



## CONSULTANT PROCUREMENT NOTICE

Date 06th April 2022

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**Country:** South Africa

**Type of Contract:** Consultant, Individual Contract

**Description of the assignment:** Consultancy for Development of Knowledge product: Financing Solutions for African Infrastructure – A Review of Asset Recycling Opportunities in Africa

**Organisation:** UNDP Africa Sustainable Finance Hub

**Period of assignment/services (if applicable):** 60 working days

Proposal should be submitted at the following by email to [bid.pretoria@undp.org](mailto:bid.pretoria@undp.org) no later than **19<sup>th</sup> April 2022**.

Any request for clarification must be sent by standard electronic communication to [procurement.enquiries.za@undp.org](mailto:procurement.enquiries.za@undp.org). UNDP will respond by standard electronic mail and will send responses, including an explanation of the query without identifying the source of inquiry, to all consultants.

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## 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 power<sup>1</sup> 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 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 billion<sup>2</sup>. 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 realization accelerate by 5 to 7 years due to ARI

<sup>1</sup> [Solving Africa's infrastructure paradox | McKinsey](#)

<sup>2</sup> [https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/2018AEO/African\\_Economic\\_Outlook\\_2018\\_-\\_EN\\_Chapter3.pdf](https://www.afdb.org/fileadmin/uploads/afdb/Documents/Publications/2018AEO/African_Economic_Outlook_2018_-_EN_Chapter3.pdf)

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.

## 2. SCOPE OF WORK, RESPONSIBILITIES AND DESCRIPTION OF THE PROPOSED ANALYTICAL 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 programming

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.

### 3. REQUIREMENTS FOR EXPERIENCE 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

#### 4. DOCUMENTS TO BE INCLUDED WHEN SUBMITTING THE PROPOSALS.

Applicants are required to submit the following:

- i. **Letter of Confirmation of Interest and Availability** using the [template](#)<sup>3</sup> provided by UNDP;
- ii. **CV** and a **Personal History Form** ([P11 form](#)<sup>4</sup>);
- iii. Brief description of **approach to work/technical proposal** of why the individual considers him/herself as the most suitable for the assignment, and a proposed methodology on how they will approach and complete the assignment;
- iv. **Financial Proposal** that indicates the all-inclusive fixed total contract price and all other travel related costs (such as flight ticket, per diem, etc), supported by a breakdown of costs, as per template attached to the [Letter of Confirmation of Interest template](#). If an applicant 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 applicant must indicate at this point, and ensure that all such costs are duly incorporated in the financial proposal submitted to UNDP.
- v.

#### 5. FINANCIAL PROPOSAL

- **Lump sum contracts**

The financial proposal shall specify a total lump sum amount, and payment terms around specific and measurable (qualitative and quantitative) deliverables (i.e. whether payments fall in installments or upon completion of the entire contract). Payments are based upon output, i.e. upon delivery of the services specified in the TOR. In order to assist the requesting unit in the comparison of financial proposals, the financial proposal will include a breakdown of this lump sum amount (including travel, per diems, and a number of anticipated working days).

#### 6. EVALUATION

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 (*Max 100 points*).
  - **Criteria 1:** Relevance in education background – **Max 15 points**.
  - **Criteria 2:** Experience working on Infrastructure finance and Investment, infrastructure development and public service delivery across Africa – **Max 40 points**.
  - **Criteria 3:** Demonstrable substantive experience in developing publications and knowledge products across Africa – **Max 25 points**
  - **Criteria 4:** Experience in working with UNDP and familiarity with UNDP editorial guidelines and templates – **Max 10 points**.
  - **Criteria 5:** Excellent English communications skills – **Max 10 points**.

<sup>3</sup><https://intranet.undp.org/unit/bom/psa/Support%20documents%20on%20IC%20Guidelines/Template%20for%20Confirmation%20of%20Interest%20and%20Submission%20of%20Financial%20Proposal.docx>

<sup>4</sup> [http://www.undp.org/content/dam/undp/library/corporate/Careers/P11\\_Personal\\_history\\_form.doc](http://www.undp.org/content/dam/undp/library/corporate/Careers/P11_Personal_history_form.doc)

- For those passing technical evaluation above, offers will be evaluated per the Combined Scoring method:
  - Technical (70%)
  - 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.

**ATTACHEMENTS TO THIS NOTICE:**

- **TERMS OF REFERENCES (TOR)**
- **GENERAL TERMS AND CONDITIONS**
- **CONFIRMATION OF INTEREST AND SUBMISSION OF FINANCIAL PROPOSAL**
- **PERSONAL HISTORY FORM P11)**