

## ► Terms of Reference – Service Contract

### ***Conducting an Inclusive Entrepreneurship Ecosystem Assessment in Libya***

#### Key points

- ▶ **Assignment:** research and drafting of an inclusive entrepreneurship ecosystem assessment in Libya, with the aim of promoting peace and social cohesion through inclusive economic recovery and entrepreneurship development.
- ▶ **Location:** the assignment will take place in Tripoli, Libya
- ▶ **Duration:** 4 months
- ▶ **Contract type:** Service contract (for companies only)

## Background

### 1.1. Context

Libya's prolonged political crisis and violent conflict have severely impacted the labour market, leading to significant decent work deficits and high unemployment rates, particularly among women and youth. The collapse of centralized governance and the emergence of parallel institutions have disrupted economic activities, further exacerbated by the COVID-19 pandemic, long-term environmental degradation, and climate change impacts. The latter, including water scarcity and declining agricultural productivity, have contributed to food insecurity and livelihood instability, as well as heightened competition over natural resources that risks increasing tensions and contributing to conflict. Altogether, these conditions have culminated in widespread multidimensional poverty across the country.

Within this environment, fostering inclusive entrepreneurship ecosystems emerges as a pathway to provide economic opportunities and empower marginalized groups, especially women, youth and internally displaced populations (IDPs). These challenges also present opportunities for promoting green jobs and stability if managed carefully, for instance by supporting green businesses and encouraging practices that are adaptive to climate change or contribute to mitigating environmental impact, aligning with broader disaster risk reduction strategies.

In line with Recommendation 205, with the ILO Libya Country Context Study (2022), and with the objective of promoting peace and social cohesion through an inclusive and conflict sensitive approach to employment creation, the project will therefore:

- Conduct a thorough local-level peace and conflict analysis to understand the local dynamics and potential risks, avoid exacerbating conflict drivers, and identify ways in which programming can support opportunities for peace.
- Engage local stakeholders, including civil society organizations, to ensure interventions comply with 'do no harm' principles and are context-specific and inclusive.
- Ensure equitable access to resources and opportunities, avoiding favoritism or exclusion of any group.
- Monitor and evaluate the impact of interventions continuously, adjusting strategies as needed to prevent exacerbating existing tensions.

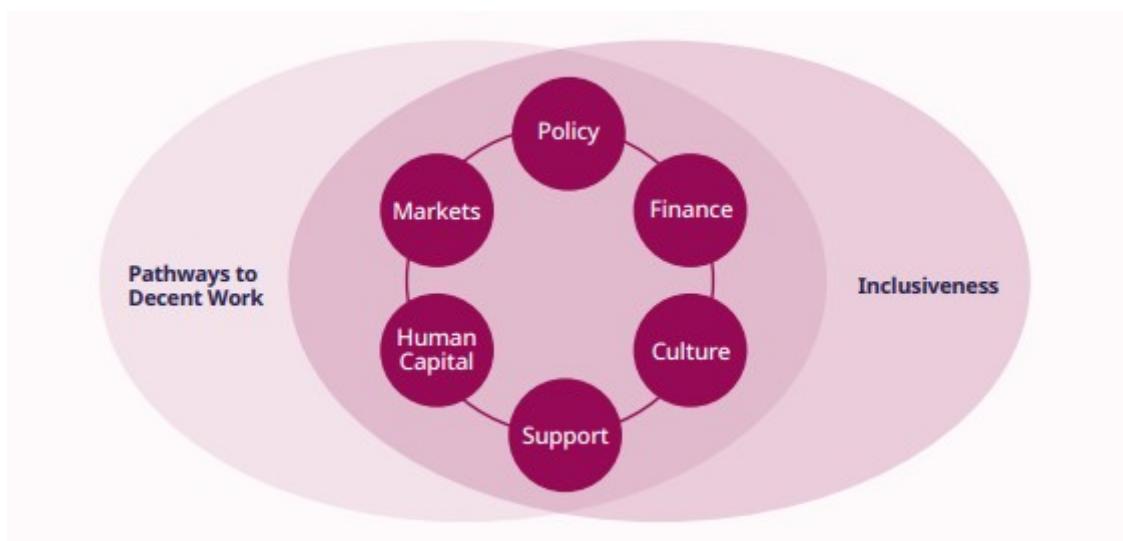
In this context, the ILO seeks to engage a consultancy firm to conduct an action-oriented, comprehensive entrepreneurship ecosystem assessment, mapping key actors, systemic constraints, opportunities, and leverage points for intervention. The findings will guide the design of targeted interventions that aim to unlock entrepreneurship potential, contribute to inclusive economic recovery, and advance sustainable livelihoods in Libya.

