

## ANNEX II: TERMS OF REFERENCE

<b>1. BACKGROUND INFORMATION .....</b>	<b>1</b>
1.1. Partner country .....	1
1.2. Contracting authority .....	2
1.3. Country background .....	2
1.4. Current situation in the sector.....	3
Problem analysis/priority areas for support.....	5
1.5. Related programmes and other donor activities .....	6
<b>2. OBJECTIVES &amp; EXPECTED OUTPUTS.....</b>	<b>6</b>
2.1. Overall objective.....	7
2.2 Specific objective(s) .....	7
2.3 Expected outputs to be achieved by the contractor.....	7
<b>3. ASSUMPTIONS &amp; RISKS.....</b>	<b>7</b>
3.1. Assumptions underlying the project .....	7
3.2. Risks .....	8
<b>4. SCOPE OF THE WORK.....</b>	<b>8</b>
4.1. General.....	8
4.2. Specific work.....	10
4.3. Project management.....	12
<b>5. LOGISTICS AND TIMING .....</b>	<b>13</b>
5.1. Location.....	13
5.2. Start date & period of implementation .....	13
<b>6. REQUIREMENTS .....</b>	<b>14</b>
6.1. Personnel .....	14
6.2. Office accommodation.....	17
6.3. Facilities to be provided by the contractor.....	17
6.4. Equipment.....	17
6.5. Incidental expenditure .....	17
6.6. Lump sums .....	18
6.7. Expenditure verification .....	18
<b>7. REPORTS .....</b>	<b>19</b>
7.1. Reporting requirements .....	19
7.2. Submission & approval of reports .....	20
<b>8. MONITORING AND EVALUATION.....</b>	<b>20</b>
8.1. Definition of indicators.....	20
8.2. Special requirements.....	20

### 1. BACKGROUND INFORMATION

#### 1.1. Partner country

Republic of South Africa

## 1.2. Contracting authority

The Contracting Authority is the National Treasury (NT) of the Republic of South Africa.

## 1.3. Country background

South Africa (SA) is classified as an upper middle-income country. High unemployment is considered a central contributor to widespread poverty and inequality which is not only seen in unequal income distribution -- the top 20% of the population holds over 68 percent of income, while the poorest 40 % possess only 7% of income.<sup>1</sup> There is also a legacy of unequal access to opportunities—education, health, and jobs for the largest proportion of the population along race, class and gender lines.

South Africa has experienced a protracted economic downturn in recent years mainly due to structural weaknesses. Despite a significant socio-economic stimulus (up to 10% of GDP), with Covid-19, country's macro-fiscal position has deteriorated further with raising fiscal deficits and debts. The consolidated budget deficit will measure 7.8 per cent of GDP in 2021/22 and narrow to 4.9 per cent in 2024/25.<sup>2</sup> Gross national debt is projected to stabilise at 78.1 per cent of GDP in 2025/26. The GDP contracted by - 6.4% in 2020 and is projected to rebound to 5.1 % in 2021. Structural challenges and weak growth have undermined progress in reducing poverty, which have been heightened by the Covid-19 pandemic<sup>3</sup>.

SA faces an infrastructure deficit. According to South Africa's National Development Plan (NDP) targets, public infrastructure delivery is expected to reach 10% of gross domestic product (GDP) by 2030. Current levels of public sector expenditure are under half this target value. Meanwhile, demand continues to swell for infrastructure – energy, water, transport and communications infrastructure, along with the need for social services, including housing, education, and health infrastructure. This, as the South Africa population continues to grow, unrelenting urbanisation continues, and existing service delivery targets are often unmet.

Structurally, the economic development in infrastructure has historically supported what had been the core sector – mining. With the advent of democracy, the intense diversification away from mining and in support of manufacturing, agriculture and trade that should have occurred did not. The NDP (Vision 2030) also highlights deficiencies in the country's and region's infrastructure, including an inefficient logistics system – with transportation costs through rail, road and port significantly higher than the global average; an unsustainable energy resource path due to overdependence on coal (93%), making SA the 13th largest carbon dioxide (CO<sub>2</sub>)-emitting country in the world<sup>4</sup> and insufficient access to essential services such as clean running water, sanitation, electricity and housing.

