

GreenWorks Annual Report

Reporting Period:

January - December 2022



Ministry of Foreign Affairs of the
Netherlands

Developed by Hivos
Submitted to The Dutch Ministry of Foreign Affairs

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Part 1

Overall Summary and Objectives



1. The Programme Overview

GreenWorks contributes to a Just Green Transition by supporting local climate change adaptation and mitigation solutions that create new and/or support existing green jobs for 9000 young women and men in North Africa.

The Programme is implemented by the GreenWorks Alliance (GWA) which is led by Hivos and implemented by more than 15 Alliance members of Incubators, Accelerators, Think Tanks, Employability training institutions and Angel investment Networks in Egypt, Tunisia, Algeria and the Netherlands.

Through this programme, The Alliance is striving to demonstrate that supporting green enterprises is not only contributing to climate change mitigation and adaptation efforts, 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.

To this end, the objectives of the programme 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.



In an effort to achieve the above-mentioned 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:

- 1) Sourcing innovative market-based solutions within the digital & 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 their 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 Programmes and Matching Fund with Angel Investors;**
- 4) Strengthening the employability skills that are relevant for the green economy among young people and tackling the mismatch between supply and demand in local labour markets **through The Alliance's employability training and placement activities.**

2. Analytic Overview of the Programme

Without a doubt the outbreak of the Russian-Ukrainian war in early 2022 has deeply impacted the economies of the world. And to that end, the Mena Region is not an exception. The distribution of world trade, supply chains and rising inflation rates have all trickled down to the countries in which GreenWorks operates and, consequently, the growth and ability of businesses to flourish. The Egyptian pound lost over 70% of its value in 2022 and import controls continue to hamper companies from operating. In Tunisia, the volatile socio-economic situation, the environmental crisis due to water and essential food scarcity is pushing the country to seek external support from financial institutions. While Algeria, similar to Egypt and Tunisia, faces rising inflation rates but also high youth unemployment rates as job creation is still below the pre-pandemic era.

Nonetheless, the Green Alliance formed under GreenWorks has been successful in mitigating the aforementioned risks as much as possible as well as in adapting to the rise of challenging and unexpected circumstances since 2020. To be able to further reach the programme's targets, Hivos, by the end of 2022, submitted a 6-months request for a No Cost Extension (NCE) to the Dutch Ministry of Foreign Affairs (until June 2024). During this period, the GreenWorks team will focus on collecting & verifying data and KPIs, analysing the project learnings and outcomes, finalizing the closure of the programme, and submitting the needed reports.

With respect to indicators, overall, the Alliance successfully reached 45% of the Job Target (4,063 Youth Employed and directly supported by Social Enterprises) out of the total target of 9000 jobs. The Gender breakdown from most of the undertaken activities has been almost 51%. Nevertheless, the gender breakdown for startups, especially at the growth stage, are more

biased towards men, which could shed some light on the ecosystem's overall inclusivity, and the green economy in general in the region. The GreenWorks programme team is well aware of this and is working closely with partners to support female entrepreneurs whenever possible.

183 Social Enterprises

were supported by the Alliance so far between Egypt, Algeria and Tunisia

The Social Enterprises support component is well on track with 183 Social Enterprises being supported by the Alliance so far between Egypt, Algeria and Tunisia. This means that **The Alliance reached 91.5% of this target by the end of 2022.** Several other KPI targets have already been achieved within three years of implementation. For example, The Alliance successfully supported its Social Enterprises beneficiaries to leverage **more than EUR6 Million opposed to the 4-year target of EUR900,000.** The indirect job target as well has been **surpassed with 4800 youth (out of the 4500 Target)** destined to be offered employability support due funding commitments made by third parties to different GreenWorks Alliance members.

Key Assumptions made by the Alliance are proving to be highly accurate up to this stage. The Major assumption related to the potential of job creation in the Green Economy in the region has proven to be integral in the potential growth of the program with the majority of current funds being directed towards green Job creation, positioning the GreenWorks Alliance members as major players in this growing theme. This was further solidified by the ability of Hivos and some of the GreenWorks partners to secure Euros 5 Million from Palladium's Challenge Fund for Youth Employment (CYFE) to develop a new programme titled "The Challenge Fund for a Just Transition" (CFJT). The primary goal of this program is to **create and enhance 10,000 jobs in Egypt, Tunisia, Algeria, and Morocco**, serving as a direct extension of the initiatives established by GreenWorks.

Overall Programme Indicators



| Indicators | Egypt | Tunisia | Algeria | GFJT |
|------------|-------|---------|---------|------|
|------------|-------|---------|---------|------|

1.a. Number of companies with a supported plan to invest or trade or provide services

| Annual Targets | 20 | 30 | 40 | 10 | 15 | 20 | 25 | 0 | 10 | 10 | 20 | 0 | |
|----------------|----|----|----|----|----|----|----|---|----|----|----|---|----|
| Actuals | 5 | 33 | 52 | | 22 | 22 | 83 | | 11 | | 94 | | 17 |

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

| Annual Targets | 500 | 800 | 1120 | 380 | 250 | 350 | 550 | 100 | 100 | 150 | 200 | 50 | |
|----------------|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|----|----|
| Actuals | 0 | 613 | 801 | | 0 | 186 | 378 | | 0 | 157 | 380 | | 48 |

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

| Annual Targets | 700 | 900 | 900 | 500 | 1000 | 1000 | 1500 | 500 | 200 | 300 | 300 | 200 | |
|----------------|-----|-----|------|-----|------|------|------|-----|-----|-----|-----|-----|--|
| Actuals | 697 | 462 | 1513 | | 177 | 456 | 1788 | | 0 | 245 | 841 | | |

Beneficiaries Employed

Number and % of trained/supported programme beneficiaries who have become employed

| Annual Targets | 580 | 750 | 750 | 420 | 375 | 375 | 550 | 200 | 100 | 150 | 150 | 100 | |
|----------------|-----|-----|------|-----|-----|-----|------|-----|-----|-----|-----|-----|--|
| Actuals | 697 | 462 | 1513 | | 177 | 456 | 1788 | | 0 | 245 | 841 | | |

3. 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 the context. In this section we aim to highlight the available data collected throughout the preparation and implementation phases of the program up to December 2021, and use it to validate some of the assumptions we made in creating the TOC¹.

¹ Due to limited data, only assumptions That pertain to activities undertaken during this reporting period are discussed, others are left to be validated in future reports when data is available.

Assumption 1

HIGHLY ACCURATE 

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.

| BDSO's Supported | Grant proposals Submitted | Successful Applications | Pending Applications | Funds Raised (EUR) |
|------------------|---------------------------|-------------------------|----------------------|--------------------|
| 9 | 20 | 6 | 3 | 1,820,569.89 |

TCSE

| Country | Donor | Grant Amount |
|----------------------------|--|----------------|
| Tunisia, Palestine, Jordan | EU | EUR 477,569.89 |
| Description | <p>MedTOWN aims to reconfigure the ways in which pre-existing social services are developed and delivered so that they are more effective by introducing new co-production frameworks that will improve the lives of 21,376 people (10,460 men / 10,916 women). Priority will be given to communities with a high proportion of impoverished households (Beni Zeid, Palestine; Campolide, Portugal; Barrio Amate, Seville; Kavala, Greece). The needs of especially vulnerable groups will be addressed, such as women victims of gender violence (Tunisia), refugees or people with disabilities (Irbid, Jordan; Kavala in Greece). These groups will be identified through a multi-stakeholder process involving the project partners, public administration, and local SSE.</p> | |

Impact Partner, New SilkRoad

| Country | Donor | Grant Amount |
|--------------------|--|--------------|
| Tunisia | Expertise France | EUR 530 000 |
| Description | <p>Impact partner & NewSilkRoad are committed to accelerating an additional 20 enterprises, and building the capacities of an additional 12 local BDSOs, partly from interior regions in Tunisia, through fundraising and M&E development.</p> | |

