GREEN WORKS P R O G R A M



A N N U A L R E P O R T

Reporting Period: January-December 2020 Developed By: Hivos' Green Works Alliance Submitted to: Ministry of Forigen Affairs in the Netherlands

Hivos

Ministry of Foreign Affairs of the Netherlands

VERALL PROGRAM SUMMARY AND OBJECTIVES

The GreenWorks Program is implemented by an alliance lead by Hivos. It aims to contribute climate change mitigation efforts by creating sustainable economic opportunities for more than 9000 young women and men within the Green Economy in North Africa by the end of 2023.

GreenWorks is implemented by the Hivos-led GreenWorks Alliance (GWA). It includes more than 15 Alliance members comprised of incubators, accelerators, think tanks, employability training institutions and angel investment networks in Egypt, Tunisia, Algeria and the Netherlands.

Through this program, The Alliance is striving to demonstrate that supporting green enterprises is not only contributing to climate change mitigation, but can also prove financially rewarding for entrepreneurs and investors and provide future proof economic opportunities for young women and men. This is a core priority for the Alliance as it is considered the cornerstone for our exit strategy.

THE PROGRAM OBJECTIVES ARE FOURFOLD

1. Supporting the formulation of Innovation clusters that enable businesses operating in the green and digital economies to scale;

2. enhancing the capacities of Business Development Support Organizations (BDSOs) and Employability Hubs (EH) to increase their capacities to implement job creation and private sector development activities beyond the program support;

3. training youth on 21st-century skills to enable them to economic opportunities in the future oriented green sector and

4. enabling Social enterprises operating in Green Economies to scale their businesses thereby creating new jobs.



TO ACHIEVE THESE OBJECTIVES BY 2023 AS PER OUR COMMITMENT IN THE PROPOSAL SUBMITTED TO THE DUTCH MINISTRY OF FOREIGN AFFAIRS, THE 15 MEMBERS OF THE GWA DESIGNED THE FOLLOWING ACTIVITIES:

THE FULLOWING ACTIVITIES.

1. Sourcing innovative market-based solutions within the digital and green economies through The Alliance's cluster formulation and partnership building activities;

2. Building the capacities of local intermediaries (Business Development Social Organizations and employability hubs) to support job creation and private sector development activities through The Alliance's partners capacity building activities;

3. Activating the growth of local and regional social enterprises (up-scaling) through The Alliance's 6 Green Accelerator Programs and Matching Fund with Angel Investors;

4. Strengthening employability skills for the green economy among young people and tackling the mismatch between supply and demand in local labor markets through The Alliance's employability training and placement activities.

P' ANALYTIC OVERVIEW OF THE PROGRAM /EXECUTIVE SUMMARY

The Program team and Alliance members are satisfied of the progress achieved in the first year of implementation of the program. There is no doubt that the impact of COVID-19 affected the progress and implementation of the program. However, The Alliance believes that any delays in activities or realization of outputs/outcomes encountered in 2020 will be resolved thought the 3 remaining years of the program implementation.

Key assumptions made by the Alliance are proving to be highly accurate up to this stage. Apart from the delay in launching major activities, mitigation efforts related to COVID-19 taken by the Alliance thus far seems to be effective in limiting the impact it has on the program.

Hivos considers the formulation of the GreenWorks Alliance the major achievement of 2020. The official virtual kickoff meeting took place in October 2020 with all Alliance members formally launching the GreenWorks Program.

Hivos finalized agreements with 15 alliance members in Egypt, Algeria, Tunisia and the Netherlands. The financial obligations towards our partners in these agreements amount to more than 4 million Euros covering activities until mid to end 2022.

In all three countries, the acceleration trajectory have been launched and agreements have been reached with Alliance members to launch the training and placement activities. Though no major results in job creation has been realized as of the end of 2020, The Alliance is confident that the key indicators on the outcome level will be realized in Q1 of 2021.

Hivos has successfully concluded its registration in Tunisia in 2020 and have contracted three full time staff members working on the Greenworks program ; a communications officer, and monitoring and evaluation officer and a local Social Enterprise support coordinator. We believe this transition into a local office and a local team will enable us to better manage the program from the region. In 2021, we expect to hire two more local team members for administrative and financial support.



