



**PRESIDENTIAL  
CLIMATE COMMISSION**  
TOWARDS A JUST TRANSITION

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## REQUEST FOR PROPOSAL

APPOINTMENT OF EXPERIENCED SERVICE PROVIDER TO DEVELOP THE  
MPUMALANGA ECONOMIC COMPLEXITY STUDY FOR A PERIOD THE TWELVE  
(12) MONTHS

<b>Date of Issue</b>	Friday 1 November 2024
<b>Closing Date</b>	Friday, 15 November 2024, 16H00

## **1. INTRODUCTION**

The Presidential Climate Commission (PCC) seeks to appoint a suitable service provider to develop the Mpumalanga Economic Complexity Study. The project will be undertaken for a period of 12-months and the findings from the study is intended to inform the PCC, government and social partners to implement the just transition.

## **2. PURPOSE**

Mpumalanga's coal value chain in South Africa faces one of the earliest disruptions in the global transition towards reaching net-zero emissions. Future projections suggest decline, driven externally by reduced global demand for South African coal exports (PCC, 2022), potentially exacerbated by domestic increase in the use of renewable energy. Besides the direct employment effects, the downsizing in coal will affect a range of businesses in both the formal and the informal sector. There is an urgent need to diversify Mpumalanga's economy through building its economic complexity based on its existing comparative advantages.

Higher levels of economic complexity are associated with higher levels of economic development. Complementary to the notion of economic complexity is industrial relatedness and the product space, which explains how economies evolve and diversify into new products. Economies diversify into products that require productive capabilities that overlap with existing industrial capabilities embodied in their current productive structure.

Therefore, to assist with economic diversification efforts in Mpumalanga, the PCC seeks

the technical services of a suitably qualified and experienced service provider to develop an Economic Complexity Study for Mpumalanga. The study is intended to inform the PCC's to advise government on its efforts to enable or support industrial development and economic diversification pathways for Mpumalanga.

The purpose of Economic Complexity Study is to utilise primary and secondary data sources to apply the theoretical lens and empirical tools of economic complexity and product space analytics to Mpumalanga. The Economic Complexity Study will provide a detailed analysis of the productive structures of the economy at the district level (Nkangala, Gert Sibande and Ehlanzeni District Municipalities), thereby ensuring understanding of how the productive capabilities embodied in the productive structures can be leveraged to facilitate diversification into a more complex range of goods. This will diversify the provincial economy placing it on a development pathway that is more likely to achieve higher levels of economic growth and development to ensure job creation.

## **3. BACKGROUND**

There is global effort to decarbonise economies and build climate resilience due to the increasing impacts of climate change. South Africa is particularly vulnerable in

the transition to a low carbon economy due to an emissions-intensive economy and accelerating climate impacts such as heatwaves, droughts and floods. Most importantly, climate change exacerbates South Africa's triple challenges of poverty, unemployment, and inequality. Therefore, tackling climate change requires urgent and transformational changes across all sectors of the South African economy. In responding to these challenges, South Africa has committed to a just transition, which recognises the need for distributive, restorative and procedural justice (PCC, 2022).

People must be at the centre of South Africa's climate change response (ILO 2015; DFFE 2022), through seizing the opportunities and managing the risks associated with climate change, with an overarching goal of improving the lives and livelihoods of all South Africans, particularly those most impacted, such as businesses, workers, and communities within the coal value chain.

The PCC is a multi-stakeholder body established in 2020 by the President of South Africa to advise on the country's climate change response and support a just transition to a low-carbon climate resilient economy and society. The PCC conducts its work in an open and transparent manner with the aim of building social consensus around the complex and challenging decisions required to successfully navigate the climate transition. The PCC is committed to ensuring that the transition is socially just and that the needs of vulnerable groups are addressed.

## **4. SCOPE OF WORK**

### **4.1 INCEPTION MEETING**

An inception meeting will be held post the appointment of the service provider. The purpose of the meeting is for the contracting parties to agree on the overall approach, methodology and timelines; clarify working channels, and to establish the project team and project steering committee, which will guide the overall implementation of the project.

