

ICLEI – Local Governments for Sustainability

– Africa Secretariat

Seeks a professional service provider to provide technical assistance for climate project development and financing

24 June 2020

Bids due: 15 July 2020

Appointment: 1 August 2020

Email bids and technical queries to Rebecca Cameron,
rebecca.cameron@iclei.org

Please indicate interest for submitting a bid by **3 July 2020**, so responses to queries may be shared with all bidders.

Bids will still be accepted if interest is not indicated, but bidders must accept that they may not have received the responses to questions other bidders may have received.



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This Terms of Reference is for a portion of work that forms part of the broader project: [Urban low Emissions Development Strategies II \(Urban-LEDS II\)](#). A project description is provided below to give the context in which this Terms of Reference takes place.

Description of the Urban-LEDS II Project

Human activities in cities contribute a significant and growing proportion of global greenhouse gas emissions, driving the demand for energy and other services in urban areas, especially those experiencing rapid population growth. Meeting the ambitious goals of the Paris Climate Agreement will require a fundamental transformation of how urban infrastructure and services, including transportation, energy, water, waste, and urban space, are planned, delivered, and maintained. It will also require effective monitoring, reporting, and tracking of performance. The Urban-LEDS II project aims to contribute to this vital component of international climate action, with a focus on local needs and the role of all levels of government to enable action.

Term of Reference

Increasing the flow of climate finance to sub-national governments is key to realising and raising the ambition of the Nationally Determined Contributions (NDCs) and the Sustainable Development Goals (SDGs). For this reason, the Urban-LEDS II project focuses on increasing capacity to access climate finance in four ways:

- Training on climate finance and project preparation
- The development and submission of [TAP](#) applications
- The development of submission of proposals to funders
- Demonstration projects to make municipalities and communities more familiar with the practicalities and benefits of implementing climate resilience projects

ICLEI Africa is seeking to appoint a professional service provider to work with local governments to develop financial models and project concept notes that can be submitted to potential funders in such a way that builds the capacity of municipalities more broadly on this work in Rwanda and South Africa.

Scope of Works

The scope of works below is to be implemented in two countries: Rwanda and South Africa

General

- Develop a checklist for bankability of climate projects that includes indicators/markers of a financially and technically feasible project at an early stage of project design
- Review the current [TAP](#) application template and the TAP Pre-feasibility template in line with this bankability checklist and propose suggestions of how these templates can be improved for African cities, in discussion with ICLEI Africa. These templates will be made available to the appointed service provider.

South Africa

- Using the bankability checklist developed, review all 2018 & 2019 TAP applications submitted by South African Urban-LEDS II municipalities (+/- 17 projects) to identify two projects that have the greatest chance for bankability. A list of the project titles is provided as reference, with the detailed TAP applications to be shared with the appointed service provider:

Nelson Mandela Bay/ Port Elizabeth, Eastern Cape	Solar electrification for informal settlements
Overberg District, Western Cape	Sustainable Solid Waste Management contributing to Low Emission Targets
Overberg, Western Cape	Restoration of ecological infrastructure to enhance water security in the Overberg region
Mogale City, Gauteng	Climate Resilient Eco-Park to be known as Coronation Park
Mogale City, Gauteng	Smart metering system
City of uMhlathuze, Kwazulu Natal	Waste to Energy Plant
City of uMhlathuze, Kwazulu Natal	Richards Bay Central Business District (CBD) Extension
KwaDukuza, Kwazulu Natal	Greening KwaDukuza Municipal Buildings
KwaDukuza, Kwazulu Natal	Planning for Sea Defences against climate change for the KwaDukuza Coastline
KwaDukuza Kwazulu Natal	River Health Programme
Steve Tshwete (Middelburg, Mpumalanga)	Establishment of Material Recovery Facility (MRF)
Steve Tshwete #2 (Middelburg, Mpumalanga)	Establishment of waste drop off facility
Kimberley #1	Upgrading of the Craven, Stockdale and Ritchie Digital hub and the Informal trading centres
Kimberley #2 (Sol Plaatje)	Formulation of Mc Dougal Mixed Use Precinct Plan



Kimberley #3 (Sol Plaatje)	Comprehensive Integrated Transport Plan
Kimberley#4 (Sol Plaatje)	Determination of Floodline Delineation for the vicinity of Sol Plaatje Municipality

- For the two South African TAP projects selected, deliver the following:
 - A project concept note that is between 20 and 30 pages that can be submitted to potential climate and ESG funders. The concept document should clearly articulate: (1) the need for the proposed funding; (2) the type of financial mechanism that can support the delivery of the project; (3) what barriers the financial mechanism will address; (4) why existing facilities are not fit for purpose; (5) the potential size of the market for the mechanism; and (6) its catalytic potential.
 - An eye-catching concise report, supported by graphics explaining funding structures, cash flows and their interdependencies, will be most effective in securing funding for the concept's further development.
 - A list of potential funders, especially for further feasibility studies, where the project can be submitted and the steps required to do so (engagement with potential funders during this project to confirm interest and next steps)
 - Completed TAP application form and TAP pre-feasibility template

Rwanda

Street and public lighting is often the second largest source of own greenhouse gas emissions in municipalities. By switching to LED lamps with solar charging, municipalities can reduce energy use and operational and maintenance costs. Solar street lighting does however come with a higher upfront capital costs than regular street lighting. Therefore, an innovative financial model is needed to sustainably assist municipalities to retrofit existing the street lighting network while also expanding it for increased safety, especially in unplanned settlements. As far as possible, this model should also be replicable across Rwanda and more broadly across Africa.