Cloud-Coworking Space Egypt

| Country | Donor | Grant Amount |
|--------------------|--|--------------|
| Egypt | Egyptian Ministry of Technology | EUR 300 000 |
| Description | <p>Acceleration program, and career advice targeting 1600 youth per year over three years. The program aims to help scale idea stage startups.</p> | |

EFE (Education for Employment)

| Country | Donor | Grant Amount |
|--------------------|--|--------------|
| Tunisia | Fast | EUR 200 000 |
| Description | A grant permitting the EFE to offer an acceleration program for 15 women led start-up in the region of Medenine Tunisia. | |

Impact Partner

| Country | Donor | Grant Amount |
|--------------------|--|--------------|
| Tunisia | INNOVI 3 | EUR 250 000 |
| Description | Support female entrepreneurs for 40 women led enterprises. | |

Athar and Cloud-Coworking Space

| Country | Donor | Grant Amount |
|--------------------|--|--------------|
| Egypt | Finnish Embassy in Cairo: Funds for Local Cooperation | EUR 63 000 |
| Description | <p>The Green Works initiative proposes a comprehensive plan to address green challenges and opportunities in Upper Egypt. The plan consists of a published manifesto that will serve as a roadmap for social entrepreneurs looking to solve green challenges across different sectors. A green cluster will also be formed, consisting of key actors in the green ecosystem, to facilitate networking opportunities for intermediate organizations and MSMEs.</p> <p>To generate new MSMEs and startups, two hackathons will be organized, where social entrepreneurs can collaborate with talents to find solutions for local green challenges. The initiative also includes two acceleration rounds, providing long-term structural support to increase the chances of success for startups and MSMEs. As a result of these efforts, the initiative aims to establish and support 40 green companies, accelerate 20 more, and create 100 jobs.</p> | |

*In addition to the grants generated by our partners, Hivos has collaborated with a consortium consisting of Green Works partners **Impact Partner, Flat6Labs, Nahdhed Al Mahroussa, and Sylabs**, to secure a grant of **EUR 5 million** from Paladium's Challenge Fund for Youth Employment. The primary goal of this program is to create and enhance **10,000** jobs in **Egypt, Tunisia, Algeria, and Morocco**, serving as a direct extension of the initiatives established by GreenWorks. Most of the beneficiaries of GreenWorks will benefit from this program and have the opportunity to expand their work further.

Assumption 2

HIGHLY ACCURATE

BDSOs and employability hubs are able to attract sufficient 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.

EUR 5M Grant

secured from Paladium's Challenge Fund for Youth Employment through Hivos' collaborateion with a consortium consisting of four Green Works partners

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

| Program Partner | Country | Objective | Beneficiary Group | Gender Breakdown |
|-----------------|---------|---------------------------------------|----------------------------|------------------------|
| Elife | Tunisia | Training & Placement | 344 unemployed Youth | 60% Women, 40% Men |
| EFE | Tunisia | Training & Placement | 575 unemployed Youth | 51% Women, 49% Men |
| IP/F6L | Tunisia | Go To Market Entrepreneurship Support | 32 projects, 223 employees | 44.4% Women, 55.6% Men |
| TCSE | Tunisia | Micro Entrepreneurship Support | 50 project, 136 employees | 60% Women, 40% Men |

| | | | | |
|----------------------------|---------|---------------------------------------|---------------------------|--------------------|
| IP/F6L Sylabs | Algeria | Go To Market Entrepreneurship Support | 49 project, 380 employees | 44% Women, 56% Men |
| | | Training & Placement | 841 unemployed youth | 74% Women, 24% Men |
| Nahdat Al Mahroussa | Egypt | Entrepreneurship Support | 28 project, 520 employees | 30% Women, 70% Men |
| | | Training & Placement | 1513 unemployed Youth | 52% Women, 48% Men |
| AUC | Egypt | Micro Entrepreneurship Support | 7 project, 28 employees | 21% Women, 79% Men |
| Changemelabs | Egypt | Growth Entrepreneurship Support | 15 project, 199 employees | 25% Women, 75% Men |
| Tilegreen | Egypt | Social Enterprise (Matching Fund) | 11 employees | 18% Women, 82% Men |
| Wattnow | Tunisia | Social Enterprise (Matching Fund) | 19 employees | 42% Women, 58% Men |
| ElSpace | Tunisia | Training & Placement | 596 unemployed youth | 25% Women, 75% Men |

The Gender breakdown from most of the undertaken activities has been almost 51%, nevertheless, it could be noted that the gender breakdown for startups, especially at the growth stage are more biased towards men, which could shed some light on the ecosystem's overall inclusivity, and the green economy in general.

EUR 1+M
were raised by

18 SGBs
supported by Hivos in Egypt,
Tunisia & Algeria

Assumption 3

HIGHLY ACCURATE 

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

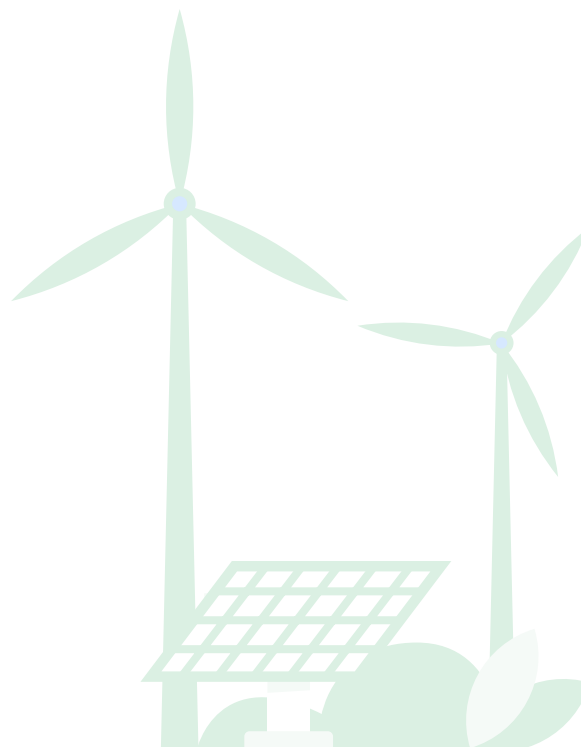
Through the collaboration with three investment partners under the GreenWorks Fund for Just Transition (GFJT)'s and its activities, Hivos supported 17 SGBs (Small and Growing Businesses) in Egypt, Tunisia, and 1 in Algeria (3 previous, and 14 ongoing partners and new ones) in raising a total of EUR 1+M and contributed to creating 800 + jobs by leveraging a total of EUR 800,000+ of grants provided by Hivos.

4. Analysis of Key Indicators

In structuring the Green Works project, we've set up six different ministry indicators to report on. Below is a breakdown of each indicator, the goals set by the contracted partners for the first three years of the project,² and the results achieved during this reporting period.³

² Current partners are contracted for a duration of two to three years, with a potential to extend the terms for the final year.

³ 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.a. Number of companies with a supported plan to invest or trade or provide services

| Program Final Goal | Committed Goal | Partners Committed | Actual Results |
|--------------------|--|--------------------|----------------|
| 200 | 363 | 9 | 184 |
| Description | 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. Furthermore, it includes Social Enterprises who have leveraged private investor funds, and are deemed eligible for our GFJT criteria. This indicator includes star ups 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 | Committed Goal | Partners Committed | Actual Results |
|--------------------|--|--------------------|----------------|
| 4500 | 3849 | 9 | 1559 |
| Description | Data reported on this indicator consists of the number of jobs supported & created by Social Enterprises who have received a grant, and have completed an acceleration cycle facilitated by an alliance member. Furthermore, it includes jobs created by Social Enterprises who have leveraged private investor funds, and have received a matching fund grant. ⁴ | | |

⁴Reported committed goal 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 committed goals and matching funds supported jobs would bring us to our intended goal of 4500 jobs.

