

# TERMS OF REFERENCE

## Circular Economy Study

### Assignment reference:

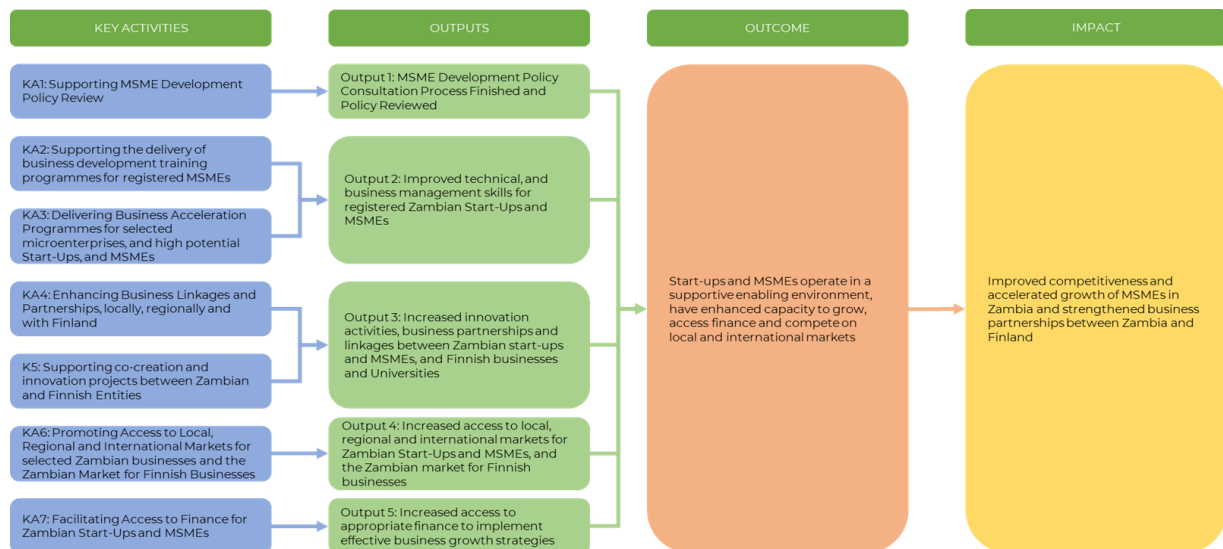
**Result Area: KA 4 Enhancing Business Linkages and Partnerships, Locally, Regionally, and with Finland**

### 1. Programme Background

The Government of Zambia through its Seventh National Development Plan (7NDP) intends to pursue an integrated development approach. The goal of the 7NDP is “to create a diversified and resilient economy for sustained advanced growth and socio-economic development”. The Finnish Country Strategy for Development Cooperation with Zambia (2016-19) explicitly **supports the 7NDP and other policies and strategies of the Government of Zambia**. An important focus of the Country Strategy is to strengthen the Zambian private sector which is critical to promote job creation and competitiveness.

The **Accelerated Growth for SMEs In Zambia (AGS)** Programme is a Finnish Government funded private sector development initiative implemented in partnership with the Ministry of Commerce, Trade and Industry (MCTI) of the Government of the Republic of Zambia (GRZ). It aims to directly support start-ups, and Micro, Small and Medium Enterprises (MSMEs) to accelerate their growth and expand their contribution to job and wealth creation in the Zambian economy.

The expected Impact of the Programme is: **Improved competitiveness and accelerated growth of MSMEs in Zambia and strengthened business partnerships between Zambia and Finland**. The expected Outcome contributing to the expected impact is: Selected MSMEs have enhanced capacity to grow, to access finance and to compete on local and international markets. The key activity areas and expected outputs of the programme are highlighted in the theory of change hierarchy herein.



The AGS Programme works with **growth orientated MSMEs** in the following sectors: **agribusiness, mining services, forestry, renewable energy, and the circular economy**. ICT and education have been included as cross-cutting, horizontal sectors that will add value to other sectors. The geographical focus of the AGS programme is limited to the Lusaka, Copperbelt and North-Western provinces.

The expected results of the AGS programme include.

- The creation of 1,000 new decent jobs,
- Participating companies achieve a 20% increase in annual revenue,
- The participation of 300 companies in various business development training activities and the Business Acceleration Programme,
- The creation of 45 new Zambia-Finland business partnerships,
- The participation of 300 companies in networking and partnering activities between Zambia and Finland, and
- The achievement of commercial agreements in new markets by 100 companies.

## 2. Rationale of the assignment

The AGS Programme accelerates the growth and enhances competitiveness of Zambian MSMEs, through business readiness support. The Programme also supports the development of successful long-term business partnerships in Zambia, regionally and with Finnish companies through the identification of mutually beneficial tangible business opportunities. This assignment is to identify appropriate business opportunities for Zambian and Finnish companies in the circular economy sector.

