**SPECIFICATIONS**

1. **General information**

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| Assignment name | Technical expertise for the transformation of MSMEs into circular business models by addressing the whole value chain through a cluster/coalition approach |
| Beneficiary | EU-PH Green Economy Program Philippines - Expertise France |
| Country | Philippines |
| Total estimated number of days | 27 months |

1. **Context and justification of the need**

The European Union signed a partnership with the Philippine Government to help speed up the green transition of the Philippine economy: the Green Economy Programme of the Philippines (GEPP). Funded by a 60-million-euro (3.67 billion PHP) grant from the European Union, the programme will run from 2023 to 2028 and link European and Filipino partners to foster a circular economy and the reduction of plastic waste. The programme, which aims to help generate sustainable and inclusive growth through investments and job creation in the circular economy, will also work on improving energy efficiency, and promote renewable energy use and climate change mitigation and adaptation.

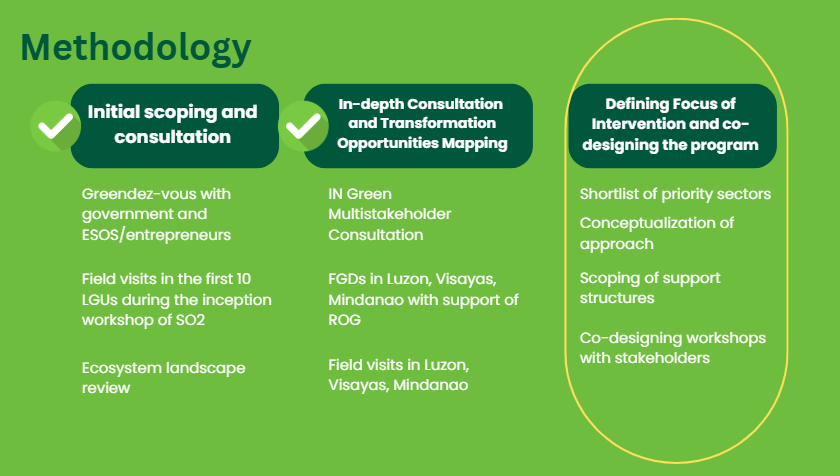
The Green Economy Programme has four strategic objectives (SO) being implemented by four international technical partners and government agencies:

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| **Strategic Objective** | **Technical Partner** | **Government Co-lead** |
| **SO1:** Improved formulation and implementation of circular economy and climate change policies with focus on plastics value chains | GIZ | DENR |
| **SO2:** Local government units, transformed from managers of waste to drivers of circular economy transition and innovation, in collaboration with the private sector and civil society | UNDP | DILG |
| **SO3:** Private sector engaged in innovation and introduction of plastic waste reduction solutions, other climate change mitigation measures as well as skills and green jobs, allowing youth and women to thrive in circular economy | Expertise France for Outputs 1 and 2;  GGGI for Output 3; and  IFC for Output 4 | DTI |
| **SO4:** Increased energy efficiency and renewable energy deployment  (cross-cutting across SOs) | IFC | DOE |

Under SO3, Expertise France (EF), together with Global Green Growth Institute (GGGI), aim to help enhance the involvement of the private and financial sectors into circular, waste- reduction economy, by, amongst others, supporting the creation and growth of eco- enterprises, through the provision of technical expertise and financial assistance to incubators, accelerators, Fab Labs, Design Centres and other support structures.

One of the key activities under Output 1 of this specific objective is focused on transforming traditional MSMEs into green businesses– an integral step towards transitioning the country into circular economy. Technical and financial support will be provided to chosen enterprise support organizations (ESOs) and micro, small, and medium enterprises (MSMEs) to support their transition to greener business practices.

In the year 1 of the project, the following consultations have already been done. The third stage of the development of the program will commence upon the hiring of the firm. This will revolve around defining the focus of the intervention and co-designing the program.



