

Terms of Reference

ICLEI Africa seeks to appoint a professional service provider/consortium to support the development of three project concept notes, a strategy for engaging with national and/or international donors, development finance institutions and/or project preparation facilities, and engaging with those within the framework of the project: Supporting a just transition to a low-carbon and resilient economy in Steve Tshwete Local Municipality (STLM)

15 March 2024

Bids due: 2 April 2024

Please indicate interest to submit a bid and submit any queries by **22 March 2024**, so responses to queries may be shared with all bidders by **26 March 2024**.

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

Proposals and technical queries can be sent to Stephanie Bich Canac (stephanie.canac@iclei.org) with Michael Boule (michael.boule@iclei.org) in CC.





TERMS OF REFERENCE

ICLEI – Local Governments for Sustainability (ICLEI) is a global network of more than 2500 local and regional governments committed to sustainable urban development. Active in 100+ countries, ICLEI influences sustainability policy and drive local action for low emission, nature- based, equitable, resilient and circular development. ICLEI's members and team of specialists work together through peer exchange, partnerships and capacity building to create systemic change for urban sustainability.

This Terms of Reference pertains to supporting ICLEI Africa in developing 3 project concept notes, a strategy for engaging with national and/or international donors, development finance institutions and/or project preparation facilities, & engaging with those within the framework of the project: Supporting a just transition to a low-carbon and resilient economy in STLM

1. BACKGROUND

ICLEI Africa was appointed by Agence Française de Développement (AFD) to support STLM with its just transition goals.

There is a longstanding history of ICLEI Africa working together with STLM, such as through the [Covenant of Mayors in Sub-Saharan Africa](#) (CoM SSA) initiative funded by the EU, BMZ and AECID, where the municipality has been a signatory city since 2015, as well as the European Commission funded [Urban Low Emissions Development Strategies](#) (Urban-LEDS) project between 2012 and 2021. Similarly, AFD has supported STLM over many years, including via this project: *Supporting a just transition to a low-carbon and resilient economy in Steve Tshwete Local Municipality (STLM)*. The project aims to support the Municipality's just transition through a number of core activities. First, co-developing a just transition chapter in the core municipal planning document (the Integrated Development Plan), to begin to establish the policy foundation for enabling a just transition, and mainstreaming it in organizational structures and policy. Second, to identify, co-develop and prioritize a set of just transition projects, with which potential funders can be approached, to bring tangible progress to Steve Tshwete's just transition. Third, to develop a just transition finance roadmap which documents the process and tools used for identifying, developing and prioritizing just transition projects, reflects on learnings from the process, and can serve as a tool to assist with the future just transition work of the STLM and other municipalities. Fourth and finally, the project will host an investment summit which will bring together the STLM and potential funders, and allow the STLM to present selected projects for which funding is being sought. A just transition is a long term, multi-phase process, and therefore the work of this project is to contribute to the initial phase of this transition, and lay the foundation for future ambitious just transition work in the municipality.

Through consultation, STLM identified 34 just transition projects that they would like to pursue implementation possibilities for. Under this project, ICLEI Africa has resources to support 3 of these projects to concept note stage, and assist the municipality in engaging in discussions with potential donors and project preparation facilities with regards to taking these projects forward with the municipality. Thus, a prioritisation exercise was undertaken, to move from 34 projects to 3. The 3 prioritised projects are:





- Solar-powered boreholes to extend access to clean, potable water for underserved peri-urban/rural populations
- A 40 to 50 MVA solar farm
- A material waste recovery facility(ies)

2. AIM OF THE ASSIGNMENT

This Terms of Reference relates to working with ICLEI Africa's sustainable finance and energy experts in developing concept notes for these 3 projects.

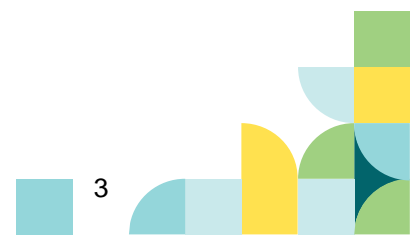
The selected service provider is required to provide technical and financial support to further develop the 3 projects identified as priorities and assist STLM in attracting funding for further technical and financial feasibility study(ies) and/ or attracting direct implementation funding from national and/ or international donors, development finance institutions and/ or project preparation facilities.

Project 1: Solar farm

Detail	At the time of writing, the project would fall under the responsibility of the municipality's infrastructure services department.
Target scope	<ul style="list-style-type: none">• Solar farm with a capacity of 40 to 50 MVA.• Two potential land sites have been identified for implementation, but these sites still need to be assessed with regard to the load centres, which will impact transmission costs and the overall viability of the project.• Further investigation is required on load.
Stage of development	<ul style="list-style-type: none">• The municipality has conducted an internal pre-feasibility study.• Further studies are currently being conducted.• 2 land parcels have been identified.

Project 2: Solar-powered boreholes

Detail	At the time of writing, the project would fall under the responsibility of the municipality's infrastructure services department.
Target scope	<ul style="list-style-type: none">• Extend access to clean, potable water for underserved peri-urban/rural population:<ul style="list-style-type: none">❖ 15 new boreholes with solar (for communities and farms), for households that have currently no access to potable water.❖ 15 existing boreholes to be retrofitted to include solar panels, which are more reliant and sustainable energy sources. Currently, rural water pumps serving underserved communities depend on fossil-fuelled generators.• The scope of the project can be extended above 30 boreholes to make the project more relevant to potential partners' requirements.