The Covid-19 pandemic has made reforms in infrastructure sector even more urgent and compelling. The government has placed infrastructure at the centre of the stimulus to achieve a sustainable recovery and there is an urgent need to link infrastructure investment and related institutional reforms, including a consistent long-term approach to policy, planning and regulation. A limited fiscal space required that South Africa innovate, both in terms of using innovative financial instruments as well as technical solutions to drive sustainable and greener recovery from the economic downturn, which has been exacerbated by the pandemic.

---

<sup>1</sup> IMF. January 2020 - <https://www.imf.org/en/News/Articles/2020/01/29/na012820six-charts-on-south-africas-persistent-and-multi-faceted-inequality>

<sup>2</sup> <http://www.treasury.gov.za/documents/mtbps/2021/mtbps/FullMTBPS.pdf>

<sup>3</sup> <https://www.worldbank.org/en/country/southafrica/overview>

<sup>4</sup> Union of Concerned Scientists, 2020. - <https://www.ucsusa.org/resources/each-countrys-share-co2-emissions>.

Apart from its focus on tax policy, managing future spending growth and fiscal risk, managing government's assets and liabilities, making government procurement more efficient, strengthening financial management and strengthening oversight structures, the National Treasury (NT) of South Africa is concerned with efforts to improve value for money within government, strengthening the regulation of the financial sector, promoting regional and international cooperation, supporting sustainable employment, and providing support for the development of infrastructure and economically integrated cities and communities.

NT thus plays a pivotal role in the management of government expenditure, setting financial management norms and standards for state departments, monitoring their performance and reporting any deviations to the Auditor-General. All these areas are critical in public infrastructure planning, budgeting, monitoring, evaluation and learning, as well as effective infrastructure programme implementation. Moreover, National Treasury: International Development Cooperation (NT:IDC) is responsible for official development assistance (ODA) coordination in SA, which will ensure that the use of these funds are aligned to South Africa's budget priorities as well as the with the objectives and principles within the framework of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.

#### **1.4. Current situation in the sector**

The increasing fiscal constraints are pertinently linked with implementation challenges around infrastructure deliver, especially at provincial and local government. Lack of implementation results *inter alia* from underspending and insufficient human resource capacities at these levels. South Africa was already in recession when COVID-19 took hold in the country;<sup>5</sup> the pandemic has further frustrated delivery of infrastructure services and has significantly reduced already limited funds and fiscal space.

Moreover, the pandemic has highlighted underlying inequalities, surfaced in the inadequate health and education facilities, as well as more than half of South Africa's population lacks access to piped water, electricity, or safe sanitation in their homes.<sup>6</sup> Women have been revealed to be particularly vulnerable, as the Covid-related lockdown has cast the spotlight on gender-based violence (GBV). Women's security is further placed at risk by a lack of electrification inadequate and unsafe transportation, as well as access to health and hygiene that are jeopardised by a lack of access to water and sanitation.

Furthermore, South Africa faces huge infrastructure backlogs caused, largely due to insufficient maintenance of its outdated infrastructure network. State-owned utilities in the energy and water sectors are prime examples of this fact. Lack of infrastructure service delivery has often resulted in contention and conflict, and there is also insufficient meaningful consultation before new development occurs – with resulting community protests that threaten the success of the infrastructure development.

South Africa is a very resource intensive economy (heavy reliance on coal for power generation); while it is the most industrialized country on the African continent, it is responsible for more than half of Africa's greenhouse gases (GHGs). At the same time, the country holds unmatched potential for renewable energy. SA is also particularly vulnerable to climate change – the region is identified as one of the 10 climate hotspots in the world - and a rapid adaptation response is necessary.

---

<sup>5</sup> Joseph Cotterill in Financial Times, 30 June 2020.

<sup>6</sup> According to the Department of Water and Sanitation (<https://www.gov.za/about-sa/water-affairs>), an estimated 46,3% of households had access to piped water in their dwellings in 2018.

The Infrastructure Technical Assistance Facility (ITAF) is meant to precipitate thinking, planning and action around local, innovative models that could bring different approaches to address the ever-growing need for urgent and efficient delivery of infrastructure in South Africa. The ITAF should be poised to respond to the needs and interests of marginalised groups, including women, youth and other vulnerable groups. The ITAF aims to address challenges in the infrastructure value chain (from project development to project close) by considering innovations that adapt models to the South African context all the while ensuring efficient delivery of infrastructure. The ITAF action aims to fully address SA socio-economic priorities.

