



TERMS OF REFERENCE
NATIONAL CONSULTANT ON THE SOCIO-ECONOMIC IMPACTS OF THE RECENT POLITICAL UNREST IN THE KWAZULU-NATAL PROVINCE

Type of Contract: Individual Consultant
Post-Level: National Consultant
Duty Station: Home based
Contract Term: 60 working days
Language of the assignment: English

A. Background

The unrest that ripped through South Africa in July 2021 is forecast to result in an economic contraction of 3% in the third quarter of the year and drag down full-year growth.¹ Rioting broke out in KwaZulu Natal and Gauteng following the imprisonment of former President Jacob Zuma for being in contempt of a constitutional court ruling that ordered him to appear before the commission of enquiry into the state capture. The protests first started as political gatherings of people who were paying homage to President Zuma and later developed into social unrests that moved like wildfire. These unrests started in KwaZulu Natal Province and spread to Gauteng.

Arterial transport routes linking these provinces, which account for around 50% of South Africa's GDP, were disrupted, while shopping centres and warehouses were attacked and looted. The government responded by deploying the military which helped stabilize the situation. Over 300 people died during the social unrest and the dominant primary impact of the unrest was the destruction of property, businesses and livelihoods. Destruction of commercial property was extensive with 200 shopping centres, 100 malls and 300 banks/post offices² experiencing over R2 billion worth of inventory being either stolen or burned.³ Residential property was also significantly affected with 1.2 million incidences of house breaking reported during the unrest.⁴ In total 40,000 businesses were affected by the unrest⁵ (89% of which were SMMEs who have less ability to absorb economic shocks), 7% of affected shops closed permanently, while only 6% remained open for the duration of the riots.⁶ As a result, 150,000 jobs are now considered at risk in the affected regions and 1.5 million homes were without incomes for a period.⁷

The riots caused an estimated impact of R20 billion on the KZN GDP, with the national impact estimated at R50 billion GDP, or about 0.7% of GDP.⁸ In terms of recovery from the shocks South Africa suffered in the past 18 months or so, Moody's predicts 70-87% of the economic recovery to

¹ See Wall Street bank JP Morgan (2021). Available at: <https://www.reuters.com/world/africa/south-africa-riots-will-push-economy-into-3-contraction-q3-jpmorgan-2021-07-16/>

² <https://pmg.org.za/committee-meeting/33438/>

³ <https://www.bloomberg.com/news/articles/2021-07-13/deadly-protests-cast-pall-over-south-africa-s-economic-recovery>

⁴ <https://www.linkedin.com/pulse/lack-inclusive-growth-impact-social-unrest-sa-economy-ndzwana-makaula/>

⁵ <https://www.thebci.org/news/south-africa-the-economic-aftermath-of-political-unrest.html>

⁶ <https://pmg.org.za/committee-meeting/33438/>

⁷ <https://www.linkedin.com/pulse/lack-inclusive-growth-impact-social-unrest-sa-economy-ndzwana-makaula/>

⁸ <https://businesstech.co.za/news/government/506136/economic-impact-of-riots-and-looting-in-south-africa-and-wider-emerging-problems/>

occur by the end of 2021.¹⁰ Meanwhile, other sources argue that the 3rd wave of Covid-19 infections caused by the Delta variant will slow economic recovery to the extent that it will take 18 months for national GDP to fully recover.⁹ In terms of South Africa's position in global markets, the Rand fell in value by 2.4% and the risk premium for the country is expected to rise.⁹

Violent crimes and looting in South Africa are no longer just a sign of temporarily angry people. They are a demonstration of deep-seated feelings of inadequacy amongst millions of South African people. These inadequacies are driven by an unemployment rate currently at 34%, which is even higher among young people, and by extremely high income inequality. Furthermore, although economic growth has shown signs of improvement, it has remained low.

The government response to deploy 25,000 soldiers helped stabilise the situation and reopen transport connections. The fact that the unrest appears to have been coordinated, and that instigators are now under investigation, suggests that stability may be maintained, at least for now. The government has taken measures to provide additional fiscal support, extending a monthly Covid-19 grant to March 2022.

South Africa has been experiencing a third wave of Covid-19 over the past few months. This led to the re-imposition of some restriction measures as the domestic alert level was raised to 4, on a scale of 1-5 with 5 being the highest level. With cases easing the domestic alert was lowered to level 3 at the end of June, level 2 on 13 September and level 1 on 1 October 2021. The impact on the economy was more limited than in previous waves. The share of the adult population who have received at least one dose of Covid-19 vaccine reached over 29% by the final week of September 28 September 2021⁹. This still lags both developed and many emerging market peers.

Following the end of the social unrest, in September 2021 the UN Country Team signed a Memorandum of Understanding (MoU) with the KwaZulu Natal Provincial Government to support the province's economic recovery. In this regard, the Provincial Government as beneficiary of the MoU identified as an important activity the commissioning of a study on the socioeconomic impacts of the social unrest. Specifically, the aim of the study is to undertake an in-depth and systematic analysis of both the causes (including the underpinnings of the political violence) and the socio-economic impacts of the social unrest on the economy and people of KwaZulu Natal Province. In addition, the study aims to explore the implications for social cohesion in the country as a whole going forward.

B. Objectives of the Assignment

To undertake a deep dive study on the drivers and socio-economic impacts of the recent social unrest in KwaZulu Natal Province, the UNDP will carry out a study that will be structured under the following categories:

- Socio-economic and political drivers of the riots;
- Primary impacts – direct effects of the riots;
- Socio-economic impacts – how the people of KZN were affected;
- Macroeconomic impacts – the effect of the unrest on the wider economy;
- Socio-political impacts – how the riots affected the political situation in South Africa;
- Impact on food security; and
- Industry impacts – an analysis of the industries affected by the unrest.
- Lessons from the response of the various stakeholders to the unrest and how these could inform a coordinated response involving different stakeholders, including the government,

⁹ WHO South Africa COVID-19 Updates. 27 September 2021.

the private sector and civil society organisations, to similar events happening again in the future.

C. Scope of work

Under the supervision of the UNDP Country Office in South Africa, the National Consultant will lead the technical components of the Study. S/he will be responsible for substantive analysis, shaping and delivering the study. Specifically, the National Consultant will analyse the following:

- The main drivers of the unrest;
- Sectoral impact (on value added growth, outputs and jobs, etc);
- Social impact (education, health, access to other service delivery, social cohesion, etc.);
- Socio-economic impact (unemployment, poverty, income inequality) and
- Impact on the political, cultural environment and climate change, etc.

The National Consultant will also be responsible for preparing a PowerPoint on the findings of the study for presentation to UNDP and the KZN Provincial Government.

D. Expected deliverables

Deliverables/ Outputs	Estimated Duration to Complete	Target Due Dates	Review and Approvals Required
Inception report	10 days	TBC	UNDP
First draft report	30	TBC	UNDP
Final draft report	20 days	TBC	UNDP

E. Institutional arrangement

The National Consultant works under the close guidance of the UNDP Country Office in South Africa, throughout the assignment period.

F. Duration of the work

The duration of the mission is 60 days (2 months) from the date of signature of the contract.

G. Duty station

The selected national consultant will be home based for the assignment.

H. Qualifications

Education

- A minimum of Master's degree in Economics, Political Economy or Political Sciences; a PhD will be an added advantage.

Professional Experience

- A minimum of three (3) years of relevant and progressive professional experience in macroeconomic management, applied economics (including modelling and forecasting), political economy analysis and research gained through major international assignments.
- Experience in carrying out assessment and preparing reports on impact of COVID-19 and social unrest.
- Good knowledge of data collection and analysis is essential.
- Good knowledge of South Africa's COVID-19 response

- Good knowledge of the South Africa government systems and processes
- Ability to conduct interviews with government and key stakeholders
- Good knowledge of emerging issues, long-term vision and international policies.

Language requirement:

- Fluency in English (written and spoken), and an ability to summarize and present information effectively.

Competencies:

- Demonstrating/safeguarding ethics and integrity, by modelling the UN/UNDP's values and ethical standards.
- Promotes the vision, mission, and strategic goals of UN/UNDP.
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability.
- Demonstrate corporate knowledge and sound judgment.
- Self-development, initiative-taking.
- Acting as a team player and facilitating teamwork.
- Facilitating and encouraging open communication in the team, communicating effectively
- Creating synergies through self-control.
- Managing conflicts.
- Learning and sharing knowledge and encourage the learning of others. Promoting learning and knowledge management/sharing is the responsibility of each staff member.
- Informed and transparent decision making.

I. Terms of Payment

The consultant will be paid on a lump sum basis subject at completion of agreed tasks, as follows:

- Submission of synopsis/inception report (10%)
- Draft report (40%)
- Final Draft report (50%)

J. Evaluation Method and Criteria

Individual consultants will be evaluated based on the following methodology:

Cumulative analysis

The award of the contract shall be made to the individual consultant whose offer has been evaluated and determined as a) responsive/compliant/acceptable; and b) having received the highest score out of set of weighted technical criteria (70%) *and financial criteria (30%). Financial score shall be computed as a ratio of the proposal being evaluated and the lowest priced qualified proposal received by UNDP for the assignment.

Only those applications which are responsive, compliant and accept in general condition will be evaluated;

For those who passing technical evaluation above, offers will be evaluated per the combined scoring method:

- a) Technical Evaluation (70%)
- b) Financial Evaluation (30%)

Technical Criteria for Evaluation (Maximum 100 points)

- Educational Qualifications (15 marks)
- Professional Qualifications and Certifications (15 marks)
- Proven and experience/satisfactorily implementation of similar assignment in the past (70 marks)

Only candidates obtaining a minimum of 70% of total 100 points in technical evaluation would be considered for Financial Evaluation.