## 1.2. ILO's Approach to Inclusive Entrepreneurship Ecosystems

Given the high uncertainty and cost associated with starting a business, evidence is increasingly showing that a holistic support system is necessary if entrepreneurship is to thrive. Such entrepreneurship ecosystems endeavour to facilitate business creation and growth by offering a comprehensive support 'infrastructure' to entrepreneurs.

The ILO's *Inclusive Entrepreneurship Ecosystems Approach* supports the development of inclusive entrepreneurship ecosystems that help entrepreneurs create sustainable businesses. Building on Isenberg's<sup>1</sup> entrepreneurship ecosystem model, the approach emphasizes six core pillars that together form a holistic support system for entrepreneurs as well as two cross-cutting dimensions - Inclusiveness and Pathways to Decent Work – that ensure that the support system is inclusive of all entrepreneurs.

The ILO's Inclusive Entrepreneurship Ecosystem Framework



The pillars of inclusive entrepreneurship ecosystems are the following:

- Human capital:** Human capital refers to the availability of skilled and motivated workers, vital for entrepreneurs to establish sustainable businesses. It comprises various elements such as experienced entrepreneurs who can enhance the workforce, along with educational institutions offering demand-driven training. Additionally, programs facilitating up-skilling and services aligning labour demand with supply are significant contributors to human capital.

<sup>1</sup> Isenberg, D. 2011. The Entrepreneurship Ecosystem Strategy as a New Paradigm for Economic Policy: Principles of Cultivating Entrepreneurship. *Babson Entrepreneurship Ecosystem Project*. Available at: <http://www.innovationamerica.us/images/stories/2011/The-entrepreneurship-ecosystem-strategy-for-economic-growth-policy-20110620183915.pdf>

- b) Policy:** Legislation and policies that foster business creation are key. These include easy and transparent business registration procedures, fair taxation policies, policies that actively promote entrepreneurship, particularly addressing barriers faced by marginalized youth groups. While the legal text is important, it is implementation that has the greatest impact on entrepreneurship and business creation. Subsequently, a policy environment that combines top-down and bottom-up approaches and provides an integrated set of effective regulations is important to promoting entrepreneurship.
- c) Appropriate finance:** Access to financial resources is crucial for entrepreneurs seeking to start and grow a business, and the availability of a diversity of financial products and services is an important component of entrepreneurship ecosystems. Financial services should be accessible and appropriate to entrepreneurs at different stages of enterprise development. For some entrepreneurs, loans may be most appropriate. For others, seed and angel investors might be instrumental, while in some contexts, family and friends, crowdsourcing, and other financial institutions like microfinance and financial cooperatives may play a key role.
- d) Culture:** This component describes the legitimacy of entrepreneurship in the wider society of a given context, i.e., whether entrepreneurship is considered a viable career path for men and women, whether entrepreneurs have a positive reputation, and if there are cultural assumptions regarding different groups (women, young people, IDPs). Highlighting diverse role models and success stories in the entrepreneurship space can help reshape societal attitudes toward involvement of these groups in the entrepreneurship ecosystem.
- e) Support:** This component refers to the variety of support services available for empowering entrepreneurs. This includes the availability of demand-driven and accessible non-financial business development services (BDS) like business management training, capacity building, mentoring, and coaching, as well as physical and technological infrastructure, and operational services like accounting and legal advice, IT and design support, and sector-specific support. When looking at this pillar, it is important to consider not only the presence of such services but also the information and awareness of them among entrepreneurs.
- f) Markets:** The availability of and access to markets is crucial for any business. In the entrepreneurship ecosystem framework, this component refers specifically to the availability of customers who are interested in purchasing innovative products and services. Where local demand is low, strong entrepreneurship ecosystems are often characterized by accessibility to regional or international markets for local entrepreneurs. This component looks at how entrepreneurs interact with the available demand, seeking challenges and opportunities in any given market. Beyond this, the pillar also encompasses access, or lack thereof, to market information and resources, such as digital marketing strategies and networking platforms, which enable effectively navigating and capitalizing on market opportunities in the digital economy.