The Urban-LEDS II project is currently initiating a process to deliver up to 66 solar street lights in the District of Rubavu, Rwanda. This pilot project will provide valuable data for the development of an appropriate financing mechanism. The detailed Concept Note and



Terms of Reference for this pilot project will be made available to the appointed service provider.

It is envisaged that this financial concept will build on the work already done by ICLEI Africa as part of their recent submission to the Global Innovation Lab for Climate Finance (“the Lab”). The detailed concept note submitted will be made available to the appointed service provider. The concept note for the street lighting is intended to be submitted to FONERWA in the first instance, or other identified funders, to apply for feasibility phase funding and potential implementation funds. The concept note will make use of data supplied by the District of Rubavu, and other Urban-LEDS II cities, where possible.

- Review the concept submitted to the Lab;
- Review data shared by the District of Rubavu during the development of the Lab concept note, the implementation of the pilot project, and identify additional data requirements that should be sourced by ICLEI Africa;
- Interview at least three regional ESCOs to understand:
 - whether ESCOs currently offer funding solutions to Rwandan clients and what the associated conditions are;
 - ESCOs’ requirements for funding public lighting in Rwanda as well as the constraints they face in raising debt and equity for projects with local government counterparties; and
 - what financial and risk mitigation interventions are likely to unlock funding from ESCOs or their lenders.
- Consult at least 5 development finance institutions and climate facilities to understand their requirements for providing credit enhancement or blended finance solutions to ESCOs and Rwandan municipalities for public lighting interventions;
- Discussions with potential providers of credit enhancement or blended finance interventions should focus on how instruments can be structured that would result in affordable projects at a local government level;
- Develop a funding concept that would allow cities to repay ESCOs /funders over a period of time;
- Undertake high level financial modelling to demonstrate the financial viability of the proposed concept, including its financial sustainability.

It is recommended that above exercise culminates in a concept document of between 20 and 30 pages that can be submitted to FONERWA and other potential climate and ESG funders. The concept document should clearly articulate: (1) the need for the proposed funding or credit enhancement mechanism; (2) what barriers the mechanism will address; (3) why existing facilities are not fit for purpose; (4) the potential size of the market for the mechanism; and (5) its catalytic potential.

An eye-catching concise report, supported by graphics explaining funding structures, cash flows and their interdependencies, will be most effective in securing funding for the concept's further development.

Deliverables

- Inception Report: Description of approach and activities, work plan, payment schedule
- Report: Bankability checklist & recommendations for improvements to TAP application templates
- Three concept notes: 1 for street lighting in Rwanda, 2 for TAP projects in South Africa
- Record of engagement with stakeholders and funders
- List of potential funders for each project concept note to be submitted and next steps that ICLEI and local governments must take to ensure successful submission of projects to funders
- Close out report: documenting the project, outlining the enablers and barriers to developing climate projects with local governments, and recommendations for future project development processes

Project meetings and reporting

It is envisioned that communications will continue throughout the project between ICLEI Africa and the service provider to allow for a close working relationship. The following project meetings will occur, with the possibility of up to three additional meetings if required:

1. Inception meeting, where the process, method and outputs will be agreed
2. Meeting to discuss bankability checklist and review of TAP templates
3. Meeting to discuss draft concept notes
4. Meeting to discuss final concept notes and list of funders
5. Close out meeting: Meeting to discuss close out report

The appointed service provider will provide a short progress update to the project manager every two weeks via email and compile a monthly progress report to be submitted on the 25th of each month.

Budget

It is envisioned that this project will require between 100 – 150 days of time, with a minimum of 40% of the total project time being dedicated by a senior consultant.

The budget shall demonstrate clearly the total for professional fees, including hourly rate and the number of hours per consultant.

While it is anticipated that this will be a desktop exercise, with in-country support from the ICLEI Africa team, the service provider may include travel to Rwandan and South African project stakeholders for data collection and engagement purposes, if deemed necessary and if possible due to Covid-19 travel restrictions. This must be included in the total budget, but indicated as a different line item for travel disbursements.

A total budget, including both amounts and VAT, is then to be provided.

