

Terms of Reference (TOR)

for

Market Assessment and Market System Development in Tunisia

1. Who is the Danish Refugee Council?

Founded in 1956, the Danish Refugee Council (DRC) is a leading international NGO and one of the few with a specific expertise in forced displacement. Active in 40 countries with 9,000 employees and supported by 7,500 volunteers, DRC protects, advocates, and builds sustainable futures for refugees and other displacement affected people and communities. DRC works during displacement at all stages: In the acute crisis, in displacement, when settling and integrating in a new place, or upon return. DRC provides protection and life-saving humanitarian assistance; supports displaced persons in becoming self-reliant and included into hosting societies; and works with civil society and responsible authorities to promote protection of rights and peaceful coexistence.

2. Purpose of the consultancy

The Danish Refugee Council and a consortium of organizations working on an initiative called DAPP: - DANISH-ARAB PARTNERSHIP PROGRAMME, YIEP: Youth Inclusion and Employment Project based in Tunisia is seeking proposals from a Consultant to lead a market assessment and technical programme setup of an economic empowerment programme with un- or under-employed youth in Tunisia, utilising market systems approaches, entrepreneurship promotion and job matching.

3. Background

Context

Tunisia's youth unemployment rate is ranked as one of the MENA region's highest rates representing 38.5% in the first quarter of 2022, while the unemployment rate among youth with a university degree is 30%. This high rate is partly due to the gap between labour supply and demand, the mismatch between skills and labour market needs, lack of career orientation, a rigid labour market, and cultural assumptions about self-employment and entrepreneurship. Despite the high level of youth graduating, Tunisian companies cannot find qualified job candidates due to the skills mismatch. As an illustration of this, hundreds of graduate engineers have training in mathematics and science but hiring managers at Tunisia's industrial and manufacturing firms are looking for candidates with experience in applied technical work. Moreover, youth often prefer a job in the public sector with secure employment and benefits to pursuing nontraditional avenues for employment – such as being an entrepreneur with the

cumbersome administrative procedures, the financial risks, the lack of long-term stability, and the general risk of failing.

Tunisia's economy is primarily driven by **agriculture, tourism**, and the growing **ICT** sector. Agriculture contributes significantly to GDP and employs a large portion of the rural population, yet it remains underdeveloped due to traditional practices and limited investment in modern technologies. Tourism, a key revenue generator, has struggled in recent years due to instability but holds potential for revitalization through eco-tourism and cultural tourism. The ICT sector, meanwhile, offers considerable potential for job creation and digital transformation, particularly among tech-savvy youth.

The focus on **green livelihoods** is particularly relevant in Tunisia as the country grapples with environmental challenges, including water scarcity, soil degradation, and a need for renewable energy solutions. Sustainable agriculture practices, eco-tourism initiatives, and green ICT solutions (such as energy-efficient technologies) are critical for aligning economic development with environmental protection.

Programme Backgroup and Target Group

DRC, in partnership with Impact Partner, Injaz, The Tunisian Foundation for Development (TFFD), and in consortium with GAME, ActionAid Arab Region (AAAR), Danish Chamber of Commerce and Danish Trade Union Development Agency, under the YIEP Programme, aims to enhance the employability of young women and men and engage them in entrepreneurship. In Tunisia, YIEP will enhance the employability of 24,000 young women and men, and support 4,800 in entering the labour market (wage or self-employed). It is expected that at least 50% will be young women and 30% of jobs will be classified as Green Jobs.

The target group for the YIEP is youth aged 15 – 35, from 12 Governorates in Tunisia (Medenine, Tataouine, Gabes, Sfax, Sousse, Monastir, Tunis, Ariana, Benarous, Manouba, Bizerte, Zaghouan). The target group will be divided into three categories: Disengaged youth, Employment seekers, and Aspiring entrepreneurs. An employment pathway has been designed to ensure appropriate support to the targeted youth depending on their needs and the constraints experienced by them in them in the steps towards employment or self-employment (Figure 1).

