>international sources. In the<br>private sector, this is particularly<br>difficult. The project needs valid<br>data in order to establish<br>baselines and report on the |
| ensuring the<br>right data from<br>participant<br>companies to<br>establish valid<br>individual<br>baselines and<br>for results | Likely   | Minor | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact<br>investment and<br>crowdfunding<br>vehicles will also be<br>explored.<br>The project is<br>invested in<br>levelling-up data<br>and will spend time<br>in the beginning of<br>each Accelerator to<br>collect data from<br>each company and<br>validate data            | fully mitigated as<br>successful data<br>collection will<br>depend on<br>company data<br>availability, the<br>data integrity in<br>the company and                 | always available or uniform,<br>making it difficult to compare<br>across countries and with<br>international sources. In the<br>private sector, this is particularly<br>difficult. The project needs valid<br>data in order to establish                                |
| ensuring the<br>right data from<br>participant<br>companies to<br>establish valid<br>individual<br>baselines and<br>for results | Likely   | Minor | investors in the<br>region are<br>established.<br>Alternative<br>financing<br>instruments such<br>as impact<br>investment and<br>crowdfunding<br>vehicles will also be<br>explored.<br>The project is<br>invested in<br>levelling-up data<br>and will spend time<br>in the beginning of<br>each Accelerator to<br>collect data from<br>each company and<br>validate data<br>points. | fully mitigated as<br>successful data<br>collection will<br>depend on<br>company data<br>availability, the<br>data integrity in<br>the company and<br>also company | always available or uniform,<br>making it difficult to compare<br>across countries and with<br>international sources. In the<br>private sector, this is particularly<br>difficult. The project needs valid<br>data in order to establish<br>baselines and report on the |

|   |          |             | for monitoring the  |   |  |
|---|----------|-------------|---|---|--|
|   |          |             | progress and<br>updating the data<br>from the   |   |  |
|   |          |             | companies will be<br>implemented, just<br>as target   |   |  |
|   |          |             | companies will be<br>required to sign an<br>official agreement<br>obliging them to<br>provide certain<br>data.  |   |  |
| Mismatch in<br>the labour<br>market and the<br>skills requested<br>by participating<br>companies to<br>grow and<br>create jobs. | Likely   | Significant | The project will<br>collaborate closely<br>with the consortia<br>who will deliver on<br>Project 1 in YEE<br>to identify ways to<br>address potential<br>mismatches in the<br>youth skills<br>requested by the<br>target SMEs and<br>provide the needed<br>skills and training<br>upgrade.   | As mismatch in<br>the labour<br>market is a<br>reality, reduction<br>rather than<br>mitigation should<br>therefore be the<br>goal.                    | Mismatch is when the<br>qualifications and skills<br>possessed by the labour force<br>differ from those required for<br>positions, and this is one of the<br>potential contributing factors to<br>youth marginalisation. An<br>analysis from the World<br>Economic Forum 2017 on the<br>Future of Jobs and Skills in<br>MENA shows that nearly 40%<br>of employers in the region<br>indicate that skills gaps are<br>major impediments to business<br>growth. This mismatch is also a<br>likely result of a lack of decent<br>jobs, due to low-quality<br>employment, depressed wages,<br>and high levels of informal<br>employment. |
| Risk of<br>unpredictable<br>negative<br>impactful<br>events   | Moderate | Major       | Utilising adaptive<br>approaches, the<br>project will capture<br>lessons learned and<br>incorporate them<br>into the project,<br>e.g. through work<br>plan adjustments.<br>It enables the<br>project to consider<br>unexpected factors<br>so that it becomes<br>easier for teams to<br>have an agile<br>response to a<br>change in<br>conditions or<br>priorities. In case<br>of risk or<br>unanticipated<br>events, the project<br>board will be<br>consulted on<br>measures to<br>maintain the<br>relevance and<br>effectiveness of the<br>project. | Due to the<br>unpredictability<br>of what might be<br>the risk cannot<br>be fully<br>mitigated,<br>however,<br>reduction of<br>impact is<br>possible. | The outbreak of the COVID-19<br>pandemic has illustrated how<br>organisations and projects are<br>vulnerable against unpredictable<br>events. However, rare events<br>like this pandemic are<br>impossible to predict due to<br>their unknown nature.  |

