REQUEST FOR PROPOSALS

APPOINTMENT OF SERVICE PROVIDER TO CONDUCT A TECHNICAL, SKILLS AND FINANCIAL NEEDS ANALYSIS AND DEVELOP A CITY LEVEL JUST ENERGY TRANSITION PLAN FOR THE MUNICIPAL JET SUPPORT PROGRAMME OF THE PRESIDENTIAL CLIMATE COMMISSON

Date of Issue	Monday 16 October 2023, 09H00
Non-Compulsory Briefing session	Monday 23 October 2023, 09h00 – 10h00
Closing Date	Friday 03 November 2023, 16H00

1. INTRODUCTION

The Presidential Climate Commission (PCC) was established by the President of the Republic of South Africa in December 2020 to support the delivery of a just transition in South Africa (SA). It emanated from the Presidential Jobs Summit held in October 2018, when social partners agreed that an entity should be formed to advise on, monitor and oversee the just transition towards a low-carbon, inclusive, climate resilient economy and society. The proximity of the PCC to the President's Office, and the designation of the President as Chair of the PCC, reflect the importance attached to the successful delivery of a just transition to SA's dual objectives of reducing greenhouse gas emissions and the transition to a greener and climate resilient society and economy. The pathways chosen should achieve sustainable social and economic development with justice at the centre of the transition. The PCC plays a critical role in informing, enabling, and building consensus regarding an effective climate change response in SA, which has a high (per capita) emission economic and industrial structure. Per Section 12 of the Climate Change Bill of 2021, currently being considered by the National Assembly, the functions of the PCC are to:

(a) advise on South Africa's climate change response to ensure realisation of the vision for effective climate change response and the long-term just transition to a climate resilient and low carbon economy and society;

(b) advise government on the mitigation of climate change impacts, including through the reduction of emissions of greenhouse gases, and adapting to the effects of climate change; and

(c) provide monitoring and evaluation of progress towards government's emissions reduction and adaptation goals.

2. SOUTH AFRICA'S JUST TRANSITION

South Africa's policy commitment to just transition, aims to ensure no one is left behind during the shift to a low-carbon, climate-resilient economy.

The South African interpretation of just transition is society-focused, envisioning measures to uplift and support workers, communities, and society; accommodating a broad range of interests; and advocating for system transformation. It tackles inequities on both national and sub-national scales, centering on the spatial and distributional impacts of economic transition.

Municipal investment needs have been cited as a cross cutting investment target in the JET-IP. This investment plan sets out to provide specific support to municipalities to navigate the energy transition and play a dynamic and responsive role in the energy system for the benefit of the communities they serve. This requires functional distribution grids that can accommodate an increasing penetration of renewable energy generation at different scales and connect all residential, public, commercial, and industrial energy users. It also requires the establishment of a financially sustainable service delivery model that provides for equitable access by the whole grid community, all local energy users, including small businesses and low-income and energy-poor households. The JET-IP has identified the following as the immediate needs of municipalities in the initial five-year plan:

- Distribution maintenance
- Distribution modernisation for NEVs
- Electrification backlog
- Operational: Demand-side management
- Operational: Energy access design
- Grid capacity
- Capability and capacity
- Collective planning
- Municipal revenue modelling

A just transition is necessitated not only by domestic climate policy, but also by changing rules of global engagement. New carbon border adjustment mechanisms and similar instruments will rapidly render exports from carbon-intensive economies like SA's uncompetitive. As a coal-dependent economy, SA faces enormous transition risk associated with international climate mitigation policy developments since the Paris Agreement. With much of this risk apparently due to fall on the public balance sheet, such transition risk will strain public finances, potentially jeopardise the sovereign credit rating and government's ability to pursue a progressive social agenda.[1] A quarter of formal jobs lie in manufacturing, mining, and agriculture – all of which are at risk if the embedded carbon in export minerals and products is not significantly reduced[2].

Vulnerable communities are at risk of loss as change sweeps through SA. Losses will derive from changes in both economic and climatic conditions. To mitigate social risks arising from

[1] Huxham, M., M. Anwar, and D. Nelson, 2019: *Understanding the impact of a low carbon transition on South Africa.*
[2] Stats SA, QLFS 2022, Q1

the transition, three categories of investments in economic and climate resilience are needed urgently and at scale:

1. Economic diversification, enabling new jobs and livelihoods, enhanced access to resilient services and infrastructure, and land and biodiversity rehabilitation and restoration.
2. Equipping and strengthening the abilities of workers and SMMEs (small, medium, and micro enterprises) to participate meaningfully in transforming regional economies.
3. Establishing and operationalisation of just transition management structures and institutional arrangements responsible for coordinating policy responses, ensuring, and facilitating stakeholder engagements, and the implementation of projects in affected areas.[3]

The PCC submitted its "Just Transition Framework for South Africa" (JTF) to the President in July 2022. The National Cabinet adopted the JTF as a national policy statement and mandated that it be implemented and incorporated into the country's national planning system and budgetary framework.