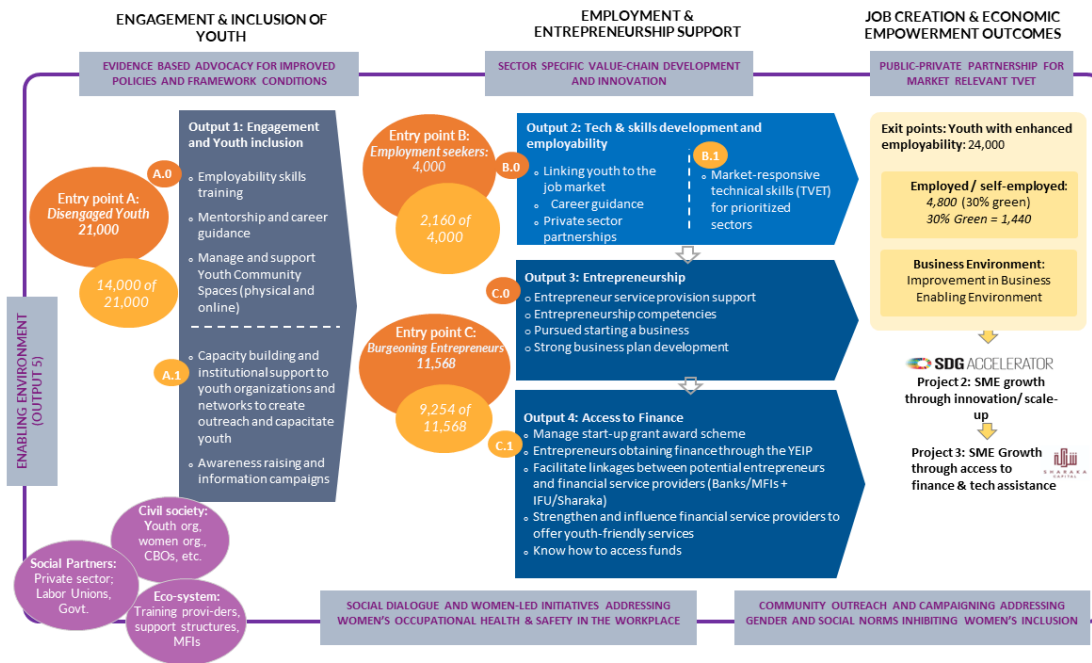


Figure 1| Employment pathway

The youth from each category will enter the project at entry point A, B, or C depending on their educational background and aspirations to enter wage or self-employment. Some youth entering through entry point A are expected to continue on their employment pathway through entry points B and C, while for others the support provided in Output 1 is not required and they will engage with the project through entry points B or even (for entrepreneurs) at entry point C. Regardless of the entry point, the pathway lead youth to a destination where they can exit the YIEP with enhanced employability, secured employment and/or as an established entrepreneur.

- A. Disengaged youth (with limited or no educational background): in need of motivational support, life skills, networks, guidance and in-formation to set them on a realistic path towards employment/self-employment.
- B. Employment seekers (could be graduated with some exposure to the labour market or newly graduated with no job experience): youth in search of employment opportunities with limited exposure to the labour market and may lack the necessary skills that match employer's needs. This group needs support and guidance to transition to employment and for some market-relevant skills.
- C. Aspiring Entrepreneurs (could be university students or graduated youth with limited or some exposure to the labour market): Youth who are aware of opportunities for self-employment and might have experience with entrepreneurship and starting a business in the formal or informal economy. This group needs support and guidance to develop business plans and, for some, support to access finance for their business.

4. Objective of the consultancy

This Consultancy will be instrumental in developing a mapping of self- and wage employment opportunities that exist in key economic sectors in Tunisia, while proposing how the use Market Systems Approaches can inform interventions to deliver lasting changes in the labour market outcomes for youth. In order to do this, the main objectives of this Consultancy are:

1. Conduct a mapping of key stakeholders engaged in the entrepreneurship and labour markets in selected economic sectors (including Financial Service Providers, employment promotion initiatives from relevant Government Ministries, The Tunisian Agency for Vocational Training (ATFP) and The Agency for Promotion of Industry and Innovation (APII), TVET institutions, Chamber of commerce, etc.)
2. Map key national private sector entities within the focus sectors and regions. Identify potential job opportunities in the labour market, with a focus on the agriculture, tourism and ICT sectors
3. Identify avenues for technical skills development to address the gap between the skills possessed by youth and what is in demand in the labour market
4. Conduct a market systems analysis of the climate-smart agriculture and agri-tech sectors, and recommend market systems development interventions that the programme can implement
5. Identify barriers for women's participation in the labour force and recommend strategies to promote equality in the workplace

5. Scope of Work and Methodology

The scope of the assessment should cover a representative sample of the 12 Governorates mentioned above (decision to be based on classification of the governorates by context typology, including rural/urban, potential for agriculture and tourism, ICT infrastructure, government services, etc.). The assessment should highlight capacities and opportunities for marginalized groups, specifically youth and women, who experience particular barriers in relation to access to employment due to lack of experience, market-ready skills, level of educational attainment, gender, etc.