### Institutional risks

| Risk Factor     | Likelihood | Impact | Risk response                        | Residual risk       | Background to assessment            |
|-----------------|------------|--------|--------------------------------------|---------------------|-------------------------------------|
| Risk of needed  | Moderate   | Minor  | During the                           | Risk can be         | The 3-tier institutional set-up in  |
| managerial      |            |        | inception phase,                     | reduced with the    | this project is not proposed only   |
| information     |            |        | the organisational                   | right               | for this particular project, but is |
| not being       |            |        | framework for the                    | accountability      | the way that UNDP is organised      |
| conveyed to     |            |        | project will be                      | structures and      | and how projects and                |
| UNDP NRO        |            |        | outlined, detailing                  | processes in        | programmes are delivered in all     |
| as the project  |            |        | the roles and                        | place.              | regions of the world by UNDP.       |
| holder, due to  |            |        | responsibilities of                  | 1                   | Hence, UNDP is used to              |
| the '3-tier'    |            |        | each team, and                       |                     | operating in this way and will      |
| project set-up  |            |        | describing the                       |                     | take advantage of the benefits of   |
| 1 / 1           |            |        | processes, people,                   |                     | having multiple accountability      |
|                 |            |        | and support                          |                     | layers. Furthermore, UNDP is        |
|                 |            |        | necessary to                         |                     | also used to designing projects     |
|                 |            |        | function effectively                 |                     | so that the 3-tiers do not          |
|                 |            |        | and to provide                       |                     | become blockers for agile           |
|                 |            |        | timely managerial                    |                     | management but rather act as a      |
|                 |            |        | information,                         |                     | value adding structure with the     |
|                 |            |        | capture lessons                      |                     | needed flexibility and efficiency.  |
|                 |            |        | learned and                          |                     |                                     |
|                 |            |        | coordinate with                      |                     |                                     |
|                 |            |        | stakeholders at all                  |                     |                                     |
|                 |            |        | levels of the                        |                     |                                     |
|                 |            |        | project. Find draft                  |                     |                                     |
|                 |            |        | Terms of Reference for               |                     |                                     |
|                 |            |        | project teams in                     |                     |                                     |
|                 |            |        | Annex 4.                             |                     |                                     |
| Private sector  | Likely     | Minor  | Potential                            | Reputational        | Level of corruption and risk of     |
| partners in     |            |        | suspension of                        | risks substantially | adverse impact on people from       |
| project gets    |            |        | companies in                         | reduced as plans    | business activities in the DAPP     |
| associated with |            |        | project. Risk                        | are in place for    | countries vary. Corruption risk     |
| corruption or   |            |        | assessment and                       | prompt reaction;    | generally known to be high.         |
| major adverse   |            |        | due diligence                        | should an issue     | Impact may be more or less          |
| impact on       |            |        | carried out for each                 | arise.              | serious depending on duration       |
| people.         |            |        | participating                        |                     | of suspension and need for extra    |
|                 |            |        | company in line                      |                     | control measures due to             |
|                 |            |        | with UNDP policy                     |                     | increase in corruption levels.      |
|                 |            |        | ahead of initiation.                 |                     |                                     |
| Risks towards   | Moderate   | Major  | Precautionary                        | The risk cannot     | Due to the political instability of |
| the security of |            |        | measures are                         | be fully            | the region, a situation that could  |
| staff           |            |        | implemented, such                    | mitigated;          | be of risk to the security of staff |
|                 |            |        | as monitoring                        | however,            | can occur.                          |
|                 |            |        | developments and                     | precautionary       |                                     |
|                 |            |        | implement                            | measures can        |                                     |
|                 |            |        | necessary measures                   | help reduce the     |                                     |
|                 |            |        | together with                        | impact.             |                                     |
|                 |            |        | UNDSS, Resident                      |                     |                                     |
|                 |            |        | Coordinator and<br>UNDP focal        |                     |                                     |
|                 |            |        |                                      |                     |                                     |
|                 |            |        | 1                                    |                     |                                     |
|                 |            |        | developments may                     |                     |                                     |
|                 |            |        | occur, the plan is<br>revisited on a |                     |                                     |
|                 |            |        |                                      |                     |                                     |
|                 |            |        | 0                                    |                     |                                     |
|                 |            |        | followed by<br>updating staff on     |                     |                                     |
|                 |            |        |                                      |                     |                                     |
|                 |            |        | the changes.                         | l                   |                                     |

# ANNEX 4: DRAFT TERMS OF REFERENCE FOR PROJECT TEAMS

The below draft terms of reference for UNDP staff and management consulting firms are indicative and should be expected to be adjusted in the inception phase.