Promoting an inclusive entrepreneurship ecosystem requires a thorough understanding of the specificities and potential shortcomings of the extant entrepreneurship ecosystem in a given context. Targeted and localized solutions to address constraints in the ecosystem can then be developed from such insights. The first step to promoting and strengthening entrepreneurship ecosystems is therefore an ecosystem analysis, which provides the basis from which constraints are identified and evidence-based solutions developed. An entrepreneurship ecosystem analysis comprises three interlinked components:

- A rough mapping of the entrepreneurship ecosystem and the target group. This includes the ecosystem components through cross-cutting dimensions and the relation of the target group with each pillar.

- The definition of priority pillars and in-depth analysis of underlying constraints and actors in the selected pillars.
- The design of system-based interventions that can effectively improve the entrepreneurship ecosystem, especially as it pertains to the targets group to access and thrive within it.

## The Assignment

### 2.1 Objective of the Assignment

The purpose of this assignment is to support the ILO team in conducting an action-oriented entrepreneurship ecosystem analysis of Tripoli, which will ultimately include recommendations for how such ecosystems can be sustainably and systemically improved, particularly for marginalized communities such as youth, women and IDPs.

Based on the ILO's Inclusive Entrepreneurship Ecosystems methodology, the mapping to be carried out by the selected firm will include:

- A brief mapping and categorizing of current initiatives led by governmental, development, and humanitarian actors aimed at enhancing entrepreneurship development in Tripoli.
- Preliminary desk review on previous analysis and available data on entrepreneurs' challenges and opportunities in the target area, especially pertaining to youth, women, and IDPs.
- Socio-economic profiling and need assessment of target entrepreneurs in Tripoli, including growth-oriented enterprises.
- Inclusive Entrepreneurship Ecosystem overview and analysis of selected pillars based on first hand data collected in Libya. Pillars to be selected in close consultation with the supporting ILO team.
- Mapping and profiling (including "will-skill" framework) of potential entrepreneurship ecosystem partners
- Development of concrete and feasible areas of intervention for the ILO to collaborate with local actors in the ecosystem to improve and accelerate sustainable and high-growth entrepreneurship among young Libyans, women, and IDPs in Tripoli.

### 2.2 Scope of the Assignment

Broadly, the assignment will focus on, but not be limited to, the following steps and activities:

- Kick-off call the team of consultant(s), including an onboarding training/overview of the ILO's Inclusive Entrepreneurship Ecosystem methodology, as well as in the tools and methods to be used for the collection and analysis of data;
- Desk research and review of available data, with possibility of preliminary strategic interviews, to gather existing analysis and evidence of the challenges, needs, and opportunities for supporting targeted entrepreneurs;
- Socio-economic profiling and needs assessment of target entrepreneurs in Tripoli. Based on the preliminary mapping, desk review and key informant interviews and survey, the consultancy firm will be able to draw an up-to-date profile;
- Support in the design of instruments for data collection, including key informant interviews, focus groups and surveys (as needed);
- Collection of data, including key informant interviews, focus group discussions, information gathering workshops, and surveys (as needed) in Tripoli;
- Conducting internal validation sessions with the ILO;
- Regularly presenting findings and results to the project team;
- Support in drafting the final report;

- Preparing validation workshop/s with the ILO.