For wage-employment opportunities, the assessment should evaluate industries with key private sector actors to identify necessary competencies (soft and hard skills, including job-readiness skills) of in-demand occupations as well as employer hiring practices, requirements per governorate, as well as broader workforce requirements, standards, and practices to enable marginalized groups to be competitive in the labor market.

Self-employment opportunities should be evaluated by conducting market analysis using tools such as, but not limited to: consumer segmentation; purchase situation analysis; direct competition analysis; indirect competition analysis; analysis of complementary products and services; and environment analysis. Opportunities should focus on key sectors with growth potential, based on prior agreement with the consultancy reference group. In particular, the identification of barriers to entry, retention, and advancement for women with regard to employer bias, social stigmatization, childcare needs, inhospitable work environments, transportation issues, conflicts with other domestic responsibilities, religious and cultural considerations, and the like, as well as the scope of market participation for migrants and other displaced individuals, should be a key focus.

The assessment should identify the main market sectors and stakeholders (public, private, and civil society organization) in the targeted areas and the types of activities and partnerships needed to offer livelihood opportunities for youth. Each of the stakeholders' role and participation should be clarified, what type of support they can provide (data, training, etc.), and what type of employment they can provide in terms of numbers, locations, gender, and skills. Also, this should cater for the microbusiness of self-employment, to clarify the authorizations and permits needed, the business process to get it, and the cost associated with that either as down payment of annual/frequent fees and per different sectors. This assessment should provide the consortium program staff with a complete labor-market picture (including types and number of available jobs, wages, work environment, job demands, scheduling/consistency of work, unionization, security, accessibility to target youth populations, and causes of turnover, saturated areas, growth potential, etc.) and offer an overview of the existing livelihood challenges and employment opportunities in the target governorates. Moreover, the assessment should also provide information on existing capacity for training and education in each region, as well as entrance requirements, costs to trainees, and perceived value by local employers.

For the Market Systems Analysis component, the consultant is expected to propose interventions using market systems approaches in the climate-smart agriculture and agri-tech sectors to deliver improved livelihood outcomes for youth. The Consultant is expected develop programming appropriate for the context, using a participatory market systems development approach for this programme that acknowledges the different segments that we will be working with and their access (or lack thereof) to local systems to meet their livelihood needs.

The Consultant will be expected to coach/mentor the core design team within the Consortium through the programme set-up process and leverage this team for field data collection. The Consultant should have an appreciation of existing activities implemented to date within the YIEP programme and activities that the Consortium is well-positioned to implement.

Activity 1 – Kick-Off & Inception

The Consultant will use the Background information (including KIIs with Consortium members and secondary data available) to create an appropriate workplan that builds upon previous learning and current knowledge of the Consortium members to deliver on the TOR. The Consultant will be supported by the DRC Tunisia Economic Recovery Manager and Regional/Global Technical Support teams during this period.

The Consultant will validate the logic of the selection of specific economic sectors with the Consultancy Reference Group and develop overarching research questions to help structure a deep-dive market analysis of each sector selected, and the market systems analysis in the two sectors.

Within the Inception Report, any risks to workplan delivery will be noted and mitigations proposed. The Consultant is expected, within the Inception Report, to acknowledge the technical shifts in current programme approaches within the YIEP to help inform how to lead and coach the team throughout the market systems analysis and programme setup process for a market-system development programme.

The Inception report should include a matrix of market actors, stakeholders and institutions that employ/provide employment opportunities in the target areas, and a mapping of all stakeholders

including their roles and relationship between them. To supplement desk research and address some of its limitations, it is important to speak with stakeholders in the region about opportunities and challenges within industry sectors. This might include a limited number of interviews with representatives from local governments, cooperatives, economic development entities, and others. These interviews will help to verify that the data being reviewed is reflective of current trends and conditions.

Activity 2 – Primary Data Collection

The Consultant will design and develop the employer interview instruments to be approved by the Reference Group. Moreover, a representative sample of private sector entities, TVET, and support services entities will be developed and verified by the Reference group. The consultants will then conduct in-depth interviews with identified firms to understand:

- type of quantity of jobs available (current labor force and employment projections)
- Sources of labor and labor preparation
- Hiring practices
- profile of ideal candidates for these jobs, including desired technical and soft skills
- expected rates of compensation
- growth potential in the sector, and
- experience in employing youth
- viability for women and migrants

For **each sector** of employment (ICT, tourism, agriculture, etc), at least 20 private sector entities should be consulted, who have employment opportunities available, and are interested in recruitment of youth.