SA's defining long-term economic policy vision, the National Development Plan (NDP) of 2012, aims to reduce poverty and inequality by 2030. The NDP recognises that public infrastructure, energy, water and transport, enables the economy to grow faster through "raising competitiveness and export earnings through better infrastructure and public services, lowering the costs of doing business, improving skills and innovation, and targeting state support to specific sectors".<sup>7</sup> The New Growth Path (NGP) of 2010 prominently features infrastructure development strongly as a foundation for job creation, as a means towards a more efficient economy. The National Infrastructure Plan (NIP) adopted in 2012 has the intent of transforming the economic landscape, while simultaneously creating significant numbers of new decent jobs, and strengthening the delivery of basic services. The plan also supports regional integration, in order to improve intra-African trade; this has gained more prominence since the ratification of the AfCFTA. The overall focus of the ITAF is expected to be complementary to this.

The Government of South Africa is committed to "an environmentally sustainable and equitable transition to a low carbon economy" as expressed in the National Development Plan 2030. Moreover, in 2016, South Africa ratified the Paris Agreement and aims to limit emissions and adapt to climate change as per its Nationally Determined Contributions (NDCs).

ITAF complements the aims of: (1) Multiannual Indicative Programme (MIP) 2014- 2020's Employment creation focal sector, which reflects the priorities identified in the National Development Plan and current Government priorities, (2) theme two (planet) and three (prosperity) of the European Consensus on Development, (3) Agenda 2030, SDGs 5-7, 9, 11 and 13 (4) the new Alliance Africa-Europe in its dimensions of boosting strategic investment and strengthening the role of the private sector to create jobs and of strengthening the business environment and investment climate. Furthermore, the government has placed infrastructure at the centre of the stimulus to achieve a sustainable Covid-19 recovery.

## Stakeholder analysis

The primary stakeholders of the action are people living in South Africa; as rights-holders they stand to benefit from improved access to quality, accessible, appropriate and affordable infrastructure. Women and organizations representing their interests as well as organisation of persons with disabilities will be associated.

Various institutions in the public sector (duty-bearers), amongst development and international partners, local and international financial institutions, civil society and the private sector all might have a role to play in cooperation with ITAF. Such roles may cross the following range 1) supporting ongoing collaboration, consultation and stakeholder engagement in TA activities, 2) improving enabling environment around infrastructure, 3) Training and capacity development, 4) Providing expert input to financial and technical research and modelling for infrastructure projects.

- In the public sector, the different divisions within **National Treasury(NT)**, the Department of **Public Enterprises (DPE)** (and the state-owned enterprises under its purview), Department of

---

<sup>7</sup> South African National Planning Commission, National Development Plan, Vision 2030 (2010).

**Agriculture, Land and Rural Development (DALRD), Department of Environment, Forestry and Fisheries, Department of Public Works and Infrastructure Development (DPWID), Cooperative Governance and Traditional Affairs (GOGTA), the Department of Human Settlements (DHS), the infrastructure sector departments (Departments of Communications and Digital Technologies, Energy, Transport and Water & Sanitation).**

- An important public stakeholder is the **Presidency**, in particular the **Presidential Infrastructure Coordinating Commission (PICC)**, the **Infrastructure Investment Office (IIO)** and the ongoing programme of the **Sustainable Infrastructure Development Symposium (SIDS)**
- Municipalities and their representatives, including **Municipal Infrastructure Support Agency (MISA)**, **water boards and electricity service authorities** are important in trying to coordinate local infrastructure planning and development in an integrated and holistic way. The Department of Women, Youth and Persons with Disabilities also may play a role in the programme.
- International partners that have been involved in the infrastructure sectors and will likely add value to the ITAF include **Swiss SECO, AFD, EIB, KfW, IFC** as well as other development finance institutions including **African Development Bank (AfDB), Development Bank of Southern Africa (DBSA), New Development Bank (NDB)** and **World Bank** amongst others.
- Amongst the civil society organisations and think tanks that could assist with training and technical support include: **Trade & Industrial Policy Strategies (TIPS), Local Governments for Sustainability (ICLEI)** and **International Budget Partnership**. Their involvement will also ensure the representativeness of different groups, with no discrimination, including towards women, children, and people living with disabilities, and that respective interests are considered at all times.
- Private sector firms could either provide consulting services, including research into financing and technical models, and others can be attracted as potential co-financiers into blended solutions once the TA has resulted in quality infrastructure projects ready for financing, provided they are respectful of the UN guiding principles on business and human rights.<sup>8</sup>

### **Problem analysis/priority areas for support**

South Africa progress has not sufficiently led towards the **NDP's Vision 2030**, levels of public sector expenditure are significantly lower than the 10% NDP target of GDP for 2030. Public infrastructure investment is currently about half this target set by the NDP.<sup>9</sup>The key shortcomings in the South African infrastructure investment landscape include underspending — across all spheres of government, and SOEs — on public infrastructure; insufficient implementation capacity. A range of governance challenges that contribute to the infrastructure deficit are summed-up in the ITAF problem statement.