ANALYSIS OF KEY ASSUMPTIONS

When developing the theory of change for the Green Works project we had to make assumptions related to activities, and others related to context. In this section we aim to highlight the available data collected throughout the preparation and implementation phases of the program, and use it to validate some of the assumptions we made in creating the TOC.

ASSUMPTION 1:

By bringing different ecosystem stakeholders together in knowledge networks and incentivizing them through funding (output 2.1, 2.2), they will form partnerships and collaborate leading to setting up fledgling local innovation clusters.

OVERALL ACCURACY OF THE ASSUMPTION SO FAR HIGHLY ACCURATE

By bringing local ecosystem members together under the Green Works project, thus far, we have managed to create 7 different partnerships 3 different across countries. The table below highlights the different partnerships, their country operation, of and the targets they are collaborating to achieve during the first two years of As the program. we continue to explore the cluster formulation indicators, we believe the formulation of these partnerships are extremely promising indicators. We brought several competing organizations who operate side by side for the benefit of the ecosystem as a whole.

Alliance Members	Country	Status	Partnership Type	Operations
Impact Partner, Flat6labs	Tunisia	Signed	Implementation partners (Alliance members	Acceleration support and grant distribution to 30 social enterprises. The program expects to create 294 within a period of 24 months and three cycles of acceleration.
EFE, Tunisian National Federation of Agri-food	Tunisia	Finalized	Implementation partner (private sector network)	Placement of 670 Tunisian youth
EFE, Tunisian Agency of Professional Training	Tunisia	Finalized	Implementation partner	Training of 2,405 Tunisian youth
Sylabs, AFC	Algeria	Finalized	Implementation partners (Alliance members)	Acceleration support, and grant distribution to at least 25 social enterprises. The acceleration program is forecasted to create 200 job positions over 18 months, in addition to training of 640 Algerian youth and placement of 224 of them
Nahdet El Mahrousa, CleanTech Arabia	Egypt	Finalized	Implementation partners (Alliance members)	Acceleration support, and grant distribution to 20 growth social enterprises
Nahdet El Mahrousa, Ma3mal, Cloud	Egypt	Contracting phase	Implementation partners	Acceleration support, and grant distribution to 25 go-to-market social enterprises
Nahdet El Mahrousa, Banana Art, Holol, Ma3hed el derasat, Sela Academy	Egypt	Contracting phase	Implementation partners	Training and placement of 2,200 youth, and incubation and support of 50 self e m p l o y e d / n e c e s s i t y entrepreneurs

ASSUMPTION 2:

If we provide BDSOs and employability hubs with the right monitoring tools (output 2.1) and build their capacities (output 2.2), they will be able to scale their operations, find more capable staff and acquire more partners and funding allowing them to reach more young people.

OVERALL ACCURACY OF THE ASSUMPTION SO FAR HIGHLY ACCURATE

Ouput 2.1: outcomes are yet to be realized. Njano (the Monitorig and Evaluation management platform developed by Wasabi) is still under testing. The beta version is expected by June 2021.

As per output 2.2: New Silk Roads is responsible for capacity building by helping BDSOs in their fundraising efforts. The table below highlights the activities and results achieved thus far through NewSilkRoad's operations

BDSO's Supported	5
Grant proposals submitted	6
Successful	1
Pending	2
Funds Raised by Alliance Members through New Silk Roads' support	EUR 530,000

Alliance Member	Country	Donor	Support offered by the Alliance	Operations
Impact Partner	Tunisia	Expertise France	Funds secured as part of NSR's capacity building activities under the GW's program	Alliance member impact partner secured additional funding for accelerating an additional 20 enterprises, and building the capacities of an additional 12 local BDSOs, mainly from interior regions in Tunisia, through fundraising and Monitoring and Evaluation development.

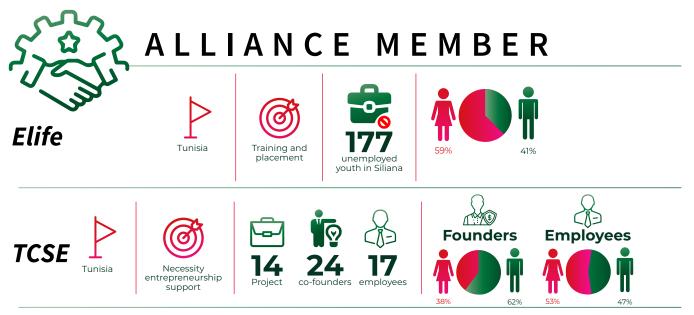


ASSUMPTION 3:

BDSOs and employability hubs are able to recruit young women for their activities, because they are aware of the local social and practical barriers facing young women and are able to mitigate these.