South Africa is at a pivotal moment in its climate action trajectory. At the COP26 in Glasgow, USD 8.5bn of climate finance was pledged by a group of developed country governments (United States, United Kingdom, France, Germany, and the European Union) to support the achievement of a just energy transition. One of the PCC's central tasks over the next few years will be informing the policy priorities and capital allocation decisions guiding the investment and capital allocation decisions towards the achievement of a lower carbon and climate resilient economy and society.

3. THE JUST ENERGY TRANSITION INVESTMENT PLAN

A just transition to a low-carbon economy will benefit all South Africans by driving economic growth, creating jobs, and increasing our energy security, while addressing the serious threat of climate change.

The Just Energy Transition Investment Plan (JET IP) for the five-year period 2023-2027 sets out the scale of need and the investments required to achieve the decarbonisation commitments in our Nationally Determined Contribution (NDC), which outlines the rate at which South Africa plans to reduce greenhouse gas emissions and represents South Africa's fair contribution to the goals of the Paris Agreement.

The Investment Plan supports South Africa's goal of achieving a low carbon economy and a climate resilient society through the following intervention:

- **Creating quality jobs** in new sectors like electric vehicles, green hydrogen, renewable energy, and manufacturing
- **Increasing our energy security** and ending load shedding through a massive rollout of new, sustainable energy sources
- **Addressing the risks of climate change** and positioning South Africa to be an important global player in the green economy of the future

[3] Lowitt, S. & Mokoena, I. 2021. *A Just Transition Finance Roadmap for South Africa: A First Iteration*. Pretoria: TIPS.

- **Boosting economic growth** through more than R1 trillion of new investment in the South African economy

At the request of the President, and following its successful launch at COP27, the PCC initiated consultations on the Just Energy Transition Investment Plan with an intention to consolidate inputs into two submissions:

1. A report of the views and comments of stakeholders engaged during the consultations.
2. A Critical Appraisal of the Just Energy Transition Implementation Plan – by The Presidential Climate Commission.

<u>This project proposal relates to the second report.</u> The PCC Appraisal and Recommendations on the JET-IP envisages to address the need for clearly scoped and well- developed energy plans and the project pipelines that will achieve this, at municipal level. It is imperative that energy security is also addressed while contributing to the just energy transition.

This will be achieved through a municipal project preparation facility pilot project, with this first phase entailing the appointment of a service provider(s) who will work closely with the PCC Secretariat's Climate Finance and Innovation team, to assist municipalities (listed below) with a needs/ situational analysis of the energy system planning and city-level just energy transition plans.

The Municipal JET Support Programme will consist of two phases, with the second phase focusing on project development, preparation, and de-risking for bankability. The procurement for phase two of the programme will be separate and will follow the successful completion of this first phase.

The following municipalities are signatories to the programme and will form part of the pilot:

1. City of Cape Town Metropolitan Municipality,
2. City of Johannesburg Metropolitan Municipality;
3. eMalahleni Local Municipality;
4. eThekwini Metropolitan Municipality;
5. Govan Mbeki Local Municipality;
6. Hantam Local Municipality;
7. Nelson Mandela Metropolitan Municipality;
8. Tswelopele Local Municipality;
9. Polokwane Local Municipality; and
10. Matlosana Local Municipality).

Given the variety and envisaged complexity in each municipality, service providers should demonstrate the full spectrum of capabilities that will be required in each or all the municipalities and the cost breakdown attached to servicing them.

The engagements with the PCC will be facilitated by the PCC Secretariat, with the Head: Climate Finance and Innovation acting as the project sponsor. It is envisaged that (in total) the time required for this first phase of the project is six (6) months.

4. SCOPE OF WORK

Within the context described above, and reporting to the Municipal and Project Finance Manager, the scope of work and deliverables include the following outputs:

a) The appointed service provider will engage in an inception meeting, with the PCC Team, to amongst other activities, clarify the scope, finalise timelines and set up a Project Steering Committee to guide the work.
b) The service provider will assign technical support staff to municipalities, to engage the key members of the respective energy departments, to understand the existing energy strategies and plans that exist in those municipalities.
c) The service provider will consolidate all existing energy strategies and plans within each of the municipalities they are awarded for, and derive therefrom, a situational analysis of the city energy strategies/ plans, highlighting the identified gaps in technical capacity that exist.
d) The service provider will submit a report of the situational conditions, assessing the technical, skills, and financial capacity of each municipality.
e) The service provider will analyse the needs and potential of successfully developing an energy plan and develop such a plan with each municipality.
f) The service provider will, alongside the PCC, prepare a city-level Just Energy Transition (JET) plan with and for the municipality, incorporating the consolidated existing energy plans, suggested solutions to address capacity gaps in the needs analysis, and Just Energy Transition Framework aligned policies for review. The city-level jet plan will identify short-term, medium-term, and long-term interventions in the municipalities with clearly scoped projects that aim to address energy strategy and planning, energy generation and efficiency.
g) The service provider will consider inputs received from all relevant stakeholders and submit a final draft of the city-level JET plan to the Project Steering Committee for consideration, review, and approval through a round-robin process in the various PCC committees.
h) A comprehensive report, including each city's situational analysis and city-level JET plan, will be submitted to the Project Steering Committee, which will be taken through the internal processes of the PCC.
i) It is envisaged that a Mayors' Dialogue will be convened for a presentation and discussion of the final report.

5. DELIVERABLES & TIMEFRAMES

5.1. Timeframes

This project is scheduled to begin on the 20th of November 2023 and be completed within six (6) months from date of appointment.

(Note: the dates below are indicative and final dates will be agreed upon with the appointed service provider(s) at the inception meeting)

5.2. Deliverables and associated timelines:

DELIVERABLE	TIMELINES
1) Inception and Scoping Report	27 November 2023
2) Draft Needs and Situational Analysis Report	02 February 2024
3) Final Needs and Situational Analysis Report	23 February 2024
4) Draft City-Level JET plan	26 April 2024
5) Final City-Level JET plan	20 May 2024

6. SUBMISSION OF DOCUMENTS

Service providers must submit the following documents as part of response to this request for quotations:

Quotation Documentation: To be considered, a quotation must contain the following, with a table of contents, referenced by number and in the order below.	
Brief Cover Letter	Name and address of service provider, name and address of person submitting the proposal.
Consultant Profile	Brief description and history of the service provider's experience.
	Include length of time in industry, number, and core competencies.
	Three client references including contact information and work performed.
Qualifications of Consultant	Description of experience developing technical advisory work and energy planning and strategy work for municipalities and IPPs.
Proposal	Understanding of brief
	Methodology and approach
	Description of project process and tools or platforms to be used
	General description of each phase and chronology for completing the work (project plan).
Cost and Pricing Proposal	Provide a single, all-inclusive fee for the delivery of the work.
	Costing must include travelling to client and end-user sites for any necessary in-person meetings, consultations, etc., with designated PCC staff, end-users, and stakeholders.

7. CONTRACTING & CONTRACTUAL ARRANGEMENTS

The African Climate Foundation (ACF) is the fiscal host of the PCC for some of its donor funds and will be the contracting party for this assignment on behalf of PCC.

8. SELECTION AND EVALUATION CRITERIA

Bidders will be evaluated in terms of the following criteria:

7.1. Competence and expertise of service provider in terms of years of experience in the relevant disciplines, and quality of similar projects completed.
7.2. Clear understanding of scope of work, including innovative approaches
7.3. Pricing and value for money in terms of outputs achieved against budget.

TO NOTE:

a. All proposals will be reviewed for completeness of the submission requirements. If a proposal fails to meet a requirement of the Request for Proposal (RFP), or if it is incomplete or contains irregularities, the proposal may be rejected.
b. 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.
c. The PCC will review all written proposals and select service providers who will be invited for presentation and Q&A should it be required.
d. The PCC reserves the right to cancel this bid or ultimately decide not to appoint any service provider in terms of this request for proposal.

e. The final decision and successful appointment will be made by PCC and no correspondence will be entered into thereafter.

11. BRIEFING SESSION

There will be a non-compulsory virtual briefing session arranged for interested bidders on **23 October 2023 at 09h00 – 10h00,** interested bidders are encouraged to confirm their attendance by registering on the Zoom link below:
https://climatecommission-org-za.zoom.us/meeting/register/tZUscO-uqD8jGd1s6Amxg70ctsF-voB3u4c3

12. SUBMISSION AND ENQUIRIES

12.1. The deadline for submission of quotations is **16h00, Friday 03 NOVEMBER 2023.** No extensions of the deadline will be considered.

12.2. Service providers should send their quotation and accompanying relevant documentation to procurement@climatecommission.org.za **ONLY**

12.3. All technical queries relating to the RFP can be directed to Khwezikazi Windvoel at khwezikazi@climatecommission.org.za

12.4. All procurement enquiries regarding this RFP should be emailed to Dumisani Nxumalo at dumisani@climatecommission.org.za

13. DISCLAIMER

This RFP is a request for quotation 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 tenderer concerning the RFP, whether about its accuracy, completeness or otherwise and the PCC shall have no liability towards the tenderer or any other party in connection therewith.