Stage of development	<ul style="list-style-type: none"> • Pilot intervention implemented in June 2023: <ul style="list-style-type: none"> ❖ 4 solar water pumps implemented in rural areas for delivery of drinking water. ❖ Utilized municipal funding, with systems offered for free as part of a communal scheme. • Some learnings from the pilot intervention: <ul style="list-style-type: none"> ❖ Communities are satisfied and looking after the solar power pumps. ❖ Water supply is satisfactory.
<u>Project 3: Material waste recovery facility(ies)</u>	
Detail	At the time of writing, the project would fall under the responsibility of the municipality's community services department.
Target scope	<ul style="list-style-type: none"> • Material recovery facility with preferred site identified. • Preferred structure is a public-owned material waste recovery facility operated by the private sector.
Stage of development	<ul style="list-style-type: none"> • STLM was 1 of 6 municipalities that benefited from technical assistance provided by the Department of Environment, Forestry and Fisheries (DEFF)'s Waste Flagship Programme in 2018 (DEFF Waste Flagship Programme). • An optimized solution was subsequently developed in 2019 by STLM and ICLEI Africa that makes use of a double shift to maximize the MRF's output capacity and a blended finance solution to close the affordability gap.

3. SKILLS AND EXPERIENCE

3.1. Technical expertise

ICLEI Africa is seeking a team that has technical expertise in the following areas:

- Solar farm
 - Solar farm project development and engineering: knowledge of medium-scale solar farm design (40-50 MVA), including site selection, layout optimisation, and system sizing
 - Project finance: familiarity with financial modelling and risk management for determining the commercial viability of utility-scale solar projects
 - Environmental: understanding of environmental regulations and mitigation measures for medium-scale projects
- Water and Sanitation/ solar power
 - Civil Engineering: design and construction of boreholes, well drilling expertise
 - Solar powered-pumping and irrigation engineering: knowledge of solar powered-pumping systems, including photovoltaic (PV) panels, batteries,



- inverters, and irrigation systems
- Project finance: familiarity with financial modelling and risk management for determining the feasibility of a solar-powered, borehole pumping scheme
- Water resource management: understanding of water distribution systems, water quality testing, and water treatment processes
- Environmental: assessment of environmental impacts, ensuring sustainability and compliance with regulations
- Waste management and materials recycling
 - Waste management engineering: expertise in waste separation and recycling facilities, and waste-to-energy processes
 - Project finance: familiarity with financial modelling and risk management for determining the feasibility of waste separation and recycling plant
 - Industrial process engineering: Efficiency optimization, process automation, and integration of sorting and recycling processes
 - Environmental: compliance with environmental regulations, pollution prevention, and waste treatment methodologies

3.2. Financial expertise:

The team will also need to show the following expertise:

- Financial modelling: preparing financial models, including scenario analysis as well as financial analysis, including interpreting financial data and drawing insights
- Business model analysis: evaluating long-term viability and replicability of a business model beyond its original use case

3.3. Experience in developing concept notes

This set of expertise needs to be combined:

- Experience in developing of project concept notes, including but not limited to:
 - Defining project context, baseline (what the project is transitioning from), scope
 - Estimating adaptation and mitigation impact, as well as social and economic impacts
 - Drafting technical specificities of the project
- Knowledge of the ecosystem of potential sources of financing for both further project preparation and project implementation: national and/ or international donors, development finance institutions and/ or project preparation facilities
- Experience in engaging with such players

4. **TIMELINE**

Issue date: 15 March 2024

Bids due: 2 April 2024

Project date: 12 April 2024 - 12 June 2024





4. DATE AND VALUE OF THE CONTRACT

The duration of the contract is **two months**, during which the contractor is required to provide services for a total of 42 days (split across the 3 projects).

Budget guidelines:

- Time allocation for senior team members (12+ years of relevant experience) should be a minimum of 20% of the total time allocated
- Two trips to STLM will need to be planned for engagement with the relevant departments of the municipality. The cost will be covered (with a maximum of 7,500 Rands per travel).

7. SUBMISSION OF PROPOSALS

Kindly send the following to participate in the selection:

- Curriculum Vitae of the key members of the team (up to 2 pages/CV)
- List of projects (at least 3) conducted related to the topic (up to 1 page/project), including specific role within the project, objectives achieved, activities developed, funder, partners (if applicable)
- Interpretation of the piece of work, including risk assessment identifying key risks and mitigation measures (up to 2 pages)
- Budget proposal: indicating hourly/daily rates - including a minimal 20% of time allocated to senior team members
- For South African companies, a copy of the BBBEE certificate must be provided

Interested bidders should send a confirmation of interest and inquiries to Stephanie Bich Canac (stephanie.canac@iclei.org) with Michael Boule (michael.boule@iclei.org) in CC before **Friday 22 March 2024**.

The proposal and supporting documents (as attachments) should be submitted to Stephanie Bich Canac (stephanie.canac@iclei.org) with Michael Boule (michael.boule@iclei.org) in CC by **Tuesday 2 April 2024**.

9. SELECTION PROCESS

Bids will be evaluated according to the following criteria:

- Qualifications and skills (applicable to this ToR)
- Demonstrated and applicable experience
- Budget proposal
- Demonstrated understanding of the piece of work

ICLEI AFRICA RESERVES THE RIGHT NOT TO APPOINT A SERVICE PROVIDER IN RELATION TO THIS TERMS OF REFERENCE.