OVERALL ACCURACY OF THE ASSUMPTION SO FAR HIGHLY ACCURATE

Through Hivos' efforts in requiring all of our partners to be gender sensitive during the contracting phase, we see the following gender breakdown from partners who started their operations during the current reporting period:



Despite limited data during the current reporting period, we are hopeful that the gender balance will remain around 50/50 as more partners start reporting data.

ASSUMPTION 4:

Sufficient (commercial) financing may become available in North Africa for the growth of local businesses. The Alliance encourages additional investors to increase local entrepreneurs' access to finance.

OVERALL ACCURACY OF THE ASSUMPTION SO FAR HIGHLY ACCURATE

Through collaboration with three investment partners under matching fund activities, Hivos helped four social enterprises in Egypt raise EUR 110,200 and contribute to creating 70+ jobs by leveraging a total of EUR 77,600 of grants provided by Hivos.

² Two out of the four matching funds contract remain under negotiations, hence total grant amount and jobs created may change



ANALYSIS OF KEY INDICATORS

In structuring the Green Works project, we've decided to report on six different ministry indicators. Below is a breakdown of each indicator, the goals set by the contracted partners for the first two years of the project³, and the results achieved during this reporting period⁴. Additionally, a complete breakdown of goals and results by country which is listed in the country analysis section later in the report.

The jobs created/supported indicator is not reflected in this report. Activities relating to this indicator started in the final guarter of 2020 and we would need a minimum 4-6 months data based on the ministry's definition of a job created/supported.

1.a. Number of companies with a supported plan to invest or trade or provide service			
Program final goal	First two years goal	Alliance members committed to this indicator	Actual results
200	100	4	42

Data reported on this indicator consists of the number of social enterprises who have received a grant, and are currently undergoing, or have completed an acceleration cycle facilitated by an alliance member. It includes social enterprises who have leveraged private investor funds, and are eligible for our matching funds criteria. This indicator includes startups at the micro/self employed, go to market, and growth stages.

1.b. Number of direct jobs supported in individually supported SME

Program final goal

First two years goal

Alliance members committed to this indicator Actual results

4,500

1,319

4

Data reported on this indicator consists of the number of jobs created by social enterprises who have received a grant, and have completed an acceleration cycle facilitated by an alliance member. It includes jobs created by social enterprises who have leveraged private investor funds, and have received a matching fund grant⁵

⁵ Reported two year goals data doesn't include the number of jobs we expect to be created by a matching fund recipient as those are calculated on a company by company basis, and can't be accurately predicted, nevertheless we assume that the combination of the final two years goals and matching funds jobs would bring us to our intended goal of 4500 jobs





³ Current partners are contracted for a duration of two years, with a potential to extend the terms for the final two years

⁴ For the reporting period of this report, no project has finalized their first cycle, hence results reported are a snapshot of beneficiaries currently engaged by one of our partners



1. c. Number of indirect jobs supported Program final goal First two years goal Alliance members Actual results committed to this indicator 4.500 4,500 Data reported on this indicator consists of the number of indirect jobs created by a program implemented by a BDSO, or an Employability hub that have received a capacity building training by NewSilkRoads, and as such have successfully managed to write new proposals and collect funds towards the implementation of additional job creation programs. No jobs from supported Social Enterprises (Direct or indirect) can be included during this reporting period as most implementation programs have recently started. 1.d. Amount of mobilized private finance (leverage provided by supported SEs) Program final goal First two years goal Actual results Alliance members committed to this indicator EUR 640,000 EUR 900.000 EUR 450,000 5 Data reported on this indicator consists of the amount of private funds leveraged by the social enterprises qualifying for the matching fund (EUR 110,200), in addition to the amount of additional private funds collected by the BDSOs, or Employability hubs after receiving a capacity building training by NewSilkRoads (EUR 530,000).

1.f. Number of people enrolled in formal or non-formal education and training

Program final goal

First two years goal

Alliance members

Actual results

8,000

committed to this indicator

10,945

384

Data reported on this indicator consists of the number of youth currently undergoing or have completed a job training and placement program facilitated by an alliance member. This also includes the number of youth trained by an employability hub that has received a capacity building training by NewSilkRoads, and as such succeeded to raise funds towards additional training programs.

6



Hivos

In summary, during this reporting period Green Works project has finalized most of the contracting needs. Most partners have concluded their preparation phase and initiated their implementation phase in final quarter of 2020 and first quarter of 2021.



5.a. Egypt

Summary of key indicators in Egypt	Program goals	First two years goals	Alliance members committed to this indicator	Actual results
1.a. Number of companies with a supported plan to invest or trade or provide services	100	45	2	5
1.b. Number of direct jobs	2,800	575	2	0
1.f. Number of people enrolled in formal or non-formal education and training	3,000	2,200	1	207
Beneficiaries employed: number and % of trained/ supported program beneficiaries who have become employed	2,500	2,050	2	207

Due to Hivos' strong partner network in Egypt, the effect of COVID-19 on program implementation was manageable. Early 2020, the Green Works program team conducted a visit to Egypt, during which main program partners were identified and initial project agreements were made. Contracting took place between March and September, which resulted in partnership agreements with 3 BDSOs and employability hubs that are

responsible for implementing social enterprise support activities, job training and placement activities respectively. In addition, MoUs were signed with three angel investment networks in order to stimulate investments in the green sector in Egypt and North Africa.

While larger partner organizations showed financial resilience during the pandemic, many of the smaller BDSOs outside of the capital were hit hard. In response to this, Hivos set up a community resilience fund, through which it was able to provide emergency support to 4 BDSOs.

Regarding social enterprise support activities, an online focus group discussion was organized during which a selected group of clean and green industry practitioners discussed the challenges and opportunities in the green

economy in Egypt. Based on this input, the design of the clean tech acceleration program was finalized.

Hivo

Following this, a call for applications was launched and 49 applications were received. A number of 5 scale-ups were selected to join the first acceleration cycle starting in Q1 of 2021.



In terms of employability activities, an employment mapping was conducted to identify and select opportunities in the green sector for the job placement program. 3 rapidly growing and labor intensive specializations in the sector were identified:



Following this, a mapping was conducted to identify the potential opportunities and partners in these sectors. This resulted in the creation of a comprehensive database of 110 entities from all over Egypt, including private sector companies, startups, NGOs, and employability hubs.

Clean tech and food sectors in Egypt:

challenges and opportunities

The sectors of renewable energy and waste management tend to recruit more men than women due to the nature of the available jobs (mostly onsite blue collar jobs)

More opportunities for women are available in agribusiness or self-employment

The renewable energy sector includes an educational track to prepare a potential new workforce, while this does not exist in the other sectors

Renewable energy, waste management and agribusiness and food: white and blue collar opportunities

Cross-cutting white collar jobs can be found in the areas of:

- Marketing
- ► Technical sales
- ▶ Business development

Available blue collar jobs in these sectors include:

▶ Renewable energy: any technical job related to the installation, operation, maintenance or manufacturing of solar panels whether in power plants or at homes (e.g. Benban Solar Park

in Aswan).

 Waste management: the collection, transport, sorting, treatment, upcycling and recycling of waste.

▶ Agribusiness and food: all the tasks required to send an agricultural good to market: the production, processing and distribution and several other sub-tasks (ex: drying, packaging, transport, etc.). This partly involves seasonal work.

Summary of Key Indicators in Tunisia	Program goals	First two years goals	Alliance members committed to this indicator	Actual results
1.a. Number of companies with a supported plan to invest or trade or provide services	60	80	3	22
1.b. Number of direct jobs supported in individually supported SME	1,200	294	3	0
1.f. Number of people enrolled in formal or non-formal education and training	4,000	4,105	3	177
Beneficiaries employed: number and % of trained/supported program beneficiaries who have become employed	1,500	1,570	3	0

5.b. Tunisia

In February 2020, the Green Works program team conducted a field visit to Tunisia, during which main partners were program identified and initial project agreements made. were Contracting took place between March and November, which resulted in partnership agreements with 3 entities employability (EFE, Foundation Tunisie pour le Développement and ElSpace) and 3 BDSOs (Impact Partner, Center for Entrepreneurship) responsible placement activities and social Alliance enterprise support activities launched

respectively.

support partnerships, Hivos is Tunisia's most reputable accelerators, Flat 6 labs and run а green

Flat6Labs and the Tunisian program under the umbrella of Social the GWA.

for implementing job training, As for program activities, The has successfully the first micro business accelerator program, Regarding social enterprise which resulted in 24 micro businesses from the waste proud to have solicited a management and food sectors partnership between two of being trained. The Alliance has also managed to accelerate 13 Scalable areen enterprises Impact Partner to collectively with the potential to create and accelerator support more than 100 jobs in the process.