| Unit                              | UNDP NRO  |
|-----------------------------------|---|
| Generally                         | <ul> <li>Project owner and project portfolio manager with ultimate responsibility for project results and for intervening if implementation is not on track at country-level</li> <li>Initiate weekly check-ins in the beginning and later monthly check-ins with individual COs on project progress and joint fortnightly/monthly learning sessions with all COs and RBAS Hub. Cadence can be adjusted, if needed, and remain flexible.</li> <li>Liaison towards donor and other partners under the DAPP Youth Employment Programme.</li> <li>Take active part in and coordinate with DAPP secretariat and DAPP project board</li> <li>Lead on communication activities for Danish audiences and for coordinating with DAPP communications team</li> </ul>   |
| Output 1:<br>Accelerators         | <ul> <li>Provide technical guidance on accelerator methodology and supporting toolbox to COs and management consultant firms working on the GGJAP in the four DAPP countries.</li> <li>Lead on sector and sub-sector focus at country level together with the RBAS Hub (Youth and Inclusive Growth Teams) and from that distilling a diagnostics tool for selection of SMEs to accelerators</li> <li>Support COs with design of SME recruitment strategies for the accelerators</li> <li>Provide technical support to COs on how to ensure the best results from the collaboration with the management consultant firms, as needed</li> <li>Provide direct guidance to management consultant firms when needed; could relate to a specific SME relationship, application of toolbox, reporting on results, green growth business case etc.</li> <li>Take part in virtual sessions with management consulting firms, COs, and SMEs to be informed about progress and to support where needed</li> <li>Support to COs on reganising joint sessions for SMEs, including on base course and IMM</li> <li>Lead on calibrating toolbox deployed in the accelerator</li> <li>Bring in representatives from relevant NRO and global business innovation ecosystems for expert sparring with companies based on company needs</li> <li>Collaborate with COs and RBAS to identify MNCs that source from SMEs in 4 DAPP countries</li> </ul> |
| Output 2:<br>SME finance          | <ul> <li>Liaise toward investors and SME finance providers from an NRO/global perspective, e.g. IFU</li> <li>Support matchmaking process of SMEs, where needed</li> </ul>   |
| Output 3:<br>Learning<br>Modality | <ul> <li>Liaise with partners under project 1 of the YEE in relation to coordination of learning efforts to target companies, beneficiary youth and other stakeholders, as needed</li> <li>Contribute to the development of learning assets and selection of relevant partners</li> <li>Provide support on the amplification of learning assets through relevant channels and partners</li> <li>Drive identification of relevant community manager and design of the Green Growth Community for accelerator alumni</li> </ul>   |
| Unit                              | UNDP RBAS   |
| Generally                         | <ul> <li>Lead on cross-country project coordination activities</li> <li>Lead on project controlling and M&amp;E</li> <li>Lead on mapping competenciens and capabilities of each CO, UNDP NRO and RBAS in inception phase to ensure the right complementaries in project</li> <li>Provide quality assurance and subject-matter input to specific content provided into the project by technical teams in RBAS, e.g. on youth, inclusive growth, climate resilience, gender, innovation, digital transformation etc</li> <li>Provide quality assurance to project design, budgeting and results-based management</li> <li>Lead on mobilising and leveraging on existing youth networks and youth serving organisations into the project</li> <li>Support on capturing results from project progress against results framework</li> <li>Lead on communication activities for local and regional audiences</li> </ul>   |
| Output 1:<br>Accelerators         | <ul> <li>Coordination and support to COs on tender material for procurement process of management consultant firms</li> <li>Support CO's on ongoing recrutiment of SMEs to accelerators and in coordinating recruitment activities</li> </ul>   |