1. c. Number of indirect jobs supported

| Program Final Goal | Committed Goal | Partners Committed | Actual Results |
|--------------------|---|--------------------|----------------|
| 4500 | 4500 | 1 | 4800 |
| Description | 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. | | |

1.d. Amount of mobilized private finance (Leverage provided by supported SEs)

| Program Final Goal | Committed Goal | Partners Committed | Actual Results |
|--------------------|--|--------------------|-------------------------------|
| EUR 900,000 | EUR 900,000 | 7 | EUR 6,041,206.89 ⁵ |
| Description | Data reported on this indicator consists of the amount of private funds leveraged by the Social Enterprises qualifying for the GFJT (EUR 1M), in addition to the amount of additional private funds collected by the BDSO's, or Employability hubs after receiving a capacity building training by NewSilkRoads (EUR 1.8M), and (EUR 3,194,637) raised by growth startups under Changemelabs acceleration cycle. | | |

⁵This amount excludes the Euros 5 Million raised from the CFYE and supported by NSR.

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

| Program Final Goal | Committed Goal | Partners Committed | Actual Results |
|--------------------|--|--------------------|----------------|
| 8000 | 8220 | 6 | 4142 |
| Description | Data reported on this indicator consists of the number of youth currently undergoing or have completed a job training & placement program facilitated by an alliance member. | | |

Beneficiaries Employed

Number and % of trained/supported programme beneficiaries who have become employed

| Program Final Goal | Committed Goal | Partners Committed | Actual Results |
|--------------------|--|--------------------|----------------|
| 4500 | 5178 | 6 | 2504 |
| Description | Data reported on this indicator consists of the number of youth employed as a result of completing a job training & placement program facilitated by an alliance member. | | |



Part 2

GreenWorks Country Analytics



1. Cross-Countries: Introduction and General Context

Green Transformation in MENA

The Mediterranean region (including the MENA region) represents 70% of global energy consumption and around 75% of greenhouse gas emissions and this is due to several factors. One of them is the density of economic activities of some countries (for example in the industry sector). Countries could play an important role to take actions for climate change adaptation and mitigation, and to adopt green transformation processes that contribute to the reduction of climate disasters.⁶

According to the German Institute of Development and Sustainability (idos) research⁷, the actions that should be taken by cities looking for their contribution to the green transformation, thereby creating green jobs, are:

- **Land use planning**
- **Green buildings and construction**
- **Sustainable mobility and urban transport**
- **Green and blue urban infrastructure services with nature-based solutions (NBSs) as a cross-cutting issue**
- **And renewable energy and energy efficiency**

According to the UNEP- 2008⁸ the green transformation process has a huge impact on employment and the green jobs in Africa could be created based on the local mandates of decision-making in urban planning and/or to support the “greening” of the private sector.

⁶ https://www.eib.org/attachments/country/climate_change_energy_mediterranean_en.pdf

⁷ https://www.idos-research.de/uploads/media/DP_7.2022.pdf

⁸ https://www.idos-research.de/uploads/media/DP_7.2022.pdf

Economic Instability and Unemployment in MENA

The MENA region is facing a huge challenge in its economic stability, including the three countries that GreenWorks operates in (Algeria, Egypt, and Tunisia). The economic instability started with the COVID-19 pandemic in 2020 and 2021 and continued with the Ukraine war, the slowdown in China, and the high inflation levels in advanced economies that represented the highest rate in most of MENA countries. In order to overcome the crisis, countries are issuing more debt to support their fiscal expenditures to limit the impact of the price rises on the citizens. Having said that, it is a good opportunity for the private sector to seize the moment to change.

Despite the struggle of the MENA region to overcome the lasting effects of the health and economic events that have happened in the last 3 years, the World Bank MENA Economic Update 2022 edition, estimates that **“the MENA region’s economies will grow by 5.4% in 2022, the fastest rate since 2016.”**

The MENA region is also facing a high rate of unemployment and starting from the coronavirus pandemic that have amplified these conditions until the Ukraine war and political instability in some Arab countries.

Therefore, and in order to overcome this challenge and propel economies toward prosperity, governments in the region have to avoid another lost decade for current and future generations and realize the economic potential of a growing, competent and ambitious workforce and this through preparing the private sector for the future jobs, and through entrepreneurship and innovation.

Furthermore, the private sector in the MENA region is not gender inclusive, and only 6% of women⁹ are in top managerial positions and women are less likely to work in formal employment and have fewer opportunities for business expansion or career progression. According to the WorldBank, **“female labor force participation of 20% is the lowest in the world along with the**

high youth unemployment rate estimated at 26%⁹. Therefore, any intervention first needs to take this into consideration involving and engaging women in the labor market to achieve gender equality.

Given the above-mentioned context, Green Works focused on a number of key components and activities to 1) support private sector companies and startups to grow (both operating in the green economy and innovation sectors) and 2) to stimulate further investments and funding into their ecosystems. The ultimate goal of such interventions is to prove that supporting such enterprises is not only financially rewarding for entrepreneurs and investors but also provides future proof economic opportunities for young women and men.

⁹<https://openknowledge.worldbank.org/server/api/core/bitstreams/887ca619-e90d-53f5-b85c-77c0ad5f66ed/content>

¹⁰<https://www.worldbank.org/en/news/press-release/16/05/2022/mena-labor-markets-need-level-playing-field#:~:text=Employment%20in%20MENA%20countries%20grew,unemployment%20rate%20estimated%20at%25%2026>

2. Cluster Formulation

GreenWorks succeeded in building 5 clusters in its countries of interventions between its 7 partners that are: (1) Nahdet El Mahrousa (NM) and CleanTech Arabia (CTA): NM with its acceleration and BDSO support experience, and CTA with its green and technical support experience in the Clean Tech and Green economy; (2) New Silk Road (NSR) and American University of Cairo (AUC) through their collaboration in a Future Labs in September 2022 in Ain Sokhna - Egypt (more details below); (3) NSR and ElRehla through their collaboration in a Future Labs in Sinai - Egypt in November 2022 (more details below); (4) Flat6labs Tunisia -experienced in acceleration and investment in the tech sector-, and Impact Partners -experienced in the acceleration and technical expertise in the social entrepreneurship sector- who succeeded working together in the “Green4Youth” program funded by

GW to support 30 green small and growing businesses technically and financially. Thanks to the support of GreenWorks, the two partners learned about the green industry and are planning to continue working together in the same industry; and (5) Sylabs which successfully worked with AFC recyclage on supporting financially and technically Algerian startups and this thanks to the expertise on Sylabs in the incubation and acceleration, and the expertise of AFC in waste management and company management, development and sustainability.

Furthermore, other micro clusters were formed and networks and collaborations were built between the GreenWorks alliance members through partners such as NSR. The latter succeeded in creating several collaborations related to green economic activities between Futures Lab (details below) participants and GreenWorks members in Algeria, Egypt, and Tunisia. For example:

1) In 2021, NSR organized a Futures Labs session in Tunisia, through GreenWorks program support. The session included a full-day visit to L’Heredium permaculture farm to learn more about localized approach to just, sustainable food systems rooted in traditional Tunisian agricultural practices and innovative financing. During this visit, the GreenWorks programme management team met the founders of L’Heredium and since then Heredium became one of the programme’s alliance members supported through the GreenWorks Fund for Just Transition activity -previously named the matching fund.

2) In 2022, NSR met with ElRehla organizing team¹¹ during a partner retreat and the two parties co-created the program for the November 2022 Futures Lab in Sinai.

¹¹The Learning Experience Director of ElRehla, Dalia Said and her team

GreenWorks succeeded in building
5 Clusters
in its countries of interventions between its
7 Partners

3. BDSO Support

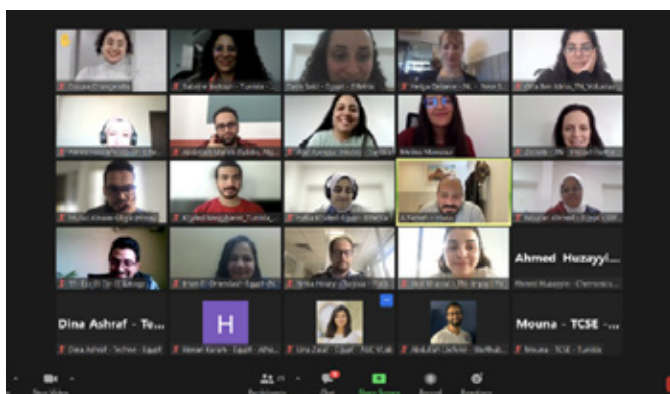
Hivos, over the past year, has collaborated with its alliance member **ElRehla** in organizing several GreenWorks activities such as a learning series and the BDSOs retreat (details below).