Summary of Key Indicators in Tunisia	Program goals	First two years goals	Alliance members committed to this indicator	Actual results
1.a. Number of companies with a supported plan to invest or trade or provide services	60	80	3	22
1.b. Number of direct jobs supported in individually supported SME	1,200	294	3	0
1.f. Number of people enrolled in formal or non-formal education and training	4,000	4,105	3	177
Beneficiaries employed: number and % of trained/supported program beneficiaries who have become employed	1,500	1,570	3	0

5.c. Algeria

past 3 years, Hivos' team waste management, company worked on the GW alliance to operate value chain gap technically and logistically. In young addition to our reliable 3 years incubation and training and industry. placement partner Sylabs, who could add more sectorial people during 18 months. The activates in Algeria.

have been identified (AFC) to presented during the due

Building on the experience join the alliance. Accordingly, diligence process by the social working in Algeria over the AFC, which is the leading enterprises. formulating in Algeria, will act as the AFC has also committed to partnerships that would enable knowledge partner, providing hiring a effectively in Algeria both studies that can be used by by Sylabs and potentially hiring entrepreneurs solutions for propose

Hivos saw the need to add a The partnerships with Sylabs companies operating in the private sector organization and AFC will run three cycles of waste management sector in operating in the green sector acceleration and train 640 Algeria. knowledge and lead efforts to first cohort of 11 work from Finally, AFC is committed to initiate the cluster formulation home-proof social enterprises formulating a local chamber of has been selected. We expect commerce to create approximately 69 operating By September this partner will jobs based on the hiring plans economy.

minimum of 50 analysis employees who will be trained to more if the employees perform the well. Those trained but not hired by the partner will be offered jobs other at

> for companies in the green



Digitalization : partners used the online platforms to implement their activities. This contributed to the international networking and connections and facilitated the organizations' development globally, and access to international experts with less expense (travel expenses, etc).



Job retention vs. job creation : because of the pandemic, most of the organizations, companies, and businesses focused on maintaining jobs as a top priority rather than creating new jobs, especially in MENA countries. This brings forward the debate about how to calculate the jobs retained due to the alliance's intervention.



Remote working : we also saw an increase in transferring existing opportunities into working remotely opportunities which highlights the importance of retraining a significant portion of the workforce so that they are able to retain their work.



High potential for engaging private sector in their green transformation process: our research and scouting mission lead the Alliance to affirm the interest of private sector to engage with alliance members to help them in their green transformation process. An increased number of private sector organizations are keen on producing greener products (reduced plastic use for example), using sustainable energy resources for energy cost saving purposes and engaging further in waste management efforts for cost reduction purposes and to adhere to new government regulations.



More funding organizations following the Alliance's suit in supporting the green entrepreneurial eco system : we see a huge trend in the region regarding the interest in supporting initiatives focusing on green entrepreneurship. For example:

GIZ supporting Alliance beneficiary Cloud coworking space' Green Accelerator with additional funds to scale the program

Alliance member **Clean Tech Arabia** launching a new Clean and Green Enterprise support program in collaboration with the UNDP.



Affirmation of the Alliance's effectiveness is selecting social enterprises with high potential for job creation : 3 out of the 5 enterprises selected by The Challenge Fund for Youth employment in Egypt were supported by the Alliance through the LEAD fund in phase 1 and all were nominated/introduced to the Challenge Fund team by the alliance. They include, Jinni Services, District Spaces and R2S Logistics. A 4th enterprise selected by the CFYE was Contrato which was offering legal advice for the Alliance and was also introduced by the Alliance.