For the climate-smart agriculture and agri-tech sectors, the consultants should conduct extensive interviews with private sector entities, acceleration and incubation programmes, financial institutions, entrepreneurs and agricultural specialists to develop Market Systems Maps (both graphic and narrative), for *each* identified product/service, including:

- the main functions and flows of value and information (value chain assessment)
- The key ‘supporting functions’ – inputs, services, information, advocacy etc – in the systems
- Demand volumes and prices
- Opportunities and constraints
- Linkages/relationships

The Consultant will be expected to move rapidly to a Participatory Market Systems Analysis providing a robust market systems analysis methodology, supporting tools (for KIIs, FGDs and observations as required) and iterative research plan (e.g. ensuring that primary field data is reflected upon during the data collection process and new lines of enquiry are identified and followed up as required).

The Reference Group will work with the Consultant in identifying data gaps, development of the tools (including digitalisation where required), logistics and field data collection. The Consultant will lead the team through additional analysis and knowledge management exercises such as root cause analysis, stakeholder mapping and listing key design requirements for interventions.

Key questions that the data collection should seek to answer:

- ***Current Context***
 - a. What are the current job market needs and opportunities for young people in the targeted areas of intervention in the identified three sectors?
 - b. What is the current level of youth skills that meet the market needs in both self and wage employment?
 - c. What are the cultural barriers that faces youth in general and women in particular?
 - d. What are the current choices for types of business in the three sectors in target areas?
 - e. What are the unfavourable business regulations that limit youth in general and women in particular inclusion & empowerment?
 - f. What specific skills and technical trainings are required for the identified job opportunities and potential self-employment opportunities?
- ***Access to Labour Market and Wage & Self-employment***
 - a. What are the market gaps and needs and how they can be transformed into opportunities?
 - b. What are the criteria for innovative and/or environment friendly start-ups to receive financial assistance from the financial institutions?
- ***Market Potential***
 - a. What are the current entities that can support youth financially/non-financially to start up their business? What kind of support do they provide?
 - b. What are available green jobs in the three sectors?
 - c. What is the potential of actual decent work opportunities existing in the target locations?
 - d. What are the potential opportunities existing to access to finance in target areas?
- ***Wage and Self-employment challenges especially for women***
 - a. What are the challenges and cultural barriers for men and women in particular to access to the self-employment?
 - b. What are the challenges and cultural barriers for men and women in particular to access to the wage employment?
 - c. What are the main barriers and challenges that young people and especially women face in accessing available financial services?
 - d. What are the main barriers and challenges that young people and especially women face in starting/running their own businesses?

Activity 3 – Analysis and Report Development

The Consultant will be expected to summarise the market assessment and the market systems analysis into a report that is digestible for future use by Consortium colleagues as well as wider circulation internally and to the donor. The report is expected to provide the research questions, methodology, sector background, segmentation, findings and outcomes of root cause analysis, and intervention opportunities with links to Annexes for tools, raw data collected, and references to secondary materials. The structure of the paper should be developed in conjunction with the Reference Group.

The consultant should develop a matrix/list of private sector entities and job opportunities that the Consortium can use to start linking youth with jobs, or preparing youth to enter the job market.

Moreover the consultants should develop a matrix of services to promote entrepreneurship in target sectors of ICT, Tourism and Agriculture. Services should include access to financing, market linkages, trade policy, incubation and acceleration programmes, government support services, etc.

It is expected that the market systems analysis will showcase at least four intervention opportunities in the Climate-Smart Agriculture/Agritech and Labour Market Systems as well as challenges in terms of addressing constraints through systems change approaches. The Consultant will be expected to create criteria for electing and prioritising the most appropriate interventions for the Consortium to support the target group and/or showcase the potential for systemic change. It is noted that the timeframe for realising systemic change within the remainder of this programme is limited and as such showcasing potential will be sufficient alongside a longer-term results chain to support continuation of an intervention area should pilots be successful and further funding secured. The Consultant will produce an intervention strategy with sustainability vision, ToC and results chains for each system. The intervention strategy will show the prioritisation, sequencing, layering and integrating as required to support working on nexus programming.