Access to Data and Intellectual Property

For the purposes of this tender, it should be assumed that some data has been collected, but this will need to be finalised in consultation with the districts and province. The data currently available will be shared only with the appointed service provider. ICLEI Africa will assist the service provider to obtain data from the local governments, as far as possible. ICLEI Africa will prepare the focal point in the local governments to start collecting the necessary data and be available to respond to queries. All data used (that is not available from a public and open source platform) and related outputs produced are confidential and not to be shared without written permission of ICLEI Africa and the relevant government representative. On completion of the contract, the intellectual property of all outputs will be transferred to ICLEI Africa. The appointed service provider will be expected to sign a confidentiality agreement to this effect, as part of the Letter of Appointment.

Service provider requirements

The service provider appointed must demonstrate experience in completing similar projects in Sub-Saharan Africa, with work done in data scarce environments a benefit.



The project team is to be led by a senior consultant with a minimum of 10 years of experience in developing concept notes and financial feasibility assessments to access climate funds and experience in packaging local government infrastructure projects.

The service provider appointed may be based anywhere, however preference is given to African-based service providers.

The service provider appointed must have demonstrated skills in managing projects timeously and producing high quality outputs within short delivery periods.

Evaluation Criteria

Bids will be evaluated on the response to the Terms of Reference, Qualifications, Experience of team, Price, and, if a South Africa service provider, B-BBEE Criteria.

Submission Requirements

Bids are to include a response to the Terms of Reference, both technical and financial, which must include:

- a) Approach and methodology
- b) Detailed work plan and related budget, assigning number of hours/days to each task identified and to whom.
- c) A summarised list or table of experience in similar projects, including title, description, the client, the project duration, your role in the project, and a minimum of one contactable reference.
- d) Curriculum vitae of each person identified on the team.
- e) Company profile.
- f) **For South African-based service providers only**, provide proof of status for preferential procurement:
 - a. If the service provider is based in South Africa, a B-BBEE certificate must be provided
 - b. If the service provider is based in South Africa and has an annual turnover of less than R10 million and/or does not have a B-BBEE certificate, a completed and signed sworn affidavit must be provided. The template for this is in Annex A to this Terms of Reference.

Submission process and timeline

Kindly submit your proposal to Rebecca Cameron, rebecca.cameron@iclei.org by 16:00 (SAST) on 15 July 2020. At all times, please use the subject line: *Service Provider: Urban-LEDS II Project Development Support*. See the timelines for submission below:



- 24 June 2020: Terms of Reference released.
- 3 July 2020: Deadline for indicating interest and sending requests for clarification or queries regarding Terms of Reference to ICLEI Africa
- 6 July 2020: Queries responded to by ICLEI Africa
- **15 July 2020: Proposal submission closing date.**
- 1 August 2020: Service provider appointed and work commences.
- 28 February 2021: Service provider contract completed.

Appointment of a service provider is subject to the ICLEI Africa's contractual terms and conditions as captured in the Service Level Agreement.

Additional Information

ICLEI - Local Governments for Sustainability is the leading global network of over 1,500 cities, towns, and regions committed to building a sustainable future. Through our collective efforts, we impact more than 25 percent of the global urban population. For more information on ICLEI Africa's work, please see <http://africa.iclei.org/> and <http://cbc.iclei.org/>.

ICLEI AFRICA RESERVES THE RIGHT NOT TO APPOINT A SERVICE PROVIDER AS PER THIS TERMS OF REFERENCE

Annex

South African – preferential procurement: Sworn Affidavit for Exempt Micro Enterprise

SWORN AFFIDAVIT – B-BBEE EXEMPTED MICRO ENTERPRISE

I, the undersigned,

Full name & Surname	
Identity number	

Hereby declare under oath as follows:

1. The contents of this statement are to the best of my knowledge a true reflection of the facts.
2. I am a member / director / owner of the following enterprise and am duly authorised to act on its behalf:

Enterprise Name	
Trading Name	
Registration Number	
Enterprise Address	

3. I hereby declare under oath that:
 - The enterprise is _____% black owned;
 - The enterprise is _____% black woman owned;
 - Based on the management accounts and other information available on the _____ financial year, the income did not exceed R10,000,000.00 (ten million rands);
 - Please confirm on the table below the B-BBEE level contributor, **by ticking the applicable box.**

100% black owned	Level One (135% B-BBEE procurement recognition)	
More than 51% black owned	Level Two (125% B-BBEE procurement recognition)	
Less than 51% black owned	Level Four (100% B-BBEE procurement recognition)	

4. The entity is an empowering supplier in terms of **the dti** Codes of Good Practice.
5. I know and understand the contents of this affidavit and I have no objection to take the prescribed oath and consider the oath binding on my conscience and on the owners of the enterprise which I represent in this matter.
6. The sworn affidavit will be valid for a period of 12 months from the date signed by commissioner.

Deponent Signature: _____

Date: _____

Commissioner of Oaths
Signature & stamp