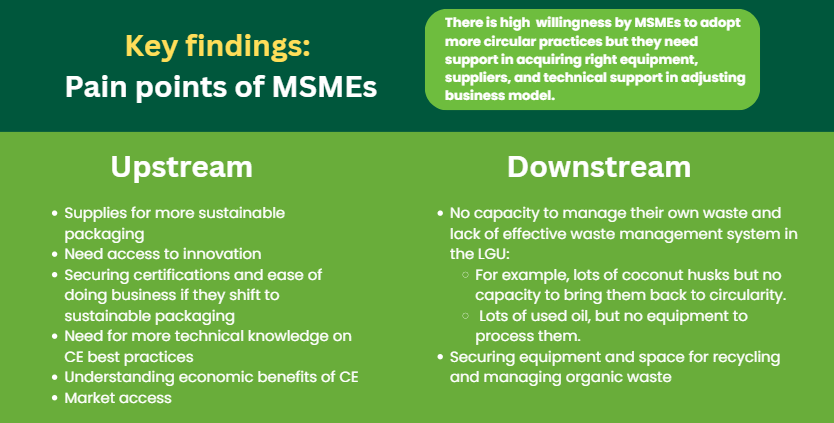
**Key Findings of the Diagnostics**

From 11th to 25th of September 2024, the diagnostic for business transformation was conducted through coordinated co-construction meetings with the LGU, focus group discussions and field visits to MSMEs in Puerto Princesa, Davao, Samal, and Iloilo. From these activities, the project team managed to gain inputs from **99 MSMEs and local circular economy action teams of each city.** Baseline data collection was simultaneously conducted during these visits.

The key findings are:

* Priority sectors
  + Agriculture and fisheries
  + food production
  + tourism and hospitality
* Priority waste type
  + Food and organic
  + Plastic
* There are existing structures in place in various regions public and private, such as the Circular Economy local action team, and alliances of entrepreneurial support organizations. Transformation efforts can capitalize on the work and influence of these existing structures.
* The Department of Trade and Industry (DTI)’s Regional Offices and Negosyo Centers are important channels for MSMEs, offering various services such as business registration, business model support, and capacity building.
* There are ordinances banning single-use plastic in some cities. MSMEs also already have high awareness and willingness, but their main pain point is the lack of options for alternative packaging. They need to source their packaging from highly urbanized places such as Metro Manila which can be expensive.
* The Department of Science and Technology’s accredited technology and business incubators (TBIs) are also present across the Philippines, normally attached to a university. However, most TBIs never had circular economy programs and have a very low level of knowledge on circular economy.
* There are transformation solutions that exist in other regions that are needed by other regions. Technology transfer and cross-regional market linkages could be explored.
* The gap in transformation lies heavily on broken value chains. To address this, holistic solutions are needed and working with various critical actors through a clustered approach is necessary. Thus, a clustered approach in the form of consortium-building is recommended.

Below is the summary of the other gaps or pain points of MSMEs identified through the consultations.



And below is the summary of the other gaps or pain points of the ecosystem players in general identified through the consultations.



Expertise France will be launching a call for projects in the third quarter of 2025 which would have a four month application period after the launch and eighteen to twenty-four months of implementation. A total 1.2 million Euros would be allocated that could be awarded to 3 to 5 grantees. Below is a tentative timeline:

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|  | **2025** | | **2026** | **2027** | **2028** |
| **Phases** | **Q3** | **Q4** |  |  |  |
| Design |  |  |  |  |  |
| Launch |  |  |  |  |  |
| Application and contracting |  |  |  |  |  |
| Implementation |  |  |  |  |  |
| Evaluation |  |  |  |  |  |

The technical services provider (the subject of the present technical specifications) will have a key role in supporting the beneficiaries directly, as well as in supporting the EF project team with the overall management of the initiative.

1. **Objectives and desired results**
   1. **General objective**

The objective of the assignment is to support business transformation of MSMEs in adopting more circular and green business models through the provision of technical expertise and project management assistance.

