

UNITED NATIONS DEVELOPMENT PROGRAMME
Consultancy



I. Position Information

Job Code Title: Consultancy - Options for Social Insurance Schemes for the Informal Sector and with emphasis on Women in South Africa

Pre-classified Grade: IC

Assignment Period: 3 months

Contract Period: By August 2021

Supervisor: Resident Representative UNDP

II. Context

The United Nations Development Programme (UNDP) is one of the leading global development agencies for transformational change. We help empower lives and build resilient nations so that they can withstand crisis and improve the quality of life for everyone.

UNDP in South Africa is a key partner to the country's vision of greater prosperity and improved lives. The overarching goal of the strategic partnership between the Government of South Africa and UNDP is to advance South-Africa's strategic priorities to work for a better South Africa, a better Africa and a better World.

Drawing from the Country's Medium-Term Strategic Framework (MTSF) 2019 – 24 and the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2020-25, the UNDP's Country Programme Document (CPD) 2020-25 which articulates the Agency's contribution to the Government's development agenda focus on the following key areas for the next five years:

- i. Outcome 1: Advance poverty eradication in all its forms and dimensions
- ii. Outcome 2: Accelerate structural transformations for sustainable development
- iii. Outcome 3: Strengthen resilience to shocks and crises

South Africa's population is estimated at 59.6 million, of which 51.1% are women, according to the mid-year Population estimates. With an Upper Bound Poverty line of R992 in 2015, 49.2% of adults live below the

poverty line, a breakdown of which reveal 46.1% of males and 52% of female and those below the ages of 35 bearing the highest poverty burden¹. With a Gini-coefficient of 0.63 in 2014/2015, inequality is amongst the highest in the world with over half (52.6%) of all household expenditure accrued by the richest 10% of the population.² During the first quarter of 2020, unemployment rate increased to 30.1% from 27.6%, same period last year. Women faced levels of unemployment at 32.4% compared to men at 28.3% while the youth's unemployment rate hit 41.7%. With the overall expanded unemployment rate of 39.7%, women unemployment was 43.4% ³compared to men at 36.5%. Eastern Cape, Free State, Mpumalanga and North West recorded the highest unemployment rates at 40.5%, 38.4% and 33.3% and 33.2% respectively with Gauteng's unemployment rate at 31.4%

With the advent of the COVID-19 pandemic, poverty and inequality worsened. The Socio-Economic Impact of COVID-19 study by the UN under the technical leadership of the UNDP stated that those in the Informal sector, unskilled and semi-skilled workers, and those with low levels of education and low access to technology were the hardest hit. Black Africans and female-headed households dominate in all the categories of the most affected by poverty and COVID-19.

III. Functions / Key Results Expected

Objective

The overall objective of this assignment or study is to build resilience to shocks for individuals working in the informal sector particularly women and hence contribute to policy response of poverty and inequality reduction in South Africa. The Study will also contribute to addressing the development challenges outlined in the Medium Term Strategic Framework 2019-24 and also in the attainment of the Sustainable Development Goals (SDGs) 5 (women empowerment) directly and all other goals indirectly especially Goals 1 (end poverty), 2 (end Hunger), 3 (Health for All), 4 (Life-long Quality Education), 8 (Decent Jobs) and 10 (Addressing Inequalities).

Scope of Work

1. Document the level of informal sector activities at the national and provincial level including analysis on but not limited to:
 - Information on income levels...will be useful in determining affordability issues of financial barriers
 - predictability/regularity of incomes...useful in determining payment options
 - How the vulnerabilities result in financial, legal and administrative barriers to social insurance coverage

¹ Living Conditions Survey 2014/2015 Stats SA Page 14

² Inequality Trends in South Africa – A multidimensional diagnosis of Poverty, 2017 Statistics South Africa

³ StatsSA QLFS Q12020 – Women Labour Force 12,776,000; unemployed 5, 5 42,000; not economically active 6,849,000

- How the vulnerabilities prevent the participation in decision-making processes
 - social security needs and priorities
 - Gender dimensions
 - Rural vs metropolitan areas.
2. Analyse by sectors, the prevalence of informal sector economic activity and predominant locations. What is the representation by gender, demographics (including age and race), migrant status and people with disabilities?
 3. Determine the vulnerability level of working in the South Africa Informal sector by province, sectors and gender, race, age, and other relevant dimensions, identifying key factors that are contributing to vulnerability. Propose means of mitigating the vulnerabilities.
 4. Determine the level of informal sector activity and cross-border trade. Where, how and what are the vulnerabilities and how the vulnerabilities can be lowered in consideration of social insurance amongst others.
 5. Determine the characteristics of informal sector workers that have social insurance and the types of existing social insurance specifying on design features, target group, financing arrangements, benefit levels, type of contingencies covered, institutional arrangements/service providers, administrative processes and innovations that ease participation and reach. The consultant is also expected to discuss barriers to coverage and gaps in existing systems amongst other relevant aspects. Elaborate on how this affects resilience to shocks and business economic activity life span or survival.
 6. Based on evidence, (from surveys, cluster group discussion, one to one interviews, international experiences, standards and practices etc.) what are the practical contributory and payment/service delivery models and scenarios that can be used in South Africa? Present 2 or 3 options and arguments for the most preferred. Amongst other aspects, the consultant is expected to clearly provide:
 - guidance on what should/would inform these options?
 - expected dimension of the options in terms of – target group, contingencies covered etc.
 - Costed options to demonstrate affordability and coverage
 7. Provide the institutional and procedural modalities for setting up and establishing the preferred social insurance model. The role of all partners to be explicitly presented.
 8. Provide the institutional and procedural modalities for monitoring resilience and the success of the proposed social insurance model in the informal sector.
 9. Provide a capacity development strategy and plan on the requisite capacities for the effective implementation of the preferred Social Insurance mode in the informal sector.