3.a. Learning Series

ElRehla organized in partnership with **Hivos** Stakeholders introduction, and learning sessions for the SE support and training and placement components of the programme. Through such activities, the participating GreenWorks partners were introduced to the various interventions implemented by each partner and exchanged their learnings and various experiences. Some discussions were about the green sector and how this affected the nature and selection process of workers. These discussions highlighted the difference in the maturity level of the green sector across the participating countries, and the importance of designing training programs focusing on both technical and soft skills to guarantee higher employment chances.

Furthermore, ElRehla and Hivos organized **functional learning meetings** where partners discussed different topics such as the outreach to target groups, partnerships and collaborations, M&E and outcomes assessment, access to funding, community management of beneficiaries, and hiring for projects.

The Learning Series Meetings



3.b. The GreenWorks Partners' Retreat

Between June 29 to July 2022, Hivos, in collaboration with ElRehla organized its first **partner retreat** after the health restrictions that took place in Hammamet - Tunisia were lifted. During the retreat, most of the alliance members from the three GreenWorks countries met for the first time and got the opportunity to connect, learn from each other, exchange their experiences, and discuss future collaborations ([click here for to watch the retreat video](#)):

- 1) **9 BDSOs** and Employability hubs and partners attended (Egypt: Nahdel El Mahrousa, ChangelabsMe, and Chemonics Egypt (CleanTech Arabia); Algeria Sylabs and AFC Recyclage; Tunisia: EFE Tunisia and Fondation Tunisie pour le Développement; other countries: New Silk Road, and Palladium) with 20 participants in total and a satisfaction rate of 90%.
- 2) **20 sessions** were organized by the partners themselves about different topics such as M&E verifications and job creation, future thinking, outreach strategy, benchmark and mapping, cleantech markets, placement and training, and more.
- 3) Over **30 one-to-one sessions** took place between partners in order to share their experiences and/or discuss partnership possibilities.
- 4) Further **community building activities** such as games and evening activities also took place.

Over 30

one-to-one sessions took place between partners in order to share their experiences and/or discuss partnership possibilities

The GreenWorks Partner Retreat



3.c. BDSOs Support and Fundraising

Hivos is proud of its partnership with **New Silk Roads** (NSR) which over the course of 2.5 years succeeded to support **11 BDSOs** and Employability Hubs (out of 12-15 to be supported in our agreement) with **20 applications** submitted (6 of them succeeded and 3 pending ones) and raised over **EUR 6.8 million**. During this period, all the BDSO have received tailored capacity support from a senior fundraising consultant, and NSR delivered the following:

- 1) Proposal creation and development through finding call for applications and writing a grant application with the BDSOs team members.
- 2) Partnership building through supporting the BDSO to find regional and European partners and jointly apply for funding in a consortium.
- 3) Intensive fundraising coaching trajectory for dedicated staff member(s) in order to reinforce their capacities and to acquire the relevant skills of the fundraising consultant to be able to develop competitive proposals.

New Silk Roads developed **futures thinking programs** that engage the audience to develop visions and scenarios for their preferred future that is an entry point

to imagine what could happen in the future that includes Future Labs, masterclasses, workshops, online series, and tools.

4. Futures Labs

4.a. Full-length Futures Labs

NSR implemented a total of **3 full-length Futures Labs** in Tunisia and Egypt focused on climate justice and green transitions (2 in Egypt and 1 in Tunisia).

In Egypt, the 2 Future Labs took place over the course of six days. The first was conducted in September 2022 (3 days) in Ain Sokhna city, in collaboration with our partner AUC. The futures lab focused on the question “What If Real Estate Accelerates a Green Transition? Exploring Avenues for a Regenerative Built Environment”. The second futures lab took place in November 2022 (3 days) in Sinai ([click here to watch the video](#), and [here the full-article made by Hivos](#)) and posed the question “What If Climate Adaptation Were Local? Exploring the Future of Just Green Transitions in Africa”.

NSR were further present during the **COP27** hosted in Sharm El Sheikh in November 2022, and aimed to either shape conversations during the COP itself as well as engage with preliminary COP outcomes. Notably, the two Labs in Egypt also built on the lessons learned from the previous futures lab held in Tunisia in 2021 The latter took place over **8 -full-length days** -and focused on “What if the future were rural? Imagining just food systems in Tunisia”.

Furthermore, NSR continued to explore partnerships, refine the Lab methodology, and further develop their community engagement strategies. NSR introduced several new futures thinking methodologies, including backcasting, which was well-received during both Labs.



Full-Length Future Lab in Ain Sokhna, Sep 2022



Full-Length Future Lab in Sinai, Nov 2022

In March 2022, NSR hosted 1 closing session for the Tunisian Futures Lab with a workshop titled “Forgotten Gastronomie” which looked to Tunisian culinary history to imagine the future of sustainable food systems in Tunisia”. Further NSR organized in Egypt in May 2022 a session on “What if Cities Lead Egypt’s Green Transition?” and on “Exploring Avenues to Regenerative Real Estate” where participants discussed the carbon tunnel vision approach, the green transitions, localization of climate mitigation and adaptation measures, green transition financing, and the assumptions being made about the future of energy in Egypt.

Hivos, through its partnerships
with New Silk Roads (NSR)
supported 11 BDSOs submitted 20 applications
raised EUR 6.8M

4.b. Future Talks¹²

NSR organized over **5 future talks in 2022** and decided to focus on exploring the history and the utility of future thinking and moderating the discussion between two persons rather than a presentation followed by a curated conversion. The talks covered:

- 1) Future Talk with Chiara Di Leone on scenario planning by positioning it in the larger tradition of future imagining infrastructures using a wide set of case studies.
- 2) Future Talk with Pierre Christophe Fam on how we can activate our dreams to envision bold futures? The talk examines the intersection between dreams, future thinking, and storytelling.
- 3) Future Talk on designing for the Future: Utopia, Dystopia, and Demystifying Complexity, featuring Sherif El Diwany and Sherif Goubran.
- 4) Future Talk on the Stories Behind Uncertain Futures: Using Scenario Planning to Imagine the Future of Energy, featuring Salma Nagy and Moataz Darwish.
- 5) Future talk on More-Than-Human” Mobility: The Future of Sustainable Cities in Egypt, featuring Momen El-Husseiny and Noran Abdou.

¹² Futures Talks open futures thinking conversations to a larger audience by inviting leading futures thinkers and practitioners to deliver interactive interventions on how they utilize futures thinking and imaginings, as grounded in examples and insights from their respective practice(s).

4.c. Round Tables

2 round tables took place in 2022 organized by NSR on “What if Cities Lead Egypt’s Green Transition?” and “Exploring Avenues to Regenerative Real Estate” where participants discussed the carbon tunnel vision approach, the green transitions, localization of climate mitigation and adaptation measures, green transition financing, and the assumptions being made about the future of energy in Egypt with the participation of **17 high profile** participants (business leaders, academics, community and policymakers from the real estate sector in Egypt).

5. GreenWorks Fund for Just Transition (GFJT), Previously Named Matching Fund

GFJT aims to support **Small and Growing Businesses (SGBs)** that contribute to the green transition process in **Algeria, Egypt or Tunisia**. The GFJT is a fund managed by **Hivos’ GreenWorks Program** that offers conditional equity-free cash induction to support the scalability of Small and Growing Businesses (SGBs) that contribute to the Green Transition process while incentivizing other potential financiers (commercial and non-commercial) to co-invest in the GFJT supported SGBs.