* 1. **Specific objectives**

1. Facilitate the co-designing process of the call for projects guidelines for business transformation of MSMEs into circular models with the public and private stakeholders;
2. Conduct an in-depth value chain analysis for the chosen priority industry and waste sector;
3. Design the business transformation program including the action plan, capacity-building series and call for projects guidelines based on the results of the co-designing workshop and value chain analysis;
4. Support promotional activities of the call for projects through bootcamps or other innovative means;
5. Provide technical advice in the evaluation of projects;
6. Provide technical expertise on strengthening or building circular economy coalition that would address the broken value chain integral to the transformation of MSMEs into circular models throughout the implementation of the grant;
7. Develop circular economy business transformation modules that can be provided to the MSMEs;
8. Provide technical expertise to MSMEs in adopting circular practices and in sustaining the circular model; and
9. Conduct an impact evaluation of the project specific to environmental and economic measures.
   1. **Anticipated results**
10. A business transformation circular economy program design is produced in a participatory manner with all stakeholders involved;
11. Coalitions receive technical support to develop circular economy program focused on transforming MSMEs and on working in addressing the broken value-chain on a specific industry/waste sector;
12. A circular economy business transformation module is published;
13. MSMEs receive technical expertise in adopting circular practices;
14. An impact evaluation showing environmental and economic changes resulting from the business transformation program is produced.
    1. **Project Indicators**

A.1.2 Business Transformation aims to support micro, small, and medium enterprises in adopting more circular and green business models through the provision of grants and technical expertise.

This intervention will contribute to the following indicators of the SO3 logframe:

*1.1.1 Number and percentage of youth, entrepreneurs, and staff of the MSMEs who have improved their knowledge on circular economy innovation and business*

*1.1.3 Number of MSMEs that have adopted green and circular economy business models*

*1.1.4 Number of entrepreneurial support organisations that have increased their support to MSMEs and start-ups related to green and circular economy.*

1. **Description of the assignment**
   1. **Planned activities**

The service provider must support Expertise France and the technical working group of Specific Objective 3 of the EU-PH Green Economy Program in line with transforming MSMEs into circular businesses in order to perform the following activities:

Assignment preparation

* Review the transformation diagnostic report, logframe, and other pertinent documents
* Participate in the kick-off meeting and planning of the co-designing phase
* Propose an indicative plan and timeline for the activities

Phase I: Design ( Duration: 1-3 months)

* Facilitate co-designing sessions with the technical working group and target stakeholders (MSMEs, CSOs, coalitions, cooperatives, chambers, etc.).
* Consolidate the inputs from the consultations to draft the overall strategy and action plan for business transformation subject
* Present the proposed key elements of the call for project guidelines for TWG’s approval (ticket size, eligibility, project period, criteria, etc.)
* Develop the circular economy module for MSMEs capacity-building program

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| In parallel, Expertise France together with its co-lead Department of Trade and Industry will convene the members of the technical working group to:   * participate in the consultations * mobilize their network of MSMEs and private sector actors * provide any references that could support in finalizing the priority sector/s for business transformation. |

Phase II: Pre-launch preparations (Duration: 2 months)

* Support the drafting of the call for project guidelines which will be subject for the review and validation of the TWG.
* Develop the technical tools (checklist, questionnaires, etc.) necessary for project evaluation.

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| Expertise France will be in charge of the following:   * prepare all the necessary requirements for the call and manage all the checkpoints required to validate the guidelines and other documents pertinent to the call. * prepare the communication materials for the launch of the call. * organize and convene the evaluation committee. |

Phase III: Business Transformation Call for Projects Launch (Duration: 3 months)

* Support in the dissemination and promotions of the CFP through organizing bootcamps or other innovative means.
* Provide external and technical perspective in the selection of the projects by serving as an assessor in the evaluation committee.

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| Expertise France will be in charge of the following:   * organize two online info sessions conducted and physical roadshows in coordination with co-lead * lead the processing of applications and preparation of the evaluation process with the evaluation committee. |

Phase IV: Implementation (Duration: 18 months)

* Conduct a training on impact evaluation for all the grantees
* Support the project MEAL Officer in the development/update of monitoring and evaluation templates with specific technical aspects on circular economy
* Provide technical expertise in strengthening or building coalitions and in polishing the design and implementation of the chosen transformation projects.
* Support the grantees in providing technical support to MSMEs in adopting more circular practices and in understanding economic, environmental, and social results.

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| Expertise France will be in charge of the following:   * Provide the kick-off trainings on communication, grants, and M&E. * Monitor the progress of the funded projects * Manage the grants and ensure compliance and coordination with the grantees. |

Phase V: Evaluation (Duration: 1 month)

* Provide support in evaluating the funded projects in coordination with EF’s Monitoring and Evaluation Team to assess the technical aspects of circular economy.
* Provide case studies of the project effects in participating LGU’s/barangays, for capitalization purposes
* Produce a final report presenting the results of the project and recommendations on next steps
* Prepare a visual presentation of the results of the project that can be used for the culmination activity (an in-person event in Manila).
* Participate in post-assignment meetings.