#### **Problem statement:**

- Poor preparation and planning, with too few projects reaching bankability;
- Lack of capacity and skills for contract and asset management Policy uncertainty and policy environment for infrastructure partnerships not conducive;
- Poor regulatory environment;
- Inefficient use of limited Capex budgets;
- Poor procurement and delivery models; and
- Weak governance models

---

<sup>8</sup> [https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf)

<sup>9</sup> Watermeyer & Phillips, 2020. Public infrastructure delivery and construction sector dynamism in the South African economy

In the wake of the Covid-19 pandemic, a reboot of the South African economy should take into account options for a new socio-economic approach, focused on methods that are centered around sustainable, environmentally friendly, resilient, inclusive and user-focused infrastructure.

This involves concerted attention towards better people-centered planning across all social and economic infrastructure development and proper accountability to ensure sustainability of resources and projects as well as use innovative funding and technical solutions.

This is particularly pertinent where so many South African urban and peri-urban townships and rural settlements do not even offer the most basic infrastructure to communities.

The ITAF aims to support capacities of the government across the infrastructure cycle, with a view to improving the planning frameworks, assisting investors untangle the perceived complexity of the policy environment; understanding financing choices, instruments and fiscal framework for infrastructure development, as well as ensuring infrastructure inclusiveness and resilience, and government transparency and accountability.

ITAF aims to assist with coordinating and consolidating processes, as well as working with both the public sector, DFIs, civil society organizations and the private sector to drive project implementation more effectively and more swiftly.

## **1.5. Related programmes and other donor activities**

The programme will complement and strengthen the on-going national, EU-funded programmes, and those of other development partners. It will seek complementarity with the national infrastructure related facilities within the National Treasury, including Budget Facility for Infrastructure, Infrastructure Fund, Municipal Programme Preparation Facility and the Presidency's Sustainable Infrastructure Development Symposium of South Africa (SIDSSA). Synergies will be sought with relevant EU-funded programmes, such as Infrastructure Investment Programme for South Africa (IIPSA). There is a synergy with other donor or EU-funded programmes in South Africa largely supporting the government's efforts in promoting employment and skills development, improving living conditions of the poor and enhancing capacities within the public administration and the donor/sector coordination undertaken within the governance and public financial management sphere.

In addition, there is the work of the Department of Public Works and Infrastructure Development that has developed and will be applying a new methodology known as the Sustainable Infrastructure Development System (SIDS) to guide the country's infrastructure development agenda. Under this programme, 276 projects with an investment value of more than R2.3 trillion has been submitted for consideration.

The main donors in the infrastructure sector include the EU countries 'DFIs *inter alia* EIB, KfW, and AFD. There are also multilateral development banks including the AfDB, the NDB and the World Bank. At the national level, bilateral donor and EU DFI ODA activities are coordinated by the National Treasury: IDC. Through its operational activities and via the PCS, the ITAF will ensure efforts at complementarity, synergy and donor coordination. At the EU level, donor coordination takes place through the monthly EU Development Counsellors' meetings amongst others.

## **2. OBJECTIVES & EXPECTED OUTPUTS**

## 2.1. Overall objective

The overall objective (Impact) to which this action contributes is:

**The Overall objective (expected impact)** of the project is promote inclusive and sustainable development of South Africa and achieving the SDGs.

## 2.2 Specific objective(s)

The specific objective (Outcome) of this contract is as follows:

**The Outcome (specific objective)** is improved policy and regulatory environment and institutional framework for stimulation of innovative technical and financing models for sustainable infrastructure development within all three spheres of government – national, provincial and local.