The GreenWorks program succeeded in changing the narrative of the green business as a social responsibility and a non-profitable one. Thus, investors need not be environmentalists to see the business opportunity in the green sector that can easily grow and be profitable. We believe that the future is green and it requires the stakeholder’s attention. **Therefore, through the GreenWorks program we encourage investors to invest in the green sector while sharing the risk with**

them by financing the green enterprises (mainly through the GFJT).

To date we have facilitated raising a total of more than **EUR 1M** and are contributing to **creating +800 jobs** through the support of **13 SGBs in Algeria, Egypt, and Tunisia** (details about the SGBs in the annexe) by leveraging a total of **EUR 680.000** of grants provided by Hivos.



5.a. Intro Country Context: Algeria

Despite some of the economic advantages that Algeria derives from its oil reserves, and the more active liquidity management by its central bank, the country is also struggling with rising inflation rates (from 7.2% in 2021 to 9.3% in 2022¹³), notably due to the global rise in food prices. To overcome this, the Algerian government took some welfare management measures such as raising civil service salaries, granting unemployment benefits to young first-time job seekers and increasing subsidies for food products by base.

According to the AFDP (Agriculture and Forestry Development Project), ‘Algeria is 125 on the 2021 GCRI (Global Climate Risk Index)’. As it ‘faces soil erosion, desertification, water shortages, and drought cycles, exacerbated by climate change’, the country has integrated an environmental viability into the 2024–2020 Economic Recovery Plan and aims to reduce its GHGs by 7% by 2030 and it is looking to stem desertification by extending a forest belt of more than 1.7 million ha and to preserve water resources by introducing prospective measures.’¹⁴

According to the World Bank report¹⁵, the Algerian economy is expected to grow by 2.3% in 2023, but the macroeconomic outlook remains exposed to fluctuations in world hydrocarbon prices, and as per the continuation of the national structural reform programmes implementation, the more openness to the private sector, the improvement of the economy's competitiveness, and the more investment in human capital are all essential factors for Algeria's economic vitality and resilience.

According to the Country.eiu, Algeria's structural challenges will persist in 2023 mainly due to high inflation (7.4% on average in 2023), and a high unemployment rate (15.2% on average in 2023), with the dangerously high youth unemployment rate at 32%. The risk to Algeria's long-term economic development and social stability is due to 1) the country's excessive dependence on hydrocarbons which limits private sector growth, 2) economic diversification and 3) competitiveness. Unfortunately, the investment code recently adopted in 2022 is not enough to help the country attract the foreign direct investment needed to develop the non-energy sector and reduce unemployment.¹⁶

¹⁵ <https://www.imf.org/en/News/Articles/01/02/2023/pr2327-algeria-imf-executive-board-concludes-2022-article-iv-consultation-with-algeria#:~:text=The%20near%2Dterm%20outlook%20for,time%20in%20an%20extended%20period>

¹⁴ <https://www.afdb.org/en/countries-north-africa-algeria/algeria-economic-outlook>

¹⁵ <https://www.banquemonddiale.org/fr/news/press-release/04/01/2023/algerian-economy-staying-the-course-for-transition#:~:text=Apr%C3%A8s%20avoir%20enregistr%C3%A2%9une%20croissance,viron%20%25%20%2026au%20troisi%C3%A8me%20trimestre>

¹⁶ <https://country.eiu.com/article.aspx?articleid=1752572758&Country=Algeria&topic=Economy&subtopic=Outlook&subsubtopic=Political+outlook>

SE Support in Algeria

In **Algeria**, our GreenWorks' partners, **Sylabs** and **AFC**, continued working together to support Algerian entrepreneurs technically and financially, as well as to train and place young people in the labor market. Building on the learnings from GreenWorks,

Sylabs continued to improve their knowledge and understanding of the green economy sector and accordingly refined and modified their approach. Specifically, Sylabs changed its intervention model to directly outsource green economy entrepreneurs (and not work based on cycles). As a result, in **2022**, Sylabs succeeded in focusing on **54 Green startups** in **Algeria** and managed to help them grow and **create 400 jobs**. Sylabs will continue its technical support to Algerian small companies (along with the financial support of AFC Recyclage) in order to reach and further support **100 more startups and create 500 jobs by the end of 2023**.

Training and Placement in Algeria

Despite all the challenges that our partners in Algeria faced, we are happy that our partners succeeded in the implementation of their activities such as the training and placement one. Having said that, the partner organized more than **50 training sessions to 850 young people and placed more than 200 ones**.

Greenworks' Algerian partner organized:

50+ training sessions
benefiting 850 young individuals
and
successfully placed 200+ people

5.b. Intro Country Context: Egypt

Without a doubt, the economic situation in Egypt in 2022 was quite challenging. Notably, the Egyptian pound faced several rounds of devaluation over the course of the year (losing almost over 70% of its value since March 2022). Food availability and other socioeconomic conditions became more challenging and over a third of its citizens now live below the poverty line. The country's official inflation rate hit 21% in December 2022 and -the highest since November 2017- and peaked at

25.9% in January 2023¹⁷, with even worse forecasts for 2023. Driven by huge government debt, the impact of the Russian-Ukrainian war, the outlook for 2023 for Egypt continues to be challenging in the short run. Furthermore, the World Bank forecasts an increase in the country's poverty rate (last recorded at 29.7% from October 2019-March 2020).

In terms of economic growth, according to the World Bank, and prior to the war in Ukraine, Egypt's economy grew by 6.6% in FY 2021/2022. Nonetheless, the country's projected growth rate is expected to slow down to 4.5% in FY2022/23, before starting to inch up thereafter.¹⁸

More importantly, Egypt's economic activity continues to face several global issues and shocks that place further pressure on the costs of domestic and imported inputs.

According to the World Bank, to overcome this challenge, the Egyptian government put in place social mitigation packages which include 1) the expansion of the Takaful and Karama cash transfer programs, 2) hikes to pensions and public sector wages, and 3) tax measures, among other actions to alleviate the impact of rising prices. Additionally, the government sought the support of the IMF (International Monetary Fund) to implement an economic program that aims to address the negative repercussions of global economic conditions and the war in Ukraine, restore macro-financial stability and consolidate the structural reform programme.¹⁹

On a more positive note, Egypt's **unemployment rate slightly decreased to 7.2% in 2022 Q4 compared to 7.4% in 2021 Q4**. Over 2 million Egyptians are unemployed (59% men and 41% women), 62% of them between 15 and 29 years old, and 37% of them are between 30 and 64 years old.²⁰

That said, the above context implies that there is a great need for support for enterprises operating in the green sector. By doing so GreenWorks can one hand help companies grow and generate the much-needed

jobs to support the struggling Egyptian population. On the other hand, support vital activity and production in Egypt's green economy and help balance, as much as possible, the rising pressure on food and produce prices.

¹⁷ <https://www.thenationalnews.com/business/economy/09/02/2023/egypts-inflation-hits-five-year-high-of-258-in-january/>

¹⁸ <https://www.worldbank.org/en/country/egypt/publication/egypt-economic-monitor-fall-2022-strengthening-resilience-through-fiscal-and-education-sectors-reforms#:~:text=Thus%2C%20following%20the%20strong%20rebound,of%20inflation%20on%20real%20incomes>

¹⁹ <https://www.worldbank.org/en/country/egypt/overview#1>

²⁰ <https://www.thenationalnews.com/mena/egypt/15/02/2023/egypts-unemployment-rate-fell-to-72-per-cent-in-q2022-4/>

SE Support in Egypt

With respect to the SE support component, GreenWorks' partners have succeeded in the implementation of their activities and in the provision of their technical support to startups. Partner support included -but was not limited to-; providing enterprises with online training and coaching through incubation and acceleration programs, peer to peer support and various coaching and mentorship sessions.

For the early growth and go-to-market stage enterprises, our Egyptian partner **Nahdet El Mahrousa (NM)** **supported 41 startups** (out of 45 startups planned in the contract), all of which have received technical and financial support, thereby, enabling them to create over **364 full-time jobs** (out of 575 jobs planned in the contract).