|              | -   |
|--------------|---|
|              | • Support CO's in conducting joint sessions with SMEs, ie. kick-off workshop, IMM workshop, and   |
|              | Showcase and finale   |
|              | • Lead on coordination of all youth engagement activities including the Youth4Sustainability  |
| <u> </u>     | workstream into the accelerators  |
| Output 2:    | • Lead on mapping/study on investor and finance provider landscape for SMEs across the Arab   |
| SME finance  | region and target countries   |
|              | <ul> <li>Lead on leveraging the country-specific SDG Investor Maps into the investor identification</li> </ul>  |
|              | process   |
|              | <ul> <li>Support to COs on matching SME with relevant investors and finance providers based on</li> </ul>   |
|              | investor mapping and network  |
| Output 3:    | Lead on the further development and deployment of the Regional Youth Platform   |
| Learning     | <ul> <li>Provide subject-matter input to and outlet channels for digital learning assets</li> </ul>   |
| Modality     | Lead on coordinating youth engagement activities  |
| Unit         | UNDP Country Offices  |
| General      | <ul> <li>Take part in country-level coordination group consisting of partners in the DAPP, to ensure on</li> </ul>  |
|              | the ground coordination and collaboration, to avoid duplication of efforts and ensure maximum   |
|              | synergies between the 3 DAPP projects   |
|              | • Lead stakeholder dialogue with external partners relevant to the project implementation. Here the   |
|              | local government is one key stakeholder   |
|              | • Bring in and leverage on exisiting project experience and capabilities relevant to this project; e.g.   |
|              | project management, understanding of private sector/enterprise development/local investment   |
|              | landscape/green growth/innovation/digital transformation.   |
|              | <ul> <li>Project management of local accelerators and country-level project team</li> </ul>   |
|              | <ul> <li>Ensure structured progress reporting reports for SME cohorts</li> </ul>  |
|              | <ul> <li>Lead on capturing results from project progress against results framework</li> </ul>   |
|              | <ul> <li>Lead on collecting country-level project data for reporting and M&amp;E</li> </ul>   |
|              | Contribute relevant cases and materials that can be turned into communication products and  |
| 0            | stories by RBAS (local and regional audiences) and UNDP NRO (Danish audiences)  |
| Output 1:    | • Lead on implementation of two 5-month Accelerator each year between 2023-2026 in tandem   |
| Accelerators | with management consultant firms  |
|              | • Lead on recrutiment of SMEs to accelerators through own channels and through partners with  |
|              | support from RBAS and UNDP NRO  |
|              | <ul> <li>Lead on daily project coordination with management consultant firm</li> <li>Take part is a new second base second and second second</li></ul> |
|              | <ul> <li>Take part in green growth consulting services to individual SMEs in accelerator cohorts together</li> </ul>  |
|              | with management consultant firm   |
|              | <ul> <li>Take part in weekly check-ins with UNDP NRO</li> <li>Take part in factorial balancing acceleration with UNDP NRO. BRAS and other COs factorias and</li> </ul>  |
|              | <ul> <li>Take part in fortnighly learning sessions with UNDP NRO, RBAS and other COs focusing on<br/>SME programs, methodology/tools application and other items relevant to the project.</li> </ul>  |
|              | <ul> <li>SME progress, methodology/tools application and other items relevant to the project</li> <li>Deliver all joint sessions for SMEs including Joint Kick-off workshop, IMM workshop, Showcase</li> </ul>  |
|              | and Finale.   |
|              |   |
| Output 2:    | Head on captaining results from offici progress against results framework   |
| SME finance  | <ul> <li>Lead on matchmaking SMEs with relevant investors and finance providers</li> <li>Lead on documenting progress from initiated dialogues between SMEs and investors and for</li> </ul>  |
|              | <ul> <li>Lead on documenting progress from initiated dialogues between SMEs and investors and for<br/>capturing results</li> </ul>  |
| Output 3:    | <ul> <li>Lead on stakeholder dialogues with networks and entities such as business schools, universities,</li> </ul>  |
| Learning     | innovation hubs, already established accelerators and incubators etc. that have access to larger  |
| Modality     | groups of youth that would benefit from the digital learning assets   |
|              | <ul> <li>Lead on embedding learning materials into relevant channels, curricula and outlets of stakeholders</li> </ul>  |
|              | <ul> <li>Lead on embedding learning matchais into relevant chamles, current and outlets of stateholders</li> <li>Lead on onboarding SMEs alumni to the Green Growth Community</li> </ul>  |
| Unit         | Management Consulant Firms  |
|              |   |
| Generally    | N/A   |
| Output 1:    | <ul> <li>Lead on providing green growth consulting services to individual SMEs in accelerator cohorts</li> </ul>  |
| Accelerators | together with CO project team and based on methodology and toolbox encompassing process   |
|              | tools and respository of relevant strategy and growth tools (but not limited to these tools).   |
|              | • Take part in fortnighly learning sessions with UNDP and potential other firms involved in the   |
|              | project focusing on SME progress, methodology/tools application and other items relevant to the   |
|              | project   |
|              | <ul> <li>Contribute to coordination of joint virtual and physical sessions and lead on individual sessions</li> </ul>   |
|              | with SMEs   |