Hivo



RISK ANALYSIS AND RISK MANAGEMENT

Risk	Justification	Odds	Nature of the risk (context/ project implementation /implementing organization	Level of Impact (regional / country -specific)	Mitigation strategy
COVID-19 pandemic continues during 2021	Vaccination programs are behind schedule	High	Project implementation	Regional	Many programs under the FPE Alliance are migrating to a fully digital scheme to avoid physical contact
Labour markets might be damaged by lack of economic activity	Lockdown and curfew measures taken by governments damage economic activity in the target countries. In particular, retail vendors are highly affected	High	Project implementation	Regional	Try to concentrate efforts to support essential activities not affected by COVID-19-related policies Asses impact on job retention in addition to job creation
International wire transfers might be banned or very restricted in Algeria	In the past, our program has experienced some challenges dealing with international payments	Medium		Algeria	Shifting to consultancy form agreements based on payment vs. deliverables in Euro fixed fees
Unpredictable regulatory frameworks	Low commodity prices and balance of payment stress might lead to import restriction measures	Medium			Concentrating our support on service-providers.
Political instability	The political crisis between the 3 Tunisian presidents (president of the republic, president of the government, and the president of parliament) might led to a social and/or economic crisis	Low	Project implementation	Tunisia	Concentrating on supporting online and digital activities

Part 5- Financial analysis

New fee rate for staff in Tunis: starting 2020 Hivos starting hiring staff via the Hivos MENA hub. This had consequences on the budget in 2020 and will have more through the end of the program due to the use of a lower fee rate by Hivos for staff hired based in the MENA region opposed to the higher fee rate for the staff located in The Hague. This developments have been communicated to the ministry in the 2021 work plan.

Underspending on activities that included travel and physical gathering: due to physical gathering and travel restrictions as a result of the COVID-19 pandemic, The Alliance underspent on relevant activities such as African crossroads and community of practice gatherings.

Financial Audit Concluded for 2020: Hivos has contracted Deloitte to conduct the program audit for 2020. The audit has concluded a positive assessment of our financial management of the funds.

Use of Contingency: in 2020 Hivos had no use of the contingency funds available, however we have submitted a request for the use of the contingency in 2021 (included in the 2021 workplan submitted in December 2020) for extra staffing requirements due to COVID-19 mitigation efforts and we are still waiting for the ministry's confirmation on this issue.

For detailed analysis please refer to the financial report covering the period of 2020.



Name of Social Enterprise	Description
Maahad El Derasat	Maahad El Derasat was established five years ago in the governorate of Minya with the mission to support and build the capacities of youth by fostering job opportunities through self and waged employment in Upper Egypt governorates, specifically in Minya and Bani Suef.
Banana Art	Banana Art started as a social-driven startup in 2018 and a year later they registered as a company with the mission of managing waste produced by banana leaves. The tools for waste management include locally produced machines (run by disadvantaged male workers) that recycle the leaves into environment-friendly products (bags, accessories, paper, furniture, etc.) made by disadvantaged female workers from different villages in Sohag governorate.
Super Fany	Super Fany is a nonprofit organization established in Alexandria in 2016 with the mission to improve the capabilities of students and graduates of technical and vocational education by creating programs dedicated to developing creativity and innovation.
ReNile	ReNile is a leading Egyptian company in the field of Internet of Things (IoT) in smart farming and environmental solutions. ReNile provides a full solution from monitoring farms, alerting in emergencies and control to providing analytics of the best practices models for farming through the online platform.
Presto	Presto provides sustainable logistics and delivery services that replace traditional motorbike delivery with bicycle delivery, by using technology to make it more convenient and affordable for businesses and customers.
Habiba Farms	Habiba Farms is a startup to support and work with the community of South Sinai. It is adopting the model of agritourism and permaculture with a vision to create a sustainable way of living through regenerative agriculture and supporting local people to farm and re-green their large back gardens to self-sustain the food chain. As part of its permaculture vision it is also restoring the land in its natural uncultivated state and working with the community to address the challenges the children face through a learning center.
YAM	YAM works in the environmental and agricultural field using insects and worms to reduce the risks of environmental pollution and includes this system in environmental and industrial economic processes at the local and international level.
Delta Oil	Delta Oil collects used cooking oil by creating a network of small shops and independent collectors (mostly women) to act as collection points to support the biodiesel industry and oleochemical industry in Egypt and European markets.