For growth stage enterprises, **13 startups** received support from NM during 3 rounds and managed to create more than **285 jobs between Jan to Dec 2022** (out of 20 startups to create 500 jobs). These startups received a tailored capacity building program composed based on an initial needs assessment conducted by NM and Cleantech Arabia (CTA). NM and CA adopt a startup-centric approach where the capacity building programme details are shared with startups to ensure that the acceleration program is

relevant to their specific needs. The programme usually includes 8-12 hours of **consultation sessions** offered by NM, and 3-4 hours group sessions and 1 individual consultant of 2 hours offered by CTA. With each round of startups, NM acquired more experience and in-depth understanding of the sector. NM, accordingly, further improved its strategy and added more benefits for the green enterprises which had the ability to create micro suppliers' networks and, hence, more green jobs. The approach focused on integrating microenterprises (3-7 individuals) into the value chains of entrepreneurs who have significant supplier or distributor networks. The program has already proven its economic viability in a successful pilot phase of the project and constituted the basis for the development of the newly funded programme CFJT.

NM further participated in **COP27** in November 2022, where over 5 startups incubated by NM and funded by Hivos from (Green works & BOOST) participated with NM. At COP27, the startups had the opportunity to network with potential local and foreign partners, learn about other green businesses and attend some of the workshops to learn more about climate change challenges.

In addition to the above, and for or the early and go-to-market stage startups, NM worked closely with **2 incubators**, Cloud and Ma3mal in reinforcing their incubation and acceleration capacities. The 2 incubators organized 2 incubation rounds that supported **28 startups** (out of 12 planned in their contracts) that **created over 79 jobs** over the 3 years. The programs offered technical support in fundraising, business development, digital marketing, mentorship, pitching slides redesign and "demo-day" shooting, access to a network of mentors, and one-on-one sessions with mentors and experts. Cloud virtually published an impressive impact report during the COP about Athar program work with the 12 startups.

Hivos' partnership with the two prominent Egyptian accelerators; **ChangeLabsMe** and the American University of Cairo Vlab (**AUC Vlab**) continued to be successful. Both partners played an important role

in technically supporting Egyptian SGBs (Small and Growing Businesses) and in expanding their portfolios to include and to focus on the green sector in their acceleration program. Under this partnership, the AUC Vlab **supported 9 startups** in the food sector that succeeded in creating and **supporting 23 jobs in 2022**.

Given the achievements implemented by ChangeLabsMe, GreenWorks extended its partnership with the accelerator to further support additional 15 companies with 900 jobs to be supported/created. With a contract of **20,000 EUR** the partner supported those 15 Egyptian SMEs operating in the green sector with a commercially relevant solution for a value chain gap that had 5 long term partnerships with **11 corporates** and **27 partnerships** either closed or under negotiation. ChangeLabsMe has further managed to raise 3.5 Million Euros during the duration of the program.

Under the SE support component, GreenWorks also worked with Business Angel organizations to (1) connect investors and business angels with startups to support them in their financial path for the development of their businesses, and to (2) create new business angels through training them how to invest in the green economy.

As part of Hivos' efforts to promote sustainable angel investments in the green economy in the MENA region, Him Angel organized a total of 3 **Angel Investor Academies** which is a learning program for high-net-worth individuals interested in becoming business angel investors in startups. The programme includes the following components 1) learning the fundamentals of angel investment (virtual and physical sessions) 2) startups pitch events 3) guidance through actual group and/or individual investments.

BDSOs Support in Egypt

To date, **NM** has worked on building the capacities of **11 BDSOs** over the course of 2 rounds. The programme sought to support BDSOs to locally implement incubation programmes, each in their respective governorates. BDSOs were mentored by both NM team and CleanTech

Arabia (CTA). CTA provided group sessions about green startups and on how to manage green entrepreneurship programs from a technical perspective. **43 startups** from different green fields were selected and incubated by 5 of the 11 BDSOs receiving capacity building

NM also developed a manual for BDSOs and LIPs in regional governorates that covers a practical how-to guide for devising creative, sustainable, and economically thriving solutions to socio-economic development challenges and includes practical content to guide youth, startups, and organizations on how to establish a social project. ([Please find the manual link here.](#))

GreenWorks Egyptian partner has worked on building the capacities of

11 BDSOs
and
43 Startups

Training and Placement in Egypt

Our partner from NM faced some challenges with its indicators for this component. This was explained by the critical economic conditions which Egypt is currently facing and which had its negative impact on businesses and led companies to slow down their operations, cut costs and hold on additional hires due to exchange rate volatility, importing restrictions, rising inflation rates and general unclear economic outlook.

As a result, NM selected and worked with 5 LIPs who started mapping and identifying suitable opportunities in their respective governorates as well as by sending in their job requests. Fortunately, and despite the current economic uncertainties, **NM managed to secure 1474 jobs** (Out of the targeted 2200 youth to be provided with a relevant training package to increase their employability).

5.c. Intro Country Context: Tunisia

Since the breakout of the 2011 revolution, and despite the little progress made in previous years, the establishment of a sustainable democracy in Tunisia continued to face some struggles. In 2021, the Tunisian parliament was frozen and in 2022 several political events took place including: changing the elections' law, CSOs legal framework and the environmental framework. The political instability in the country, along with the most recent threat of drought have further impacted the overall health of the country's economy.

At economic and social levels, the annual inflation rate in Tunisia reached 10.1% in December 2022 (the highest percentage since December 1984). This in-turn impacted food prices and contributed to the lack of essential livelihood products like oil, milk, coffee, sugar, etc. Tunisia over the past year further struggled with the provision of fuel throughout the country.

The international context also affected the Tunisian economy, particularly the Russian - Ukrainian war in 2022. As is the case with most countries in the region, the disruption of world trade placed more pressure on vital supply chains including wheat. Since Tunisia imports 41% of its wheat from Ukraine.^{21 22} This dependency directly affected the capacity of agriculture systems to feed the country.

The general climate of political uncertainty - along with the current economic and social challenges facing the country - have increased the costs of doing business in Tunisia. As a result, many businesses currently struggle to survive, thereby negatively affecting employment rates but also contributing to large waves of brain drain.

²¹ <https://www.ispionline.it/en/publication/ukraines-wheat-shortage-final-blow-tunisia-crisis-34754>

²² Tunisia does not have reserves of grain stockpiled. However, it produces between 70% to 90% of its wheat supplies and the country is highly reliant on foreign imports -Tunisia only produces 30-10% of its bread flour.

SE Support in Tunisia

Despite the impact of the aforementioned context, our partners in Tunisia worked hard in order to achieve their results and implement their activities.

The Tunisian consortium composed of Impact Partner and **Flat6labs** Tunisia (the two most reputable accelerators in Tunisia) succeeded to collectively run the first Tunisian green accelerator program “**Green4Youth**” that was built based on **Hivos’s** and **GreenWorks** support. Flat6Labs Tunisia provided its expertise in acceleration and Impact Partner brought its experience in impact investment and social entrepreneurship. The partnership between the two partners was designed to capitalize on their respective strengths. As for program activities, the alliance finalized the implementation of the targeted 4 cycles and managed to **accelerate 32 green enterprises** at the growth stage (out of 30 startups originally planned to be supported). Startup support included more than **300 hours** of training and coaching sessions tailored to their needs. The programme finally contributed to the support and creation of **220 jobs** (out of 294 job positions planned in their contract).

It is also important to highlight that as part of t GreenWorks’s sustainability strategy, and Hivos’s efforts in advancing Just Green Transition in North Africa, synergies were created between the Challenge Fund for Just Transition (CFJT) and the GreenWorks programmes whenever possible. In Tunisia, this was manifested through the establishment of complementary activities and the extension of successful partnerships formed under GreenWorks and allowing them to continue and further grow under CFJT. For example, Impact Partner and Flat6labs Tunisia are Hivos’s leading implementing partner in Tunisia for CFJT to jointly technically and financially support **8 SGBs** and their microclusters to **create over 100 jobs**. The financial support for such SGBs will be directed from the GreenWorks budget for SE support.