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| Expertise France will be in charge of the following:   * Conducting overall midterm and final evaluation of the projects * Organizing the culminating activity |

* 1. **Anticipated deliverables**

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| **Deliverables** | **End date** |
| **Assignment preparation** | |
| 1. Indicative action plan and timeline for the sub-activities | T0 + 0.5 month |
| **Design Phase** | |
| 1. Co-designing workshops concept note, workshop design, and necessary materials | T0 + 0.75 month |
| 1. Conduct series co-designing workshops (attendance sheets, photos, etc.) | T0 + 1.75 months |
| 1. Consolidated report of the insights from the co-designing workshop including proposed strategy, action plan, and key elements for the CFP | T0 + 2 month |
| 1. Draft Circular Economy modules for MSMEs | T0 + 2.5 month |
| **Pre-launch preparations** | |
| 1. Technical inputs to the call for projects guidelines for the key elements and criteria | T0 + 2.75 month |
| **Launch of the Call for Projects** | |
| 1. CConcept note and dissemination plan for bootcamps 2. Technical advice on the evaluation of projects, using EF’s evaluation grid | T0 + 3.75 month  T0 + 5.75 month |
| **Project Implementation** | |
| 1. Training on impact evaluation to grantees, as well as attendance sheets and photos | T0 + 23.75 months |
| 1. Capacity-building program to coalitions final report | T0 + 24.75 months |
| 1. Capacity-building program to MSMEs final report | T0 + 25.75 months |
| **Evaluation** | |
| 1. Impact evaluation report of the projects, including case studies of effects in participating LGUs/barangay | T0 + 26.5 month |
| 1. Final report presenting the results of the project and recommendations for next steps | T0 + 26.75 month |
| 1. Presentation format of the final report, to be delivered at closing event | T0 + 27 month |

* 1. **Coordination**

The service provider shall designate a single contact person for project implementation purposes.

For Expertise France, the following would be the contact persons for the service provider:

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A launch meeting shall be held 5 days after the contract award has been notified.

Close collaboration must take place with the EU-PH Green Economy Program Expertise France team from assignment preparation right up to completion.

Furthermore, regular exchanges must take place with the Deputy Project Leader on assignment progress and any difficulties that may be encountered.

1. **Place, duration and terms of performance**
   1. **Implementation period:** 27 Months
   2. **Start date:** June 2025
   3. **End date:** September 2027
2. **Required expertise and profile**
   1. **The service provider should have the following profiles in their team:**

* Circular economy value-chain expert
* Coalition development expert
* Local expert on Philippine MSME ecosystem
* Impact evaluation expert
  1. **Profile of the designated expert(s) responsible for contract execution**

The candidate firm will be assessed based on the following criteria:

* Firm must have at least 3 years of experience working in circular economy especially on the following:
  + Mobilization of experts in project development and implementation
  + Participatory design process with interdisciplinary stakeholders
  + Application of systems thinking in program design and implementation
  + Development and mobilization of multistakeholder coalitions or clusters that address a specific challenge in circular economy
  + Value-chain analysis and facilitation of the formulation of upstream and downstream solutions with key actors across the value-chain
  + Development of modules and conduct of trainings for MSMEs in adopting circular practices
  + Strengthening of market linkages and private-public cooperation
  + Coordination with government actors involved in circular economy
  + Conduct of impact evaluation specific to social and environmental measures
* Firm who exhibits experience working in the Philippine context or with local partners present in the Philippines will present an advantage
* It is a plus if the firm has extensive knowledge in the following:
  + ASEAN and European circular economy frameworks, policies, and laws
  + Sustainability efforts of big private actors
  + Key actors in business transformation in the Philippines
  + Designing calls for projects

1. **Assignment reports**

A final report following the model provided by EF must be forwarded by e-mail on conclusion of the assignment. The template will be agreed between EF and the service provider.

1. **Monitoring-evaluation**

The monitoring and evaluation of the project will be carried out based on the table of expected deliverables under section IV.2 of this document.

1. **Circular Economy Business Transformation Schema**