Expected Outputs and Deliverables

1. Inception Report by mid May 2021
2. Questionnaire for the survey by end May 2021 and survey conducted by end June 2021

3. A draft report by third week of July on the ToR including:
 - Informal Sector Analysis,
 - Fiscal affordability survey for including Government and informal sector participants' perspectives
 - the survey and
 - Social Insurance Models scenarios with justifications for the most practical and preferred – the analysis to clearly indicate the fiscal space analysis.
 - Institutional set up and process modalities
 - Capacity building strategy and plan
 - Multi-stakeholder consultation
 - Implementation plan for the Contributory Insurance Social Insurance Scheme
4. Finalised reports incorporating feedback from UNDP and other reviewers first week May 2021.
5. A PowerPoint presentation with highlighting key messages on the deliverables
6. 2 or 3 pages of infographics on key findings
7. The consultant(s) will be requested to physically present the draft and final reports to groups of stakeholders and incorporate feedback.

Methodology

The consultant(s) are expected to be innovative and to use a variety of appropriate qualitative and quantitative tools such as surveys, cluster group discussion and one to one discussion to determine the focus groups, scope, coverage and modalities of the social insurance model. Further, the consultant is expected to scan the insurance terrain and gather information from service providers about modalities and steps for operation.

Including but not limiting to:

All analysis and recommendations in this study should be done with gendered and youth perspectives and participation.

- Surveys, and other online tools
- Cluster group meeting, interviews
- Literature review – enabling legislation, previous and related studies, Statistics South Africa publications etc.
- The consultant is expected to bring in a global dimension of good practises and not so good practises from other countries to learn from.
- An international consultant could be recruited to provide quality assurance.
- International consultants may also pair up with a local firm to provide the services

Reporting Arrangement

The consultant will report to the UNDP Resident Representative through the Economic Advisor.

Duration of the Work

Not more than 34 months

IV. Impact of Results

The impact of the consultancy is in setting up of the Social Insurance Scheme and building resilience in the informal sector against economic, social and political shocks to the informal sector amongst youths and women.

V. Competencies and Critical Success Factors

Corporate Competencies:

- ☐ Demonstrates integrity by modeling the UN's values and ethical standards
- ☐ Promotes the vision, mission, and strategic goals of UNDP
- ☐ Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability

Functional Competencies:

Communication Skills

- ☐ Excellent writing and analytical skills in English
- ☐ Ability to communicate and present ideas clearly
- ☐ Ability to review and synthesize voluminous literature and texts
- ☐ Knowledge on infographics

Knowledge Management and Learning

- ☐ Ability to provide high quality reports and briefs on economic issues
- ☐ Excellent research and data management skills
- ☐ Experience and knowledge in Qualitative analysis (i.e. designing and conducting surveys, and analyzing results)
- ☐ Experience in capacity building

Development and Operational Effectiveness

- ☐ Experience in strategic planning, results-based management and reporting
- ☐ Ability to apply economic theory to the specific country context

Management and Leadership

- ☐ Consistently approaches work with energy and a positive, constructive attitude
- ☐ Ability to converge or persuade differing groups towards a common goal

VI. Recruitment Qualifications

| | |
|---|--|
| <input type="checkbox"/> Education: | <input type="checkbox"/> A Postgraduate degree in the Social Sciences - economics, statistics and/or sociology <input type="checkbox"/> Extensive experience in working on Social Protection |
| <input type="checkbox"/> Experience: | <input type="checkbox"/> Extensive and global knowledge of Social Protection schemes, Contributory Social Insurance. <input type="checkbox"/> Deep knowledge of the context and legislation and policies of South Africa on equality, decent labour and social protection. <input type="checkbox"/> Strong network with the Government |
| <input type="checkbox"/> Computer Skills | <input type="checkbox"/> MS Office tools and others as appropriate. |
| <input type="checkbox"/> Language Requirements: | <input type="checkbox"/> English |

VI. Evaluation Criteria

| Criterium and score | Candidates | | | | | |
|---|------------|--|--|--|--|--|
| | | | | | | |
| Knowledge of South Africa's economy and Social Protection and network with Government (15) | | | | | | |
| Experience in similar assignments – global knowledge of Social Protection with emphasis on contributory social insurance and costing (30) | | | | | | |
| Experience with financial or Fiscal space analysis (20) | | | | | | |
| Experience in conducting surveys (20) | | | | | | |
| Publications and Infographics (15) | | | | | | |
| TOTAL | | | | | | |
| COMMENTS | | | | | | |

Evaluator

Name:

Title

Signature

Date: