



TERMS OF REFERENCE

For individual contract

Position title:	Consultancy for Development of Knowledge product: Financing Solutions for African Infrastructure – A Review of Asset Recycling Opportunities in Africa
Agency/ Project name:	UNDP, Africa Sustainable Finance Hub
Country of assignment:	Home based (with possible travel)
Duration	1 May 2022- 30 June 2022 (up to 60 days)

1. Background

Infrastructure development is a key driver for progress across the African continent and a critical enabler for productivity and sustainable economic growth. It contributes significantly to human development, poverty reduction, and the attainment of the Sustainable Development Goals (SDGs). Infrastructure plays a major role in the economy of a country its enables trade, connecting workers to their jobs, creating employment and providing access to communication, education, and health care, it is an essential tool toward the development of a country. Africa faces serious infrastructure gaps. For example, nearly 600 million people in sub-Saharan Africa lack access to grid electricity—accounting for over two-thirds of the global population without power¹ The call for new infrastructure is rising across Africa, not least because of pressures from population growth but also because Africa’s infrastructure assets are aging and becoming redundant.

While governments are required to meet the need of its citizen, they cannot fund all their infrastructure investment needs. Africa’s infrastructure needs exceed sources from traditional

¹ [Solving Africa’s infrastructure paradox | McKinsey](#)

funding. In fact, we are already seeing a contraction of the traditional funding sources due to reduced fiscal and donor resources as well as tighter international banking regulations.

According to the African Economic Outlook 2021: Africa suffered its worst recession in 50 years due to COVID-19 -- a GDP decline of 2.1%. GDP per capita (10% in nominal terms in 2020). Because utilities across Africa are cash-strapped, suffer from aging infrastructure and are unable to serve their customers in a reliable manner, COVID response and recovery efforts have suffered. The COVID-19 pandemic has also highlighted a significant ‘digital divide’ between African economies and the rest of the world as well as within the continent (for example, between urban and rural, between genders) which calls for an acceleration of infrastructure investment in energy and ICT. Digital technologies offer a chance to unlock new pathways for rapid economic growth, innovation, job creation and access to services which would have been unimaginable only a decade ago. The private sector is already expanding their business across borders and technology and have the appetite to partner with the public sector to advance development outcomes. The international development community acknowledges the increasing need for enhanced participation of the private sector, especially as long-term financier, in infrastructure projects.

Countries are now exploring an infrastructure policy concept called Asset Recycling (AR). The approach is to monetize existing infrastructure through sales or lease to the private sector and use the revenue gained to invest into existing or new infrastructure projects that are aligned with public service delivery or SDG targets. AR has potential benefits: it reduces public debt and reduces expenses as the cost of repairs and maintenance are in the hands of private sector. AR can help close the continent’s massive infrastructure financing needs which according to the AfDB amount to \$130–170 billion a year, with a financing gap in the range of \$68–\$108 billion². AR is still a new policy concept as many states are exploring its potential implementation to close on infrastructure investment gap. Yet globally, there are examples of AR to learn from including:

- **Australia** with its Asset Recycling initiative (ARI) where federal government provide incentives to state government pursue asset recycling transaction. Sydney Metro City & Southwest which is Australian’s biggest transportation project has seen it expected year of

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https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/2018AEO/African_Economic_Outlook_2018_-_EN_Chapter3.pdf

realization accelerate by 5 to 7 years due to ARI scheme. The project which expected to be finalized in 2024 has several benefits it will improve to the productivity capacity of the Australian's economy; it will reduce citizens time travel and create more than 44000 jobs. The Sydney Metro City & Southwest is not the only project fund by ARI there is Canberra Metro which completion in 2019 and much more.

- **Brazil** government got to agreement as the country held the FIFA world cup in 2014 with a joint venture between Odebrecht engineering group and Changi Airport Group to run Rio de Janeiro's international airport for a period of 25 years, the consortium had offered \$ 4.9 billion. The firm not run the airport but work on its expanding and provide airport service deliveries.

Asset recycling implementation for SDGs in Africa

For the African continent, the concept of AR has potential but has yet to be fully realized. AR programs designed to “incentivize governments to recycle capital from existing mature public infrastructure assets toward new productive investments”³ will provide much needed relief on constrained national budgets. A more in-depth understanding of the opportunities and constraints to AR across Africa is required to inform alternative national (but also sub-regional)⁴ infrastructure policy approaches that prioritize effective management, operation, and value creation from existing capital assets in favor of sustainable development goals.

The implementation of the Africa Continental Free Trade Agreement (AfCFTA) should have a significant effect on intra-African trade which is estimated to increase by 52,3% in 2022, compared with trade levels in 2010⁵. But the infrastructure deficit could threaten this path. Africa's current pipeline of infrastructure projects is estimated to be worth \$2.5 trillion. Yet only 10% of them are likely to reach financial close because of low technical capabilities and unequal allocation of resources throughout the funding project cycle. The Renewed Strategic Offer in Africa is UNDP's support to realizing Africa's promise and addressing today's challenges, such as inequalities, governance, climate change and rapid population growth. The AfCFTA Secretariat and the UN Development Programme (UNDP) have signed a strategic partnership to promote trade as a

³ Carter B. Casady and R. Richard Geddes (2020) Public Works Management & Policy

⁴ Aligned with the idea of integrating energy infrastructure, to reduce costs like the Sahel AfDB Initiative <https://www.afdb.org/en/news-and-events/desert-to-power-initiative-for-africa-18887>

⁵ [AfCFTA and Developmental Regionalism Handbook 2021.pdf \(tips.org.za\)](#)

stimulus for Africa's socioeconomic recovery from the COVID-19 crisis, and as a driver of sustainable development particularly for women and youth in Africa, in line with the SDGs and Agenda 2063 common vision for the continent.⁶

It is in this context that the SDG Investment Team within the Africa Sustainable Finance Hub ASFH wishes to conduct a regional study to review the role of asset recycling as a mechanism for leveraging private capital to finance infrastructure investments across Africa.

2 Objectives

This consultancy aims to develop a series of knowledge products targeted towards our partner governments and UNDP country offices that will provide the information and tools to make informed decisions on how to better finance infrastructure development in their country. The product will include three key components:

1. **An Introduction to Asset Recycling** including
 - a. Clear definition and description of asset recycling, its pros and cons (challenges and risks) and under which conditions (economically and politically) it might be employed to channel resources towards SDGs in an efficient and inclusive manner. This will include examples of current asset recycling schemes across Africa, detailing where appropriate the financing structure.
 - b. An overview of the current state of affairs regarding asset recycling across different regions, including case studies from countries that have employed this financing mechanism in Africa (and globally) - identifying gaps and opportunities for this financing instruments and identifying the key stakeholders (public and private) to engage with.
2. **Readiness Index** – The introduction and market survey to determine the asset recycling landscape in Africa will be complemented with a readiness index to determine the state of the policy, business environment and regulatory frameworks, the current appetite at the government and private sector level, as well as the existing financial market conditions necessary and conducive for this financing mechanism. This will provide indications of

⁶ <https://www.africa.undp.org/content/rba/en/home/presscenter/pressreleases/2021/afcfta-and-undp-announce-new-partnership-to-support-largest-trad.html>

inter alia what political commitments, regulatory reforms, governance and monitoring mechanisms or financing and socio-economic partnerships with different stakeholders are necessary for fully deploying the asset recycling mechanism in any given country. The index can be used to determine the countries that may be eligible for this financing mechanism and also identify the kind of support required for country readiness – including some potential services that UNDP can provide.

3. **Policy Brief and PPT** – To complement the products above, a policy brief targeting national decision maker and summarizing the main document and highlighting the policy advice and recommendations for governments and private stakeholders on viable opportunities for AR across the region based on the readiness index.

The report, Index and Policy brief will provide guidance and recommendations for governments and development partners wishing to support AR initiatives across Africa

3 The scope of the work

Under the supervision of Senior SDG investment Advisor, the consultant will contribute specific deliverables as the following:

Main responsibilities

1. Desk review of the role of asset recycling as a mechanism for financing infrastructure investment detailing the theory, application, lessons (global and in Africa) and opportunities for Africa including under what conditions AR can be considered a realistic option.
2. Market survey of current and potential asset recycling schemes at regional and country level. Identify and map out cases of AR across the region, drawing key lessons and evidence for policy decision making. Identify and map out gaps and opportunity of asset recycling in Africa (selected countries)
 - a) consultant will have to identify infrastructure assets or utilities in Africa at country and regional level that are eligible for AR. The focus should be on economic and social infrastructures that will contribute to overall economic growth and achievement of the SDGs. A selection of countries to be agreed with UNDP at inception

- b) Describe and provide a detailed explanation on different regulations, financial tools and instruments (including in terms of governance and monitoring) that are required for an accountable, transparent and SDG-aligned AR implementation
- 3. Develop a readiness index (for application as far as possible across the 55 African Union Member States) and creating a framework for identifying the countries that are ready for implementation and provide recommendations on the diagnostic exercises required to assess readiness for AR for interested countries.
- 4. Identify future stakeholders, private firms, and partners who are interested to invest in Africa's infrastructure systems.
 - a) The consultant will provide a database/inventory of domestic and international investors
- 5. Conduct consultations in selected countries (as agreed with UNDP) based on the preliminary findings and analysis of the gaps and opportunities
 - a) The consultant will hold consultations where appropriate with government officials, private sector developers/investors, civil society to verify the feasibility, appetite, and previous findings regarding potential infrastructure assets, readiness, and of AR opportunities, risks/challenges and its benefits.
 - b) Fill the gaps in the readiness index based on the government and private sector feedback.
 - c) Develop country briefs based on the consultations to inform UNDP's country advisory and support initiatives
- 6. Develop policy briefs, recommendations and programming options on implementation of Asset Recycling for eligible countries
 - a) the consultant should develop policy guides on how countries exploring the concept could proceed in setting up appropriate schemes to ensure an SDG-aligned AR process (including monitoring systems and initiatives to catalyse public-private partnerships)
 - b) The policy briefs should also outline how UNDP can support countries which are considering AR both in terms of policy and advisory support as well as programing

The work will culminate in a regional publication/knowledge product which can be utilized to inform governments and UNDP country office advisors on best practice and financing options for AR for African governments.

This will be complemented with a webinar to launch the publication across the region in collaboration with the ASFH.

4. Duration of Assignment, Duty Station and Expected Places of Travel

Duration: 1 May 2022- 30 June 2022 (up to 60 days)

Duty station: Home-based

5 Deliverables

Based on the criterion of the tasks associated with this Terms of Reference (Expected Deliverables following UNDP guidelines on communications), the consultant will be responsible for:

Deliverables	Estimated Duration to Complete	
1. Develop an inception report outlining areas of enquiry, the scope of the work and a clear work plan for the work.	10 days from contract signature	
2. Report on different consultations held with public and private sector	30 days	
3. A First draft of the report and market survey	10 days	
4. First draft of the full Knowledge Product including Readiness index	20 days	

Deliverables	Estimated Duration to Complete	
5. Final draft of the Full knowledge product including: <ul style="list-style-type: none"> • AR report and market survey and recommendations • Readiness index • Policy brief 	8 days	
6 A PowerPoint presentation summarizing key findings and recommendations from the report. To be delivered in a webinar launching the publication.	2 days	

6) PROVISION OF MONITORING AND PROGRESS CONTROLS

The consultant will report directly to the UNDP Senior SDG investment Advisor. S/He will also work in close consultation with the relevant staff of the ASFH and Country office staff where appropriate and delegated by the Senior SDG Investment Advisor.

7) DEGREE OF EXPERTISE AND QUALIFICATIONS

Education:

- Master's degree in Environmental Economics, Environmental Science or Studies, Natural Resource Management, International Development, or other closely related field.

Qualifications:

- At least 15 years of professional experience in infrastructure development, Infrastructure finance and investment, natural capital, conservation, forest, market-based finance, or climate financing.
- Sound understanding of sustainable development, economic growth, social development and public service delivery

- Demonstrable experience in applying desk research methods and drafting professional quality reports based on the research findings.
- Demonstrable experience in developing climate, nature or forest financing strategies and policies to boost investment for conservation, nature-based climate adaptation and mitigation solutions.
- Excellent analytical, writing, presentation, and communications skills are required.
- Experience working with national and international non-governmental organizations, development partners, and in the developing countries.
- Experience working with the UN system, especially with UNDP, and familiarity with international climate negotiations, is an asset.
- Professional level skill in Microsoft Office 2019 or 365

Language:

- Excellent oral and written communication skills in English language
- Proficiency in French an added advantage

8) REVIEW TIME REQUIRED

The review and approval of payments will be made by the assigned supervisor(s) within 14 days.

9) PAYMENT TERMS

Payment will be made based on deliverables and approved by the supervisor against agreed criteria and the satisfactory completion of deliverables in section (5) as per an agreed work plan at the beginning of the consultancy. Submission of deliverables over the duration of the consultancy will trigger payments according to the schedule outlined below:

Deliverables	Payment	
1. Develop an inception report outlining areas of enquiry, the scope of the work and a clear work plan for the work..	20%	

Deliverables	Payment	
2. Report on different consultations held with public and private sector	30%	
3. A First draft of the Knowledge product	30%	
4. Final draft of the Knowledge Product including PPT and webinar	20%	

10) REQUIRED DOCUMENTS

The following documents will be requested:

- a) **Duly accomplished Letter of Confirmation of Interest and Availability** using the template provided by UNDP.
- b) **Detailed Personal CV and/or P11**, indicating all past experiences from similar projects, as well as the contact details (Email and telephone number) of the Candidate and at least three (3) professional references.
- c) Brief description of why the individual considers him/herself as the most suitable for the assignment, and a methodology, on how they will approach and complete the assignment.
- d) **Financial Proposal** that indicates the all-inclusive fixed daily rate per template provided. If an Offeror is employed by an organization/company/institution, and he/she expects his/her employer to charge a management fee in the process of releasing him/her to UNDP under Reimbursable Loan Agreement (RLA), the Offeror must indicate at this point, and ensure that all such costs are duly incorporated in the financial proposal submitted to UNDP.

11) CRITERIA FOR SELECTION OF THE BEST OFFER

The following criteria will serve as basis for evaluating offers:

- Only those applications which are responsive and compliant will be evaluated.
- The technical criteria (education, experience, language) will be worth a maximum 100 points with a weightage of 70%.
- Technical criteria for evaluation (*Max100 points*).
 - a. **Criteria 1:** Relevance in education background – **Max 15 points**.
 - b. **Criteria 2:** Experience working on Infrastructure finance and Investment, infrastructure development and public service delivery across Africa – **Max 40 points**.
 - c. **Criteria 3:** Demonstrable substantive experience in developing publications and knowledge products across Africa – **Max 25 points**
 - d. **Criteria 4:** Experience in working with UNDP and familiarity with UNDP editorial guidelines and templates – **Max 10 points**.
 - e. **Criteria 5:** Excellent English communications skills – **Max 10 points**.
- For those passing technical evaluation above, offers will be evaluated per the Combined Scoring method:
 - a. Technical (70%)
 - b. Financial Evaluation (30%)
- The financial proposal shall specify an all-inclusive daily fee (including number of anticipated working days and all foreseeable expenses to carry out the assignment); and
- Applicant receiving the Highest Combined Score and has accepted UNDP’s General Terms and Conditions will be awarded the contract.

12) CONSULTANT PRESENCE REQUIRED ON DUTY STATION/UNDP PREMISES

T NONE

* PARTIAL

* INTERMITTENT

* FULL-TIME

13) PAYMENT TERMS

Please indicate any special payment terms for the contract

X Lumpsum

T Daily