The purpose of this contract is as follows:

The infrastructure technical assistance facility (ITAF) will be aimed at technical assistance that contributes to efficient, effective preparation leading to the design of sustainable and financially viable infrastructure programmes that will attract appropriate investment. The ITAF will access local and international experts who will assist in skills and knowledge transfer to relevant public role players in the infrastructure sectors. A key aspiration of the ITAF is to support high quality evidence-based research that will result in leading infrastructure financing and technical models, being created in the South African context.

## 2.3 Expected outputs to be achieved by the contractor

The expected outputs of this contract are as follows:

### Expected outputs (EO)

- **EO 1:** Improved policy, strategy and regulatory framework, including the analytical - evidence base for sustainable infrastructure delivery;
- **EO 2:** Enhanced capacities, training programmes and expertise resources for evidence-based planning and implementation of innovative financing strategies and environmentally friendly, sustainable and resilient infrastructure;
- **EO 3:** Improved coordination, planning, implementation and accountability mechanisms for infrastructure delivery and alignment with NDP and Agenda 2030.

## 3. ASSUMPTIONS & RISKS

### 3.1. Assumptions underlying the project

The main assumptions underlying the programme and this contract include:

- The momentum for an ITAF of this nature will carry through government and the variety of stakeholders – development partners, private sector and civil society, including research and academic institutions.
- Stakeholders open to collaboration with government departments, agencies, as well as local and international DFIs and donors, civil society partners they do not traditionally work with.
- The infrastructure assessment is efficiently used for an evidence-based long-term policy and strategy and harmonisation with the MTEFs.

- The regulatory simplification package is efficiently developed at the government and legislature, following public discussions and investor survey.
- The training programmes are retained and further applied in the beneficiary institutions
- The infrastructure project pipeline is continuously harmonised with multi-annual budgetary and public investments planning.

### 3.2. Risks

The potential key risks associated with the programme and with this contract are:

- Eventual political influence on ITAF activities as opposed to being a technical assistance support to the sector. The ITAF may be asked to focus on areas outside the context of what has been agreed – shifting scope and priority.
- Stakeholders in government departments may view the ITAF as an effort by the National Treasury to take over the infrastructure development role.
- Particular categories of TA for infrastructure programmes may receive precedence as there are greater perceived demands in particular sectors
- Limited capacity and political will to address and mainstream gender and human rights aspects.

## 4. SCOPE OF THE WORK

### 4.1. General

The ITAF aims to support capacities of the government across the infrastructure cycle, with a view to improving the planning frameworks, assisting investors to understand the policy environment. It will also support the understanding of financing choices, instruments and fiscal framework for infrastructure development. In addition, a key aspect will be ensuring infrastructure inclusiveness and resilience, and government's transparency and accountability. ITAF aims to assist with coordinating and consolidating processes, as well as working with both the public sector, DFIs, civil society organizations and the private sector to drive project implementation more effectively and more swiftly.

#### **Priority areas of government that could benefit from ITAF assistance:**

##### Strategic Planning:

- Aligning long-term strategic programme with departmental budget allocations.
- Updating of the costs of long-term infrastructure plans and alignment with NDP, Medium Term Strategic Framework, and Medium-Term Expenditure Framework.
- Robust assessments of the infrastructure landscape and bottlenecks; including, institutional framework, accessibility, human rights and gender-related aspects and strategic environmental assessments by Environmental Assessment Practitioners Association of South Africa (EAPASA) registered professionals.
- Coordinating across levels of government to ensure that strategic priorities are well aligned.

##### Enabling environment:

- Whole-of-government approach aimed at effectively identifying and addressing integrity risks.



- Adequate transparency of the procurement framework throughout the infrastructure cycle.
- Infrastructure development involves diverse policy areas, several layers of legislation and regulation across government levels. Ensuring clearer, easier, precise and transparent processes for regulatory could help avoid policy uncertainty.
- Regulated and standardised systems should be established to analyse environmental viability and social/human rights and gender equality impact of alternative investments.
- Consulting experts from public administration and ‘outsiders’ including end user representatives/CSOs to evaluate the pertinence of infrastructure.

#### Financing, Affordability and Value for Money:

- Financing choices and instruments affect governance. Governments must ensure infrastructure projects are fiscally sustainable, requiring a strong link between the project development and fiscal framework.
- How political economy, government’s capacities, private sector’s capacities impact on the delivery of infrastructure and its impact on service delivery, the economy and livelihoods, and gender equality.
- Data and cost/benefit & multi-criteria analyses and conflict assessment tools in choosing delivery modes.
- Choosing appropriate and accountable delivery model/s based on project/ programme size, revenue sources, usage, and risk.