**The activities will be as follows:**

### **Step 1: preparations and preliminary data**

1. **Kick-off:** The consultancy firm will participate in a kick-off call with the ILO research team, which will include onboarding training on the ILO Inclusive Entrepreneurship Ecosystem methodology. The timeline for the assignment will be defined and the terms of collaboration between the national consultancy firm and the ILO team in carrying out the research will be clarified.
2. **Preliminary desk review on existing evidence and initiatives:** The consultancy firm should conduct a desk review with a few strategic interviews (as needed) to gather existing analysis and evidence on the challenges, needs and opportunities of supporting target entrepreneurs (youth, women, IDPs) in Tripoli. The mapping will include an overview of ongoing initiatives on this subject promoted by government, humanitarian and development actors. This desk review and key strategic interviews will help to provide preliminary insights on the existing evidence and data gaps to avoid any duplication during the analysis phase as well as in the identification of feasible interventions for the project and future ILO initiatives.
3. **Socio-economic profiling and need assessment of target entrepreneurs in Tripoli:** Based on the preliminary mapping, desk review and key informant interviews and survey, the consultancy firm will be able to draw an up-to-date profile of the specific segment of target entrepreneurs. This initial assessment will give an overview of age, gender, educational background, capacities, skills, professional experience, sector of engagement, type of business, previous experience, legal status, current income-generating activities, financial services access and usage, financial literacy level as well as key challenges and constraint that they face in creating and growing their businesses.
4. **Preliminary Ecosystem mapping:** Based on a desk review of available data and information, including previous ecosystem mapping exercises, combined with few interviews with key informants, the initial ecosystem mapping should identify key actors, services, challenges and opportunities under each ecosystem pillar (Policy, Culture, Human Resources, Finance, Support Services, and Markets) as well as an analysis of two cross-cutting dimensions:
  1. *How well or poorly are the pillars and theoretical frameworks tailored to meet the unique needs and constraints of target entrepreneurs? And*
  2. *To what extent the pillars are helping put target entrepreneurs and their businesses on a pathway to growth and Decent Work creation.*

In addition to mapping the services and actors available under each ecosystem components, the mapping should also provide insight into the coherence (or lack of) of the entrepreneurship ecosystem as a whole, i.e. identify communication flows and partnerships between the individual ecosystem components as well as shortcomings such as parallel systems or absent communication.

Finally, the assessment should integrate a conflict-sensitive approach throughout the ecosystem mapping process, drawing on ILO tools and guidance where appropriate, to ensure that interventions are informed by local dynamics, avoid exacerbating existing tensions, and contribute to stability by applying a "do no harm" lens in Libya's fragile context.

### **Deliverables Step 1:**

- Three (3) power point documents and presentations to deliver the preliminary results of the desk review, the socio-economic profiling and the preliminary ecosystem mapping during three working sessions with the ILO research team.
- Short draft report in English of maximum 20 pages detailing the results of the preliminary research

## **Step 2: Prioritization and further analysis**

Based on the preliminary evidence and existing data on the target group, their needs and constraints and the overall performance of the entrepreneurship ecosystem of Tripoli, the national consultancy firm will help the ILO research team to move to the next step of the process, including:

1. **Prioritize 2-3 high potential pillars for further analysis and action:** as part of a joint work session and based on preliminary results, the ILO research team will prioritize 2 to 3 pillars that presents high relevance, opportunity and feasibility for action in the framework of the overall project and future funding opportunities. The consultancy firm will contribute to the session through a presentation with concrete recommendations for pillar's selection and with insider's insights on specific research questions, actors, challenges and opportunities to be further researched in the next stage of the research.
2. **Organize and accompany fieldwork for the analysis of the prioritized pillars:** based on the results of the prioritization with the ILO team, the consultancy firm will identify key stakeholders to be interviewed during an in-depth fieldwork to further analyse and unpack the 2-3 selected pillars. The objective is to collect data on how these pillars work, how they influence positively and negatively target entrepreneurs' ability to start and sustain their business and why. The analysis will provide in-depth information on the underlying constraints, emerging opportunities, structuring rules and key ecosystem actors that govern these pillars in Tripoli.

The consultancy firm will organize the schedule of semi-structured interviews and stakeholder focus group discussions for approximately a one-week fieldwork that potentially include the ILO CTA of the project, the national consultancy firm and, depending on the situation, one or two officers from HQ Geneva and the DWT Cairo. During this fieldwork, the consultancy firm will mobilize his/her insider's knowledge to help the ILO team in making sense of the data collected, identify gaps, opportunities or additional actors and organizations to be interviewed. The results of the fieldwork will be discussed jointly with the ILO team as part of at least one brainstorming session after the fieldwork.

### **Deliverable Step 2:**

- PowerPoint document and presentation to share recommendations for the selection of 2-3 pillars the results and for specific topics and actors to be further researched in the next stage of the analysis.
- Interview schedule for fieldwork on the 2-3 selected pillars, which includes the stakeholder names and contact information
- 1 working session with the ILO team to unpack the results of the fieldwork

## **Step 3: Development of areas of intervention and partners' profiling**

1. **Contribute to the drafting and review of the research report:** while the ILO team will lead the drafting of the research report, the consultancy firm should be able to contribute to the drafting by providing strategic inputs and review based on the fieldwork and by sourcing any additional documentation or complementary data needed. In case of need, the consultancy firm should be able to organize up to 5 complementary interviews to fill any information gap identified by the ILO team.
2. **Advise on intervention design:** the final research report will include a section providing concrete recommendations on strategic interventions that project could implement to reinforce the inclusivity and performance of the entrepreneurship ecosystem in Tripoli, specifically for the targeted entrepreneurs. Far from being a general recommendations chapter, this section will provide action-oriented models of interventions in the selected pillars including proposals of concrete partnership models with high-potential ecosystem actors based on their skills and incentives to improve the ecosystem (see following activity).
3. **Support profiling of potential partners:** the final report and the intervention section will include a practical and up-to-date profiling and/or inventory of potential actors with which the ILO could

partner with to implement the intervention areas identified in the research. The consultancy firm will play an active role in developing a profiling of potential partners based on the ILO "Will/Skill" framework. This will include a short annex with contact information (including focal point to be contacted) for each of the partners identified. This work may require up to 5 follow up interviews with the suggested partners to complete any missing information.

4. **Support the facilitation of the validation session:** the preliminary version of the research report, including the intervention section, will be presented by the ILO team and the consultancy firm during a validation session with ILO staff. The consultancy firm will contribute to the presentations and will support any facilitation of activities and discussion during the session.

#### **Deliverable Step 3:**

- Written inputs and technical review of the research report (including intervention section) drafted by the ILO team
- In case of information gaps during the drafting process, support with sourcing of additional documentation and data and up to 10 complementary interviews.
- Written inputs on the will/skills profiling of potential partners and drafting of short annex with contact information
- At least 1 brainstorming session with the ILO team partners on intervention design
- Support presentations and facilitation of the validation session

### **2.3 Timeframe and deliverables**

The consultancy firm will coordinate all work with the Project Manager in Tripoli, the ILO Cairo Decent Work Team (DWT) Enterprise Specialist, and the Entrepreneurship Technical Support team (ILO Geneva).

Deliverable Number	Deliverable details	Days
<b>Deliverables Step 1:</b>  Preparatory work and landscape mapping.	<ul style="list-style-type: none"> <li>• Participate in kick-off call.</li> <li>• Three (3) power point documents and presentations to deliver the preliminary results of the desk review, the socio-economic profiling and the preliminary ecosystem mapping during three working sessions with the ILO research team.</li> <li>• Draft report in English of maximum 20 pages detailing the results of the preliminary research</li> </ul>	<ul style="list-style-type: none"> <li>• 7 days</li> </ul>
<b>Deliverables Step 2:</b>  Initial ecosystem sketch and overview of the target group	<ul style="list-style-type: none"> <li>• PowerPoint document and presentation to share recommendations for the selection of 2-3 pillars the results and for specific topics and actors to be further researched in the next stage of the analysis.</li> <li>• Preparation of the Interview schedule for fieldwork on the 2-3 selected pillars, which includes the stakeholder names and contact information</li> <li>• Report of the primary research</li> <li>• Working sessions with the ILO team to unpack the results of the fieldwork</li> </ul>	<ul style="list-style-type: none"> <li>• 15 days</li> </ul>

<b>Deliverables</b> <b>Step 3:</b>  Deep-dive analysis of priority pillars and intervention recommendations	<ul style="list-style-type: none"> <li>Written inputs and technical review of the research report (including intervention section) drafted by the ILO team</li> <li>In case of information gaps during the drafting process, support with sourcing of additional documentation and data and up to 10 complementary interviews.</li> <li>Written inputs on the will/skills profiling of potential partners and drafting of short annex with contact information</li> <li>At least 1 brainstorming session with the ILO team partners on intervention design</li> <li>Support preparation, presentations and facilitation of the validation workshop</li> </ul>	8 days
<b>Total number of days</b>		<b>30 days</b>

### Expected Duration

All assignment's deliverables are expected to be delivered to the satisfaction of the ILO **within 4 months**.

## 2.4 Qualifications and Experiences

### 1. Organizational Expertise

- Proven track record in conducting market systems analysis, value chain development, entrepreneurship development, or similar economic research in Libya or the region.
- Experience with fragile states and situations, gender-sensitive and inclusive research methodologies is a plus.
- Evidence of successfully delivering projects of similar nature, particularly mapping, value chain analysis, developing market-based interventions, or entrepreneurship ecosystems.
- Proven experience in producing high-quality reports and analysis in English (required) and Arabic (optional but desired).

### 2. Team Composition and Expertise

- Present the team composition with clear roles and responsibilities in the project, in where at least one team member with experience in market systems development (MSD), entrepreneurship ecosystems, or value chain development in Libya.
- A strong network with existing actors of Libya's entrepreneurship ecosystem is strongly desired.

## 2.5 Proposal Evaluation

The contract will be awarded according to the criteria described below:

"Lowest priced, most technically acceptable offer" evaluation methodology, where the lowest price serves as the principal evaluation criterion on which to award the contract for the supplier with a technically accepted proposal and lowest financial offer"

The technical proposal will be defined as "technically accepted" if it passes 70% of the technical evaluation as per the below criteria:

- 1- Depth and quality of response to the RFP (20 points)
- 2- Technical compliance with the Terms of Reference and its planned deliverables (20 points)
- 3- The proposed implementation and management plan (20 points)
- 4- The qualifications and experience of proposed key personnel who will manage and implement the assignment (20 points)
- 5- Applicant's previous experience in similar assignments (20 points)

In addition, the financial proposal must include the following:

- 1- The budget breakdown and costing per budget lines
- 2- The alignment between technical and financial proposals in terms of resources needed to carry out the assignment

## 2.6 Application Process

The consultancy firm should submit their applications including the following:

1. Annex II, Certification to be submitted
2. Annex III, Offer Submission Form, including Appendix A (detailed breakdown). The financial proposal must be submitted in USD.
3. Technical and financial proposals (under two separate files) must include the following:
  - a) A proposed process and timeline for the study setting out the steps, the number of consultants/enumerators/facilitators and the number of days.
  - b) The anticipated challenges and dependencies likely to affect the implementation of the study and how these should be addressed.
  - c) A summary of the most relevant skills and experience of the lead consultants together with the CV showing relevant previous assignments and clients, including experience in the Libyan context, if applicable (Attach CV separately).
  - d) For the financial proposal, a detailed budget, with a breakdown of the consultants' fees, research team costs and operational expenses.
  - e) Minimum of three references with their contact information from reputable firms or organizations for whom similar services have been provided and completed.
  - f) An example of similar work authored by the contractor is provided as a separate cover.

The application must include all the documents requested and shall be submitted by email to Ms Zoubida Ferkani ([ferkani@ilo.org](mailto:ferkani@ilo.org)) under the email subject **Libya: Consultancy (Service Contract) for Inclusive Entrepreneurship Ecosystem**" not later than **30 June 2025**.

## 1.3. Payment Schedule

The number of working days for the assignment is 30 working days.

The ILO will disburse the contract total amount in several instalments based on the below table, and upon the satisfaction of the ILO, as follows:

Key Deliverables	Installments
<b>Upon the delivery of deliverable number (1) Upon completion of the preliminary report summarizing results on the landscape of initiatives, target group, and ecosystem mapping, to the satisfaction of the ILO</b>	30 per cent of the total fees

<b>Upon the delivery of deliverable number (2)</b> <i>Upon completion of the in-depth fieldwork on the selected pillars, including the interview schedule, lead of the fieldwork, and participation in the post-fieldwork brainstorming, to the satisfaction of the ILO</i>	40 per cent of the total fees
<b>Upon the delivery of deliverable number (3)</b> <i>Upon providing written inputs to the final report drafted by the ILO team, to the satisfaction of the ILO</i>	30 per cent of the total fees
<b>Total</b>	<b>100</b>

In addition, any field missions that will be conducted under the assignment shall be previously approved by the ILO, followed by a submission of a short report indicating the number of days in the field and the work that have been done.

## Special Terms and Conditions

### Confidentiality Statement and Intellectual Property of Data

All data and information received from the ILO and the stakeholders for the purpose of this assignment are to be treated confidentially and are only to be used in connection with the execution of this ToR. All intellectual property rights arising from the execution of this ToR is assigned to ILO according to the grant agreement. The contents of written materials obtained and used in this contract may not be disclosed to any third parties without the express advance written authorization of the ILO.