



## CALL FOR EXPRESSION OF INTEREST

### TERMS OF REFERENCE FOR THE RESONANCE TEST EVIDENCE INQUIRY

#### **Introduction:**

ACODE is an independent public policy research and advocacy think tank registered in Uganda working in the Eastern Africa region. Our core business is policy research and advocacy. Since the organization was formed over 20 years ago, ACODE has emerged as one of the leading regional public policy think tanks in Sub-Saharan Africa. ACODE is a member and hosts Green Economy Coalition (GEC) a membership organisation of 50+ members. GEC is positioned to facilitate the transition to a sustainable green economy, and works to a theory of change that defines such transition to a green economy as requiring political leadership to frame policies that respond to societal demand.

#### **Background to the Study**

Local green enterprises (LGEs) consist of informal and formal micro, small and medium enterprises (MSMEs) and social enterprises that are using green business models, developing green products or greening their business practices. They are important actors within local economies and societies, and key economic players to drive inclusive and sustainable development in low and middle-income countries throughout the world.

A recent survey of 99 countries found that small economic units account for 70% of total employment globally<sup>1</sup>. MSMEs are engines of economic growth in both developed and developing economies, accounting for over 50% of GDP and more than 90% of employment in some countries. MSMEs are a source of employment, competition, economic dynamism, and innovation. Because they enjoy a wider geographical presence than big companies, SMEs contribute to better income distribution.<sup>2</sup> LGEs, as with generic MSMEs, generate local revenue and employment for people and communities who lack access to alternatives. They promote the inclusion of disadvantaged groups of society, particularly women, immigrants and minority groups<sup>3</sup>. They also enable green social business practices to foster local resilience and sustainable prosperity and help craft more inclusive and sustainable economies.

LGEs are key adopters of radical environmental innovations (often neglected by established firms) in the production and manufacturing of environmental goods, services and technologies. Given their role as testing grounds for green innovations which many bigger firms view as high-risk, LGEs have the agility to accelerate access to new markets and play a catalytic role in diffusion and uptake of green innovations. Such enterprises can play a strong role in developing inclusive pathways to sustainability and are at the forefront of climate responses and innovations (both adaptation and mitigation) and environmental sustainability.

However, unsustainable and inefficient production-and-consumption practices of many MSMEs pose major challenges in terms of pollution and environmental degradation. While availability of finance is a

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<sup>1</sup> ILO, 2019, Small Matters [https://www.ilo.org/global/publications/books/WCMS\\_723282/lang-en/index.htm](https://www.ilo.org/global/publications/books/WCMS_723282/lang-en/index.htm)

<sup>2</sup> Dr. Supachai, Secretary-General of UNCTAD, 2006

<sup>3</sup> Montmasson-Clair, G. et al, 2019. "All Is Not Green: Climate Change Adaptation and Small Business Resilience in Low- and Middle-Income Countries." [www.gca.org](http://www.gca.org)

key enabler for economic activity, if not matched with policies that drive transition to sustainable MSME practices, products and services, will exacerbate environmental and climate deterioration. On account of their sizeable contribution to economies as well as the need to implement environmentally sustainable business practices, MSMEs are central players in green transitions.

Despite their transformational potential, MSMEs encounter fundamental challenges. These include poor access to finance, inadequate research and innovation systems and limited business skills. These challenges are more pronounced with green MSMEs (LGEs) who face the additional risk that their business model is often centred on innovations (in business process, product or service across economic sectors), many of which are still new, untested and unmarketed. Given the diversity of LGEs, in size, ownership structure, focus and turnover, these challenges cannot be addressed by a one-size-fits-all approach but require engagement with the ecosystem that enables or constrains green entrepreneurship in a country.

### **About the assignment:**

ACODE has conducted a systems inquiry with green enterprises to explore the challenges and issues they face and define actions that might start to unlock the problems they face.

**The key output:** The first and foundational activity for this study is to develop basic action research framework that will ask groups to record the reasons of their choice of action, the action itself, what happens as a result of the action in a way in which these results change their action.

**Resonance Test Inquiry should create several action sets.** Each action sets will entail local green enterprises working around issues that are pertinent to them. Across each local system, these will vary given the complexity issues, perspectives and capabilities and each will have a different set of results.

To achieve this, the consultant will periodically convene local workshops where two or one representative from each action set will meet and narrate their actions and experience to one another. Some accounts will resonate strongly across many action sets and indicate those with a wider importance. These prevalent system patterns that offer critical insights into underlying causes that have given rise to many issues. An example of such resonance may be, a recurrent denial of financial services to women headed enterprises because of men's predominant legal ownership of collateral or repeated instances where local business licences are withheld pending demands for informal payments

**Reporting Format:** The data captured by the local green enterprises should be published as a report. The consultant with the assistance of ACODE team will convene several local workshops with green enterprises as discussed above.

### **Scope of work:**

The consultancy is expected to be completed within 2 months from the time of start and work expected to commence in January 2022

### **Submission**

Interested applicants should submit their expression of interest on not more than two pages to [acode@acode-u.org](mailto:acode@acode-u.org) copied to [Lydia.aine@acode-u.org](mailto:Lydia.aine@acode-u.org) not later than close of business on **Monday 13<sup>th</sup> December 2021 5:00PM.**