Activity 4 – Handover

The consultant team will deliver a final written report following completion of all consultancy activities listed above, data collected during the consultation period in both summarized and full formats, recommendations for livelihoods interventions and employment pathways based on findings. In addition, the consultant will make a virtual presentation of the final findings to the reference group.

6. Deliverables

Activity	Deliverables	Estimated LOE (working days)
Activity 1 – Kick-Off & Inception	<ul style="list-style-type: none"> • Inception report including workplan and risk mgmt plan • Matrix of Actors/Stakeholders and Roles • Report from desk research 	8
Activity 2 – Primary Data Collection	<ul style="list-style-type: none"> • Research plan, methodology, tools • Segmentation of governorates and local actors • Root cause analysis for market systems • Raw data from interviews 	20
Activity 3 – Analysis and Report Development	<ul style="list-style-type: none"> • Matrix of private sector entities and job opportunities • Matrix of services to promote entrepreneurship in target sectors 	15

Activity	Deliverables	Estimated LOE (working days)
	<ul style="list-style-type: none"> • market systems analysis, showcasing at least four intervention opportunities in the Climate-Smart Agriculture/AgriTech and Labour Market Systems 	
Activity 4 – Handover	<ul style="list-style-type: none"> • Final Report • Final Presentation 	5

7. Timeline and Deliverables

The market assessment is expected to be completed within a three-month period (3*22= 66 working days) . Below is a tentative timeline:

- Week 1-2: Inception phase and desk review.
- Week 3-6: Stakeholder engagement and field research.
- Week 7-8: Data analysis.
- Week 9: Validation workshop.
- Week 10: Draft report submission and review.
- Week 11-12: Final report and presentation.

The applicant needs to provide tentative schedule of activities required to complete the overall scope of the work. The Consultant can revise the workplan and LOE based on the project team they propose and experience in delivering projects of this nature with justification. Any workplan will be expected to provide the same Deliverables as a minimum. The applicant is invited to make suggest amendments to the workplan and activities with justification to the value-add to the programme and quality of the deliverables.

8. Eligibility, qualification, and experience required

It is expected that this Consultancy will require a strong lead Consultant with experience with market assessments in North Africa and Market Systems approaches.

DRC is flexible to the Consultancy structure proposed to deliver this work and welcomes applications from both singular international and local Consultants as well as a hybrid of both. Where a hybrid approach is proposed, the quality assurance mechanisms of the Consultancy will need to be clearly articulated in the proposal as well as detailed distributions of work activities / LOE between international and local Consultant within the team.

DRC welcomes applications that may have a combination of remote and in-country support as long as the proposal of how to deliver remotely is well justified in the proposal. The Consultant is expected to provide the list and composition of the team with their experience and expertise as per the requirement of TOR. There is a preference for the Consultant to have more generalist technical

experience in Market Systems Approaches and application of the methodology and programme setup, as well as some experience in training and/or coaching teams rather than specific technical experience in certain market systems given the broad scope of this Consultancy. It would be advisable for the Consultant to showcase how they might leverage specialist input on specific sectors (e.g. agricultural sectors, financial systems, labour market systems) to support their work.

9. Eligibility, qualification, and experience required

Essential:

Applicant, organizations/institutes or firms, with individuals specialized and highly experts in market assessments and market system development with proven experience of market assessments in MENA

The proposed team for this assignment is expected to have strong technical expertise and practical experience required to deliver the scope of work and deliverables tailored to needs and professional capacities of the target group. The consultancy service provider should have:

Eligibility:

- Proven experience in conducting market assessments and economic research, preferably in North Africa or similar contexts.
- Demonstrated capacity of understanding the organisational constraints of applying MSD techniques in nexus programming
- Demonstrated experience in leading market systems analysis
- Demonstrated capacity through experience of working with private sector and public sector actors
- Strong facilitation and capacity development techniques proven through previous training or coaching activities
- Proven experience of innovation in product/services, business design, financial modelling for challenging environments and marginalised groups

Qualification:

- Individuals with a minimum Master's degree in business management, economic development, social-sciences, development studies or equivalent relevant experience (a Bachelor's degree will suffice if significant work experience provided in substitute)
- Qualified and certified in MSD

Language requirements:

- Written and spoken fluency in **English and French**
- Working knowledge of **Arabic** is an advantage

Desirable (not essential):

- Experience in climate-sensitive agriculture
- Familiarity with the local context in Tunisia