| Output 2:<br>SME finance<br>Output 3:<br>Learning<br>Modality | <ul> <li>Participate in regular training on the accelerator methodology and toolsbox with UNDP NRO and COs, as needed</li> <li>Provide regular company reporting sheets describing progress and/or areas that need more attention for each SME, provided by the firm at least monthly or after each individual meeting or workshop with SME if required by UNDP</li> <li>Engage with youth canditates in green growth support delivered to companies as part of youth job-training (under the Youth4Sustainability workstream)</li> <li>Support calibration of methodology and tools, where needed, based on first and second accelerator implementations</li> <li>Lead on development of individual baseline for each SME participating in accelerator</li> <li>Provide guidance to individual SMEs in the accelerator cohort on how to best present their green growth business case and business plan to investors/finance providers</li> <li>Contribute with matchmatching activities to SMEs and the identified investors based on insights from accelerator process</li> <li>Provide ad-hoc and in-kind services (workhops, network, sparring) to Green Growth Community for accelerator alumni</li> <li>Help identify relavnt stakeholders such as busines schools, universities, innovation hubs etc that could benefit from integrating the learning assets into their platforms and curricula</li> </ul> |
|---|--|
|   | Engage in Green Growth Community on a voluntary and in-kind basis  |
| Unit  | Ad hoc - UNDP Global Policy Network (GPN)  |
| Generally   | <ul> <li>Provide quality assurance and expert input and advice to specific content provided in the project</li> <li>Provide quality assurance to project design</li> </ul>   |
| Output 1:<br>Accelerators                                     | <ul> <li>Provide subject-matter expertise to SMEs on business solutions, as relevan</li> <li>Provide vetting and quality assurance to sector analysis and diagnostics tool</li> </ul>  |
| Output 2:<br>SME finance                                      | N/A  |
| Output 3:<br>Learning<br>Modality                             | <ul> <li>Provide expert input and quality assurrance on learning assets, incl. impact management and<br/>measurement, Green Growth Community, as relevant</li> </ul>   |