The European Union defines the circular economy “A circular economy aims to maintain the value of products, materials and resources for as long as possible by returning them into the product cycle at the end of their use, while minimising the generation of waste. The fewer products we discard, the less materials we extract, the better for our environment. This process starts at the very beginning of a product’s lifecycle: smart product design and production processes can help save resources, avoid inefficient waste management and create new business opportunities.<sup>1</sup>”

Zambia generates around 19 million tons of solid waste every year of which only around 3% is formally reused or recycled. Opportunities lie also in the developing and scaling of the informal reuse and recycling, for instance related to the plastic bottles to mention only one example. As one of the fast growing economies in Africa and one of the most highly urbanized countries in Sub-Saharan Africa with a growing middle class, waste generation will continue to grow in the upcoming years especially in agriculture, forestry and mining sectors.

Opportunities include but are not limited to;

- Waste to energy including agricultural, forestry and food waste;
- E-waste management, recycle and remanufacturing, including batteries, mobile phones and other ICT waste; and
- Construction, recycling and remanufacturing of used tyres, wood, plastics, glass and metal products.

Other opportunities exist through corporate social responsibility, behaviour change management, bringing the informal circular economy sector into the formal sector, smart product and process design, and green finance.

**The overall objective of the assignment** is to identify market needs and business opportunities, to which Zambian and Finnish companies have suitable offering or know-how. The service provider will engage with the relevant Zambian stakeholders identifying needs, business opportunities and potential for long term partnerships. After the opportunity ranking in inception phase, the study will focus on the value chain(s) that have most potential for new business development.

---

<sup>1</sup> <https://ec.europa.eu/eurostat/web/circular-economy#:~:text=What%20is%20the%20circular%20economy,minimising%20the%20generation%20of%20waste.>

### **3. Objectives and Scope of the assignment**

AGS programme wants to understand the market needs in Zambia and business opportunities for Zambian and Finnish companies in the circular economy sector based on the raw material available in Zambia for recycling and remanufacturing.

Content of the market study should cover the following (at the minimum)

1. Establish the main waste streams to be used as raw material for circular business models. e.g. agricultural waste, industrial food waste, plastic, scrap metal, e-waste, mining value chain, including justification of the selected focus sectors for raw material collection. The waste stream(s) with the greatest potential will be selected by AGS for the actual study based on the inception report recommendations.
2. Map the waste collection for the selected waste stream(s) in AGS Programme focus provinces Lusaka, Copperbelt and North Western in the following levels: communal, industry, and consumers.
3. Identify the value chain(s) and distribution chain(s) for the defined waste stream(s) and circular business model(s).
4. Define the opportunities for youth and women involvement in the value chain(s).
5. Identify business opportunities as “low hanging fruits” based on the potential for local (re)manufacture and availability of raw materials locally.
6. Evaluate the quality and standards for (re)manufacturing of the identified goods.
7. Propose potential concepts including business linkages and partnerships locally, regionally and between Zambian and Finnish companies.
8. Identify needs and opportunities for technology transfer.
9. Recommend next steps in tapping into business opportunities identified.

### **4. Deliverables and reporting**

The service provider is expected to provide the following:

1. Inception report including more detailed plan on implementation of the market study including recommendation for three focus areas (within a week from contracting)
2. Final report on possible market opportunities relevant for both Zambian and Finnish companies
3. Presentation of the market opportunities including PPT material.

### **5. Methodology**

Service Provider communicates closely with AGS Business Partnership Expert and will report to the AGS Team Leader. Successful proposal should include an exact work plan with time schedule and deliverables and will be elaborated in more detail in the inception report. The study will consist of desk study, interviews with key stakeholders (number and focus of interviews to be defined in the inception report), analysis, conclusions & recommendations as well as presentation of the findings.

### **6. Required Qualifications and Experience for the Service Provider**

The selected SP should be a company or other legal entity, and encompass the following requirements:

- Proven experience in conducting market studies
- Solid professional understanding of the circular economy sector
- Proven experience in identifying business opportunities and initiating business partnerships
- Demonstrated knowledge on networks of MSMEs and start-ups and stakeholders in the circular economy related sectors in Zambia, ideally in Lusaka, Copperbelt and/or North Western Provinces
- Excellent communication, interpersonal, networking and facilitation skills
- Fluency in spoken and written English language and ability to write clear reports.
- Ability to work within a tight time frame and meet deadlines.

**7. Duration of the contract**

The intended implementation period of this assignment is between September 2022 – December 2022.

**8. Technical Inputs needed from AGS**

AGS will provide a recommendation letter to facilitate interaction with relevant AGS stakeholders. Dissemination of the report and findings will take place in event(s) organised by AGS.