Our other partner in Tunisia, the Tunisian Centre for Social Entrepreneurship (“TCSE”) succeeded in the implementation of its activities despite all the challenges

they initially faced. The Partnership included supporting (technically and financially) **50 micro-enterprises** and assisting them to support/**create 150 jobs** through a green incubator. In 2022 TCSE has successfully implemented 3 cycles out of 4 and supported the targeted **50 entrepreneurs** (from interior regions in the green sector that contributed to the creation and **support of 136 jobs**.

Training and Placement in Tunisia

The achievement of GreenWorks employment indicators was challenging due to the Covid-19 health crisis followed by the political and economic instability in Tunisia. Nonetheless, most of our partners have proven to be resilient and committed to their targets.

Our alliance member Elife did not fully succeed in achieving their job creation targets. As a result, two cohorts were finalized in two of their locations; Elife Beja, and Elif Siliana, with a 3rd cohort launched in ElKef. Thus far **Elife**, have contributed to the **training of 404 youth** (out of 500) youth and have successfully placed **147 youth at jobs** (out of 300 placed). Nonetheless, Elife continues to be committed to achieving their remaining targets over the course of the coming year.

On a separate note, our alliance member EFE Tunisia succeeded in overcoming the challenges listed in our previous report and in achieving their indicators and results. **507** (out of 507) youth took online soft skills **training**, **687** youth **graduated** from in classroom sectorial and soft skills training (out of 670 planned), **361** youth (out of 470 planned) graduated in classroom **technical training**, **646** (out of 570) youth were placed (representing 113% of EFE’s employment targets), **406** of which retained their **jobs** after 6 months (out of 460 planned). EFE also organized ToT (training of trainers) sessions in order to continue its training mission in the interior regions of Tunisia led by professional trainers and experts.

Part 3

Key Findings and Lessons Learned



Investment for Startups



The VC and financing environment in Egypt, the Middle East, and Africa is evolving fast. On the one hand, new companies continue to emerge across a number of industry sectors that show promise and achieve outsized returns improving industry prospects. On the other, global market conditions continue to deteriorate, making it harder to raise money for earlier stage and higher risk companies (i.e. SVB financial challenges and currency deterioration in Egypt making it difficult to provide USD returns to foreign capital). In order to overcome this challenge, our partner from **ChangeLabsMe**, for example, is working with a variety of funding mechanisms and organizations to ensure the companies that join our program will have **access to funding**. They are working with local corporations who stand to benefit from the products/ services launched by the SMEs, local banks who want to increase their loan portfolios with SMEs, and regional charitable organizations who want to engage in venture philanthropy who may have lower return hurdles.

Employment



This component presented a big challenge for most of our partners, mainly **Elife** from Tunisia (working the training and placement component), and **NM** (working in the SE support component). For **SE** support, employment the challenges were due to a) deteriorating market conditions, b) poor availability of green jobs outside the capitals. In order to overcome the challenge, our partner NM managed to **create jobs** through 1) altering the geographic scope focusing more on Cairo, and 2) supporting **job retention** 'the jobs at risk' in some cases for companies who reduced or stopped their hiring numbers through including them in **life skills training** and other qualifying trainings to help keep their jobs. For the Training and placement employment, our partner from Elife faced a big challenge maintaining trained young people as most of their trainees come from interior regions with the highest unemployability rate. After the training, graduates also faced a lot of challenges in finding jobs and maintaining them as one of their biggest weaknesses was communication and language, two essential skills required by most employers in the ICT sector. Elife continues to work on improving their intervention strategy and to refine the trainings they provide to serve the wider and most remote Tunisian communities.

The Economic Situation



The economic situation and the staggering inflation rates in the programme's three countries Algeria, Egypt, and Tunisia had a negative impact on green businesses. This included the availability of the equipment and raw material, especially imported ones which are either sold at inflated prices or are only available in black markets (according to our partner NM in Egypt) with very limited quantities. Such insufficiency in equipment and raw material have been hindering startups from moving forward with their operations and have distorted their pricing model and cash inflows. To overcome these challenges, **NM** decided to focus on its **support services** and capacity building programs with a focus on areas that would support startups to survive in the current economic situation. This mainly included:

- 1) **Cost optimization.**
- 2) **Diversification of income generating activities and services.**
- 3) **Development of marketing and CRM activities.**
- 4) **Revisiting pricing models.**
- 5) **Looking into exporting opportunities.**

Hivos Support in COVID Crisis



In 2021, the progress of the social enterprise and implementing partners was hindered by various changes in the world, primarily the COVID-19 pandemic. This pandemic had a significant impact on the implementation of projects and forced social enterprises and implementing partners to focus their efforts on adapting to the new situation.

However, comparing the results of 2020 and 2021 to **2022**, it is evident that all indicators have accelerated in their executions. In other words, the results were doubled in half the time period. Notably, the number of social enterprises supported **increased** from **97** to **184**, and the number of jobs created by the social enterprises and job placement programs **increased** from **2400** to **4109**.

From this clear **increase in performance**, it can be assumed that the efforts and support provided by Hivos and its partners to combat and adapt to the changing context have been mostly successful. It is expected that the positive outcomes resulting from these efforts will continue to emerge in the future.

Matching Funds



During the implementation of the Greenworks project, we provided **support** to social entrepreneurs through **grants** that did not require them to **invest** any money in return. However, we realized that this approach was not the most efficient way to support social enterprises. Our initial assumption was that **cash injections** would be enough **incentive** for social enterprises to perform better and **create more jobs**. While the results of this initiative were not bad, they were not as impressive as we had hoped.

To address this, we initiated a new program called the **“GreenWorks Fund for Just Transition”** which **supports** startups and social enterprises **directly** and requires them to match the grant investment to be eligible for the program. We believe that this new approach will be much more **efficient** and **engaging** for social enterprises. We finalized the contracts and distribution of most of these grants by the end of 2022 and we plan on observing and comparing the results with our previous methods.

Part 4

Risk Analysis and Risk Management



| Risk | Odds | Nature of the Risk (Context/ Project Implementation / Implementing Organization) | Level of Impact (Regional/ Country-Specific) |
|--|---|---|--|
| Political-Security Conditions | Medium to High | Project Implementation | Tunisia |
| Justification | There is a rise of public discontent with the current Tunsian government with respect to several recent actions including; the elections' law, the crackdown on freedoms and water outage. | | |
| Mitigation Strategy | The project team is following the situation closely with partners. The previous pandemic years have also increased partners' ability to digitize most services provided. | | |
| Labor Market Impacted by the Economic Instability | Medium | Project Implementation | Regional |
| Justification | Businesses closing down or placing new hires on hold. | | |
| Mitigation Strategy | Concentrating on adjusting partner interventions to be tailored to cover sectors with more possible labour demand in the green sector. Also, supporting SE's to maintain current jobs and to include their microclusters. | | |
| Social Enterprises Unable to Grow due to Economic Instability | Medium | Project Implementation | Regional |
| Justification | Inflation , Import Controls and Devaluation | | |
| Mitigation Strategy | Concentrating on adjusting partner interventions to be tailored to SEs specific needs and supporting them in their whole supply chains. Also, supporting SEs access to finance whenever possible. | | |

Part 5

Financial Analysis



Financial Audit Concluded for 2022

Hivos has contracted **Deloitte** to conduct the program audit for 2022. The report was finalized and sent with this report.

Use of Contingency and Underspending in Activities 2022

Hivos submitted a request for the use of the remaining contingency funds to cover the 6 months non-cost-extension budget (Jan-June 2024). Having said that, in addition to the contingency costs, the **underspending** in all years (1, 2, 3, and 4) will also be reallocated and used in the NCE mainly for the project closure, learning and M&Es, data harvesting, and staff costs.

In **2022**, **GreenWorks** spent **Euro 1,873,233** out of an overall budget of Euro **2,595, 257** which represents a **decrease of Euro 722,024**.