#### Performance and Resilience:

- Ensure a focus on performance of assets through their lifespan with monitoring systems.
- Development and utilisation of ‘Maintenance Budgeting Guidelines’ to help ensure adequate infrastructure maintenance is planned for and funded through appropriate modalities.
- Taking the economic, environmental and social/human rights/gender costs of critical infrastructure service disruptions into account.
- Defining the policy mix to prioritise cost-effective resilience measures across the infrastructure life cycle.

#### **4.1.1. Project description**

The Infrastructure Technical Assistance Facility (ITAF) is aimed at providing technical assistance across the infrastructure life cycle. The range of activities across the infrastructure cycle focused on enhancing processes that deliver: Strategic Vision and Planning; Enabling Environment; Financing, Affordability and Value for Money; and Performance and Resilience in infrastructure delivery.

It is envisaged that the first years’ period of the ITAF’s existence will allow for gathering support from various stakeholders for infrastructure design, planning and implementation aimed at improving the financing and investment environment for infrastructure development and maintenance. Over the period, it is expected that technical assistance funding will be leveraged inter alia from development partners, financial institutions, as well as the private sector to bring the ITAF’s participation into national, provincial and municipal programmes. Development funding and private investors can be used to support the ITAF in assisting with various technical capacity components of infrastructure programmes. Through this way, the ITAF could develop a level of sustainability and could contribute towards self-sustainability after the initial five-year period.

The technical assistance services offered by the ITAF will include training and mentoring around **Strategic Planning**. This will include helping to ensure that officials can align their department’s long-term strategic programme with departmental budget allocations, updating costs of long-term infrastructure plans and alignment with NDP, Medium Term Strategic Framework, and Medium-Term Expenditure Framework.

A key activity around assistance with infrastructure programme assessments includes strategic environmental assessments by Environmental Assessment Practitioners Association of South Africa (EAPASA) registered professionals, as well as socio-economic assessments including around the impact on gender, poverty alleviation and carbon impact.

In relation to promoting the **Enabling Environment**, the ITAF will support a holistic approach aimed at effectively identifying and addressing integrity risks; adequate transparency of the procurement framework throughout the infrastructure cycle; and trying to ensure clearer, easier, more precise and transparent processes for regulation that could help avoid policy uncertainty.

In terms of promoting best practices in **Financing, Affordability and Value for Money**, the ITAF will provide evidence-based research that provides financing choices and instruments that ensure that infrastructure projects are fiscally sustainable, with a strong link between the project development and fiscal framework. In addition, selecting appropriate and accountable delivery methods that are gender and climate sensitive and are based on suitable programme size, revenue sources, usage, and risk.

Management of the **Performance and Resilience** of infrastructure assets are vitally important to ensure their long-term use, enjoyment, and sustainability. The ITAF will focus on monitoring systems to ensure a focus on performance of assets through their lifespan; technical assistance will be provided to develop and utilise ‘Maintenance Budgeting Guidelines’ to help ensure adequate infrastructure maintenance is planned for and funded through appropriate modalities. The technical assistance will also take account of the economic, environmental and social/human rights/gender costs of critical infrastructure service disruptions into account.

#### **4.1.2. Geographical area to be covered**

South Africa -wide geographical coverage with selected provinces, municipalities and regional coverage to be defined by the end of the inception phase, without excluding the possibility of learning visits to European Union and third countries if required for implementing the result areas.

#### **4.1.3. Target groups**

The following government departments and agencies have been identified, although not exclusively, as potential beneficiaries of the programme: all three spheres of government – national, provincial and local.

### **4.2. Specific work**

The contractor will assist the Contracting Authority in achieving the overall objectives of the programme in an efficient and streamlined manner. The Contractor is expected to perform the following, non-exhaustive, tasks under Expected Outputs 1-3, defined in section 2.3 above.

#### **EO 1 - Improved policy, strategy and regulatory framework, including the analytical - evidence base for sustainable infrastructure delivery.**

Activities under this key result area will aim to support government’s streamlining of regulations and improving environment for infrastructure investments. The following, non-exhaustive, list of activities includes activities that will target/benefit all or some of the following: national/provincial departments, and notably Municipalities:

- Supporting government to improve regulations and investors to work through/ comply with these administrative and regulatory environment/ conditions to allow for infrastructure investments.

- Conducting comprehensive review of the infrastructure sector identifying key implementation shortcomings.
- Supporting integrated sustainable infrastructure development programme, in particular at sub-national level.

**EO 2 - Enhanced capacities, training programmes and expertise resources for evidence-based planning and implementation of innovative financing strategies and environmentally friendly, sustainable and resilient infrastructure.**

Activities under this expected output will aim to support capacity building, coordination initiatives across the infrastructure value chain, focused on innovation in infrastructure developments, including support/structure that assists in delivering sustainable, resilient, environmentally friendly and inclusive infrastructure assets, and responding to the needs and interests of all people, including those in more vulnerable situations. The following, non-exhaustive, list of activities includes activities that will target / benefit all or some of the following: national/provincial departments, and Municipalities:

- Assess progress, complement or support (ongoing) initiatives to ensure the continuous transfer of the mixture of skills, and building capabilities, and assess competencies and skills requirements amongst infrastructure practitioners within relevant government departments.
- Coordinate, and where relevant, offer training courses that will equip practitioners to participate more effectively in infrastructure planning and delivery.
- Development of capacities, training materials, skills and institutional capacity by mobilizing a group of experts around infrastructure where training materials, skills development institutional capacity for infrastructure development, seminars, webinars, articles and op-eds are produced in order to share amongst infrastructure development stakeholders.
- A clear focus on technical assistance equipping practitioners to assist understanding of and participation in effective planning and delivery of climate proof and low carbon infrastructure.
- Support, technical advice and - where appropriate - training to assist on improving compliance of environmental safeguards, as well as on climate vulnerability/risk assessments and how to make infrastructure projects more resilient, to stakeholders involved in the infrastructure planning and delivery in the various departments.

**EO 3 - Improved coordination, planning, implementation and accountability mechanisms for infrastructure delivery and alignment with NDP and Agenda 2030**

Activities under this expected outcome will aim to offer skills development and institutional capacity for practitioners and allow them to participate more effectively in infrastructure planning, operation and delivery, including ensuring a participatory decision-making that impact on inclusive service delivery, facilitate gender equality, economic growth and regional trade. The following, non-exhaustive, list of activities includes activities that will target / benefit all or some of the following: national, provincial, local government and its entities:

- Support practical plans of action to ensure that integrated planning of various departments is followed by integrated high-standard infrastructure development.
- Progress, complement, or support (ongoing) initiatives to assess competencies and skills requirements amongst infrastructure practitioners within relevant government departments.
- Increase public access to accessible and relevant infrastructure investment information and notably improve monitoring of infrastructure delivery.

The indicative tasks, related to the above Expected Outcomes may include, but not limited to:

- Reviews and assessments of the infrastructure sectors.
- Development of innovative technical and financial models and modalities for the infrastructure sectors.
- Capacity development and training to equip practitioners to participate more effectively in infrastructure planning and delivery.
- Technical advice and training to assist with improving compliance with environmental safeguards
- Support to develop institutional capacity to continually monitor, report against, and continually improve infrastructure delivery accountability.

The programme will have an inception phase. During the inception phase, an analysis will be conducted to determine what has changed between design and implementation, notably building on a comprehensive review of the infrastructure sector. The analysis should integrate a human rights and gender equality dimension, including focusing on the gaps in access to infrastructures. Should changes be required, these will be presented to the Project Steering Committee and/or NT and the EU for prior-approval. In addition, sequencing of activities and producing the overall programme business/ implementation plan and the first annual work plan will also be dealt with in the inception phase. It is also expected that the finalisation of the draft log frame including identification of baselines, revision of indicators (including disaggregated data by sex, age and if possible, disability), and determination of realistic targets will be concluded.

The contractor must comply with the latest Communication and Visibility Manual for EU External Action see: [https://ec.europa.eu/europeaid/funding/communication-and-visibility-manual-eu-external-actions\\_en](https://ec.europa.eu/europeaid/funding/communication-and-visibility-manual-eu-external-actions_en). The compliance with this shall be made an output of the contract and the contractor shall include in its reporting what have been accomplished.

### **4.3. Project management**

#### **4.3.1. Responsible body**

The Contracting Authority will be the National Treasury, Republic of South Africa.