### **4.2 INCEPTION REPORT**

Following the inception meeting, the appointed service provider will be required to deliver an inception report capturing the discussions and decisions as outlined during the inception meeting. The inception report will confirm the appointed service provider's understanding of the scope of work, approach, methodology, project plan, and budget.

### **4.3 ECONOMIC MODEL**

Using the theory and tools of economic complexity: Develop a granular sub-national dataset measuring the industrial structures of Mpumalanga at the district level (including Ehlanzeni, Gert Sibande and Nkangala District Municipalities); generate economic complexity indices that quantify the economic complexity of Mpumalanga through assessing the productive structure of these economies at a granular level; measure and compare patterns and trends in economic complexity across these economies over time.

#### **4.4 ONLINE INTERACTIVE PRODUCT SPACE MAP**

Mapping out an interactive online "product space" to identify the location of the key products produced in Mpumalanga that can be updated.

#### **4.5 INDUSTRIAL DIVERSIFICATION PATHWAYS**

Using the model that draws on economic complexity indices and product space measures, identify feasible complexity building industrial diversification pathways for Mpumalanga. Validate these pathways through key informant interviews with firms and industry experts.

#### **4.6 RECOMMENDATIONS**

After identifying the diversification pathways that Mpumalanga is best placed to compete in, produce recommendations for the PCC and the whole of government on how best to support industrialisation and economic development, and the skills and education, as well as infrastructure investments required to move into these more complex sectors.

#### **4.7 PUBLIC CONSULTATION**

The PCC will host inperson public consultations at a district level to solicit comments and inputs on the draft report together with virtual sessions with other stakeholders to complement the final report. The service provider is required to be present at these sessions.

Post the final report a webinar and/or a virtual launch will be held.

#### **4.8 GOVERNANCE ARRANGEMENTS**

Regular project team meetings will be held with the appointed service provider to monitor progress and address any challenges that may arise in the course of the project.

A Project Steering Committee (PSC) will also be established by the PCC to provide strategic guidance and oversight of the project. The PSC meetings will be aligned to the project plan and will meet after each key deliverable.

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Provide and mention all services that the service provider will be required to render.

### **5. PROJECT DELIVERABLES & TIMEFRAMES**

The following deliverables are envisaged in line with the indicated delivery timelines:

<b>DELIVERABLE/</b>	<b>DELIVERABLE/ACTIVITY</b>	<b>TIMEFRAMES</b>
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ACTIVITY NO.		
1	Inception Meeting	Within one week of signing the contract
2	Inception Report	1 <sup>st</sup> month after signing contract
3	Economic Model	3 <sup>rd</sup> Month
4	Interviews with Business	6 <sup>th</sup> Month
5	Online Interactive Product Space Map	8 <sup>th</sup> Month
6	Industrial diversification Pathways	9 <sup>th</sup> Month
7	PCC and Government Recommendations	10 <sup>th</sup> Month
8	Public Consultation	11 <sup>th</sup> Month
9	Project Team Meetings and PSC Meetings	Every 3 weeks and Every 2 Months respectively
10	Close-Out Meeting	12 <sup>th</sup> Month
11	Close-Out Report	12 <sup>th</sup> Month

## 6. PROJECT TEAM

- 6.1** A proposed approach and methodology to be adopted in developing the Mpumalanga Economic Complexity Study, which indicates the prospective service providers understanding of the assignment.
- 6.2** This must also include a clear description of phases of the project and how they are interlinked.
- 6.3** Detailed CVs of the individual and/or members of the team that will be working on the project indicating the qualifications of all team members
- 6.4** List of projects or assignments completed in respect of e-mobility and related enabling environments.

## 7. PROJECT GOVERNANCE

The Project will be led and coordinated by a project manager from the PCC Secretariat and a PSC (project steering committee) will be established to oversee the implementation of the entire project. The PSC will be finalised during project inception and will continue to manage the project until completion.

## 8. TIMEFRAMES

The project is scheduled to be completed within twelve (12) months, after the signing of the contract.