The underspending in budget occurred mainly in the following budget categories:

- 1) Innovation cluster formation: an underspending of Euro 61,301.
- 2) Enhancing capacities of BDSOs and employability hubs: an underspending of Euro 75,492.
- 3) Training and job placement of youth: an underspending of Euro 119,909.
- 4) Social enterprise direct support: an underspending of Euro 414,650.
- 5) Hivos implementation: the underspending of 10,912 EUR.

The underspending in activities was due to the late implementation of our partners' activities (due to health crisis). Most of such activities resumed (most of them are physical) in the beginning of 2022. The underspending in Hivos implementation was due to the lower costs of staff which transitioned to Tunisia and changes in hours.

On the other hand, we also noticed an **overspending** in **5**. Hivos operations budget category as in 2022 of 32,000 EUR, as in 2022 (a) we hired a communications officer to work on the communications of the GreenWorks project which explain the usage of the communications budget line and we spent from our budget to cover travels of some partners to the GreenWorks retreat, (b) we had visits from our outgoing program manager, (c) we finalized the GreenWorks audit, and (d) we worked on the M&E and the learning activities with our GreenWorks partners.

Part 6

Annexes (SGB Profiles)



All SGBS are supported by Hivos under the GreenWorks Fund for Just Transition activity contributing to GreenWorks program's outcome 4 "Enterprises Support" that aims to encourage investment from financial institutions in social enterprises operating in the green economy.



TileGreen - Egypt (Contract Signed)

TileGreen is a startup in the construction industry concerned with making paving tiles and other building materials using plastic waste, which replaces cement, via its own state-of-the-art manufacturing process. TileGreen's mission is to make highly performing and eco-friendly building materials from low-value and unrecyclable plastic waste. With TileGreen, building sustainable communities is a reality.

<https://www.facebook.com/TileGreenMaterials>



Agrisolar - Egypt (Contract Signed)

Founded in 2015, started focusing mainly on solar pumping systems, and was keen to provide the most advanced solutions that improve solar energy utilization (on-grid, off-grid, and hybrid solutions). Agrisolar is one of the most important suppliers of internationally respected brands in the energy field. One-Stop-Shop for Solar Solutions by internationally respected brands in the energy field.

<https://www.agrisolar-eg.com>



Mumm - Egypt (Contract Signed)

Mumm is a Food technology company that helps bridge the gap between nutritious food and hungry consumers. The company was introduced by Alex Angel where Hivos is supporting this company by match investment with investors from the Alex Angel network.

<https://www.getmumm.com>



BioEnergy - Egypt (Contract Signature In Progress)

Bioenergy is an Egyptian company specialized in the production of Alternative Fuels for the cement industry, specifically Refuse Derived Fuel (RDF) and waste management. Throughout the years, they developed consolidated relationships with world-renowned cement multinational groups operating in Egypt, such as: Heidelberg Cement (SuezCement Group of Companies), Cementos La Union (ArabianCement), Cemex -Egypt. Their strategy is to integrate waste management expertise with know-how concerning the optimization of Alternative Fuels in co-processing, covering the entire value chain from the waste mapping to the final incineration in the cement plant. BioEnergy has been focusing on the Alternative Fuels sector and mainly targeting the cement industry, and over the years they have built their reputation as one of the best companies in the sector.

<https://www.facebook.com/BioEnergyEgy>



l'Heredium - Tunisia (Contract Signed)

l'Heredium, a Tunisian agro-ecological micro farm cultivated and planted since 1903, owned by Jihed Btiri a Tunisian farmer who believes in the future of agriculture and food, and in the climate change issues.

<https://www.facebook.com/Heredium>



Chitosan - Egypt (Contract Signed)

Chitosan Egypt is MENA's 1st & pioneering Chitosan solutions company. Empowered by their chemical & biological R&D facility; Chitosan boasts a diverse portfolio of 100% Organic, PHI=0 & high-performance Crop protection & nutrition products that serve 40+ crops from seed to post-harvest; utilizing ingredients that are EU & USDA approved as well as NFSA for Packhouses product-line. Its client portfolio encompasses 1800+ Farms worth a total +300,000 Acres in Egypt across 25 strategic crops; empowered by CE to lead sustainable & organic agricultural practices by 40% increased crop yield & 7.3X ROI at 20% savings. Chitosan's current portfolio includes fungicides, Virucides, Micronutrition, Vegetation & Flowering formulas & generic fertilizers. Chitosan owns its product formulas and is licensed for pesticide & fertilizers production, distribution & trade.

<https://chitosaneg.com>



Seniatna - Tunisia (Contract Signed)

The Tunisian Company Seniatna is a platform allowing 100+ women artisans of terroir to elevate their incredible know-how to international standard thanks to quality, logistics and digital process. The company is able to provide jobs to women in the interior region of Tunisia to be part of Seniatna value chain. The African terroirs have generated exceptional know-how, Seniatna promotes it to create a cultural link with Africa and to help the economic and social development of rural African areas.

<https://seniatna.tn>



Wattnow - Tunisia (Contract Signed)

Wattnow helps companies optimize their energy usage and extend the lifetime of their assets to reduce costs and carbon footprint. The core mission is to make energy optimization technology affordable for both industrials, commercial buildings, corporates and even individuals; aiming to develop an energy management monopoly in MEA; being the hub and the reference of energy data in these underserved markets. The proposed solution is an IoT Energy Management Solution with the focus of customers on high energy consumption accounts, including telcos, commercial buildings, and especially industrial factories. The efficiency and credibility of Wattnow products have resulted in building strong partnerships and relationships with market leaders in Retail (Carrefour), Telco (Orange), Banks&Buildings (BNP Parisbas), industries (Cement plants, pharmaceutical factories, food production factories etc.). Wattnow client's portfolio accounts for 32 loyal B2B clients with 0% of churn rate.

<https://www.wattnow.io>



Up-Fuse - Egypt (Contract Signature In Progress)

Up-fuse is a social enterprise that creates fashionable items from recycled plastic waste. The company up-cycles plastic bags into unisex bags, plastic bottles into unisex apparel and car tires into unisex footwear. All of the products are made in collaboration with local NGO's to help create job opportunities for marginalized women. Since 2018, Upfuse has up-cycled 800,000 plastic bags, 200 car tires and 400,000 plastic bottles.

<https://up-fuse.com/eu>



Champidor - Algeria (Contract Signature In Progress)

Champidor is a small Algerian company specialized mainly in the production and distribution of edible mushrooms. Started with the idea of growing mushrooms in the heart of the oasis by valorising the bio-waste of palm groves, this resource is reused as a biological fertilizer at the service of agriculture.

<https://www.facebook.com/profile.php?id=100057484088665>



Beit El Khyata - Egypt (Contract Signed)

Bayt Al Khyata is an Egyptian social enterprise that aims to empower women economically through online and offline vocational education and help them to start, sustain and grow their businesses through an internal BDS component, and we aim to operate in 10 governorates in 3 years.

<https://www.facebook.com/Baytalkhyata>



EgyMag - Egypt (Contract Signature In Progress)

EGYMAG Biotechnology Company developing insect-based biorefinery converting organic waste to valuable organic fertilizers, fat and protein used for land fertilization, feeding fish, pets and poultry using the power of nature (insect) black soldier fly Larvae.

<https://egymag.com>



Kumulus - Tunisia (Contract Signature In Progress)

Kumulus aims to provide drinking water economically and sustainably. Kumulus machines create drinking water using only solar power and the humidity in the air. They are fully autonomous, easy to transport and install, and can be controlled remotely.

<https://www.facebook.com/kumulus.water>



Raptor - Egypt (Contract Signature In Progress)

Raptor is an Egyptian company that offers solar energy and modern irrigation to help customers increase income and reduce negative environmental footprint with the aim to become market leader in solar energy and agritech EPC and finance. Their key activities are Solar Energy, Modern Irrigation and Finance Facilitating.

<https://www.facebook.com/RaptorSolar>



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