# ANNEX 5: OUTPUT-BASED BUDGET

|  |              |            | Summary              |            |            |              |            |
|--|--------------|------------|----------------------|------------|------------|--------------|------------|
|  | 2022 - 6 mos | 2023       | 2024                 | 2025       | 2026       | 2027 - 6 mos | Total      |
| Output 1                                 | 1.868.158    | 7.864.823  | 7.641.488            | 7.641.488  | 7.338.840  | 2.699.508    | 35.054.305 |
| Output 2                                 | 911.008      | 1.975.160  | 1,975,160            | 1.975.160  | 1.672.512  | 989.400      | 9,498,400  |
| Output 3                                 | 1.663.966    | 3.136.502  | 2.689.832            | 2.689.832  | 2.387.184  | 1.448.832    | 14.016.148 |
| M&E                                      | 95.715       | 191.430    | 191.430              | 137.620    | 191.430    | 95.715       | 903.340    |
| Total ex admin fees                      | 4.538.847    | 13.167.915 | 12,497,910           | 12,444,100 | 11.589.966 | 5.233.455    | 59.472.193 |
| Administrative fees (8%)                 | 363.108      | 1.053.433  | 999.833              | 995.528    | 927.197    | 418.676      | 4.757.775  |
| Summary Grand Total                      | 4.901.955    | 14.221.348 | 13.497.743           | 13.439.628 | 12.517.163 | 5.652.131    | 64.229.969 |
|  |              |            | ut 1: Accelerators   |            |            |              |            |
| Project delivery salaries                | 782,589      | 1.565.179  | 1.565.179            | 1.565.179  | 1.262.531  | 631,265      | 7.371.921  |
| Project communications salaries          | 51.847       | 103.693    | 103.693              | 103.693    | 103.693    | 51.847       | 518.467    |
| Communications collateral and support    | 0            | 255.240    | 255.240              | 255.240    | 255.240    | 255.240      | 1.276.200  |
| Green growth analytical research support | 459.432      | 223.335    | 0                    | 0          | 0          | 0            | 682.767    |
| Green growth business instruments        | 0            | 0          | 0                    | 0          | 0          | 0            |            |
| Business mentoring                       | 0            | 255.240    | 255.240              | 255.240    | 255.240    | 0            | 1.020.960  |
| Consultancy costs                        | 459.432      | 4.007.268  | 4.007.268            | 4.007.268  | 4.007.268  | 459.432      | 16.947.936 |
| Travel and events                        | 51.048       | 408.384    | 408.384              | 408.384    | 408.384    | 255.240      | 1.939.824  |
| Youth support                            | 0            | 0          | 0                    | 0          | 0          | 0            |            |
| Youth4Sustainability and job training    | 0            | 842.292    | 842.292              | 842.292    | 842.292    | 842.292      | 4.211.460  |
| Travel and events                        | 63.810       | 204.192    | 204.192              | 204.192    | 204.192    | 204.192      | 1.084.770  |
| M&F                                      | 31,905       | 63.810     | 63.810               | 10.000     | 63,810     | 31,905       | 265,240    |
| Administrative fees (8%)                 | 152.005      | 634.291    | 616.424              | 612.119    | 592.212    | 218.513      | 2.825.564  |
| Total 1                                  | 2.052.068    | 8.562.924  | 8.321.722            | 8.263.607  | 7.994.862  | 2.949.926    | 38.145.109 |
|  |              | Output     | 2: Access to finance |            |            |              |            |
| Project delivery salaries                | 782.589      | 1.565.179  | 1,565,179            | 1.565.179  | 1.262.531  | 631,265      | 7.371.921  |
| Project communications salaries          | 51.847       | 103.693    | 103.693              | 103.693    | 103.693    | 51.847       | 518.467    |
| Communications collateral and support    | 0            | 153.144    | 153.144              | 153.144    | 153.144    | 153.144      | 765.720    |
| Investor network coordination            | 0            | 0          | 0                    | 0          | 0          | 0            |            |
| Travel and events                        | 76,572       | 153.144    | 153.144              | 153.144    | 153.144    | 153.144      | 842.292    |
| M&E                                      | 31.905       | 63.810     | 63.810               | 63.810     | 63.810     | 31.905       | 319.050    |
| Administrative fees (8%)                 | 75,433       | 163.118    | 163.118              | 163.118    | 138,906    | 81,704       | 785.396    |
| Total 2                                  | 1.018.346    | 2.202.088  | 2.202.088            | 2.202.088  | 1.875.228  | 1.103.009    | 10.602.846 |
|  |              | Output     | 3: Learning Modality |            |            |              |            |
| Project delivery salaries                | 782.589      | 1.565.179  | 1.565.179            | 1.565.179  | 1.262.531  | 631.265      | 7.371.921  |
| Project communications salaries          | 51.847       | 103.693    | 103.693              | 103.693    | 103.693    | 51.847       | 518.467    |
| Communications collateral and support    | 0            | 127.620    | 127.620              | 127.620    | 127.620    | 127.620      | 638,100    |
| Digital learning                         |              |            |                      |            |            |              |            |
| SCORM learning assets and platform       | 510.480      | 510.480    | 382.860              | 382.860    | 382.860    | 127.620      | 2.297.160  |
| Travel and events                        | 0            | 127.620    | 127.620              | 127.620    | 127.620    | 127.620      | 638.100    |
| Green Growth Community                   | 0            | 0          | 0                    | 0          | 0          | 0            |            |
| GG Community platform / maintenance      | 0            | 255.240    | 255.240              | 255.240    | 255.240    | 255.240      | 1.276.200  |
| Regional Youth Network                   |              |            |                      |            |            |              |            |
| Expansion of Regional Youth Platform     | 255.240      | 319.050    | 0                    | 0          | 0          | 0            | 574,290    |
| Travel and events                        | 63.810       | 127.620    | 127.620              | 127.620    | 127.620    | 127.620      | 701.910    |
| M&E                                      | 31.905       | 63.810     | 63.810               | 63.810     | 63.810     | 31.905       | 319.050    |
| Administrative fees (8%)                 | 135.670      | 256.025    | 220.291              | 220,291    | 196.080    | 118.459      | 1.146.816  |
|  |              |            |                      |            |            |              |            |

## The additional 1% coordination levy is calculated as below:

| Project net budget        | 59.472.193 |    |        |
|---------------------------|------------|----|--------|
| GMS/Administrative fee    | 4.757.775  | 8% | Fee %  |
| Total projecct budget     | 64.229.969 |    |        |
| The 1 % coordination levy | 642.300    | 1% | Levy % |
| Total donor budget        | 64.872.269 |    |        |