## 9. EVALUATION CRITERIA

### 9.1 Functional Evaluation Criteria

The evaluation committee members will evaluate the project proposals received against the evaluation criteria as set out below. The functionality evaluation will be conducted through a technical desktop evaluation as per the following requirements:

EVALUATION CRITERIA	GUIDELINE FOR CRITERIA APPLICATION	WEIGHTING
<b>METHODOLOGY</b>	A proposed approach and methodology to be adopted in developing the Mpumalanga Economic Complexity Study, which indicates the prospective service providers understanding of the assignment. This must also include a clear description of phases of the project and how they are interlinked.	<b>40%</b>
<b>TRACK RECORD</b>	<i>Experience:</i> attach a minimum of five (5) recent project reference letters.	<b>30%</b>
<b>CAPABILITY</b>	<b>Company experience:</b> Brief description and history of the bidder. Include the length of time in business, number of employees and core competencies. <b>Team capability:</b> The key personnel of the team must have relevant qualifications in development economies, industrial policy development/economic policy development/ labour economics. The bidder must submit an organogram with CVs including the composition of the proposed team, clearly outlining the main institutions, disciplines, and the key personnel responsible for project execution.	<b>30%</b>
<b>TOTAL</b>		<b>100%</b>
Minimum Threshold (Failure to meet this threshold will disqualify the bid)		<b>70%</b>

Each panel member will rate each criterion on the score sheet using the following scale:

5 – Excellent, 4 - Very Good, 3 – Satisfactory, 2 - Average 1 - Poor

## **10.CONTRACTING & CONTRACTUAL ARRANGEMENTS**

The African Climate Foundation (ACF) is the fiscal host of the PCC for some of its donor funds and will serve as the contracting party for this work. Service level agreement contracts, cost estimates and invoices shall be directed to ACF.

### **10.1 TO NOTE**

- 10.1.1 The PCC reserves the right in its sole discretion to reject any or all proposals in whole or in part, without incurring any cost or liability whatsoever.
- 10.1.2 All proposals will be reviewed for completeness of the submission requirements. If a proposal fails to meet a requirement of this RFP, or if it is incomplete or contains irregularities, the proposal may be rejected.
- 10.1.3 The PCC will review all written proposals and select vendors who will be invited for presentation and Q&A should it be required.
- 10.1.4 The final decision and successful appointment will be made by PCC and no correspondence will be entered into thereafter.
- 10.1.5 The PCC reserves the right to cancel this bid or ultimately decide not to appoint any bidder.

## **11.SUBMISSION OF BID DOCUMENTS**

- 11.1** The Service Provider must submit a comprehensive and responsive proposal that responds to the Terms of Reference. The submission must include the following:
  - 11.1.1 A detailed project plan with clear deliverables and proposed timelines over 12 months
  - 11.1.2 Cost proposal and budget (Itemised cost proposal per deliverable)
- 11.2** Company documents (CIPC)
- 11.3** Valid Tax Clearance Certificates

## **12. SUBMISSION AND ENQUIRIES**

### **12.1 SUBMISSIONS**

The deadline for submission of project quotations is Friday, **15 November 2024, at 16:00**. No extensions of the deadline will be considered.

Proposals submitted after the specified closing date and time will **not** be considered for evaluation.

- 12.2** Service providers should send their proposals and accompanying relevant documentation to [procurement@climatecommission.org.za](mailto:procurement@climatecommission.org.za) **ONLY!**
- 12.3** All technical queries relating to this RFP can be directed to Project leader at [devan@climatecommission.org.za](mailto:devan@climatecommission.org.za)
- 12.4** Procurement inquiries regarding this RFP should be emailed to Abdul Cassim Rassid [abdul@climatecommission.org.za](mailto:abdul@climatecommission.org.za)

### **13. DISCLAIMER**

This RFP is a request for proposals only and not an offer document. Answers to this RFP must not be construed as acceptance of an offer or imply the existence of a contract between the parties. By submission of its proposal, bidders shall be deemed to have satisfied themselves with and to have accepted all Terms & Conditions of this RFP.

The PCC makes no representation, warranty, assurance, guarantee or endorsements to the bidder concerning the RFP, whether with regard to accuracy, completeness or otherwise and the PCC shall have no liability towards the bidder or any other party in connection therewith.