#### **4.3.2. Management structure**

The facility will be anchored within the National Treasury: International Development Cooperation of South Africa (NT:IDC) with a view to transitioning from NT:IDC to another unit in NT, another department, or entity – if more appropriate – after its implementation period. Special attention will be given to Infrastructure South Africa (ISA) as a possible new anchor for this facility. From the very beginning ISA will be part of the governance structure of this facility. In addition to its key role in infrastructure development in SA, NT:IDC is responsible for ODA cooperation in SA, which will ensure that the use of these funds are aligned to the South Africa’s budget priorities and with the objectives and principles within the framework of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.

#### ***Programme Steering Committee to meet 3 times a year***

The Programme Steering Committee (PSC) is the ITAF’s ultimate decision-making body. It must consist of stakeholders (and alternates) who are the senior decision-makers of their respective institutions. The

National Treasury: IDC is considered the most appropriate government department to chair the PSC. It is advised that a minimum of four other members should make up the full complement of the PSC, including senior representation from the Presidency; DPE; DPWI, infrastructure researcher/ academia/ civil society organizations representing women and specific groups, and the EU as a non-voting member.

### ***Technical Experts Group***

Apart from the institutions represented in the PSC, other institutions/departments should be included to provide practitioner-related input into the key areas of activity in the Technical Experts Group (TEG) of the ITAF made up of the PSC institutions, as well as other government departments, such as Agriculture, Land Affairs and Rural Development and Human Settlements, the Sectoral Departments (Energy, Water & Sanitation, Transport and Communications and Digital Technologies) as well as the agreed municipalities representative (Department of Cooperative Governance and Traditional Affairs (COGTA) and Municipal Infrastructure Support Agency (MISA)), development financial institutions, expert infrastructure and sector researchers from civil society and academia will be invited. It may also invite EU, other partners and other experts with regards to topics in the agenda. The Expert group will be composed to include as wide expertise as possible and a gender balance will be sought.

#### ***NT:IDC and the international service provider***

The selected support team will assist NT:IDC, and where relevant EU Delegation, during the implementation of this programme. The service provider will provide technical assistance services (key and non-key short and long-term technical advisors with experience in capacity building, investment or infrastructure development fields, among others). The service provider could also provide secretarial tasks for the PSC and/or TEG. As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

Oversight for the implementation of the programme will be provided by National Treasury: IDC.

#### **4.3.3. Facilities to be provided by the contracting authority and/or other parties**

The National Treasury, shall provide adequate office space for the project experts at its address, being:

*National Treasury  
240 Madiba Street  
Pretoria, South Africa*

## **5. LOGISTICS AND TIMING**

### **5.1. Location**

The technical assistance will be implemented at the central / national level (National Treasury, situated in Pretoria, South Africa, which is the operational base). The programme will be based at national level, but interventions and activities will be implemented across the spheres of government and its entities.

### **5.2. Start date & period of implementation**

The intended start date is 1 June 2023 and the period of implementation of the contract will be 48 months from this date. Please see Articles 19.1 and 19.2 of the special conditions for the actual start date and period of implementation.

## 6. REQUIREMENTS

### 6.1. Personnel

Note that civil servants and other staff of the public administration, of the partner country or of international/regional organisations based in the country, shall only be approved to work as experts if well justified. The justification should be submitted with the tender and shall include information on the added value the expert will bring as well as proof that the expert is seconded or on personal leave.

#### 6.1.1. Key experts

Key experts have a crucial role in implementing the contract. These terms of reference contain the required key experts' profiles. The tenderer shall submit CVs and statements of exclusivity and availability for the following key experts, **all having excellent communication skills in English – written and spoken and competence in MS Office:**

##### **Key Expert 1: Team Leader (for a minimum of 880 days)**

###### Qualifications and skills:

- A completed Master's degree awarded in development economics, development or infrastructure finance, engineering, business administration or in any related field with over 15 years experience. **OR** in the absence of a Master's degree academic level, a Bachelor's academic level in economics, business administration or in any related field with 20 years' experience of general professional experience instead of 15.
- Number of national and international infrastructure projects the leader has participated or led in.

###### General professional experience:

- Professional experience of at least 15 years in the infrastructure or related sectors.
- At least more than 10 years of experience working with government (including SOEs) and the private sector.
- At least more than 10 years of experience in training, facilitation or organisation of learning programmes would be an added advantage.

###### Specific professional experience:

- At least 15 years of experience in leading projects teams and managing multi-component infrastructure-related projects;
- At least 15 years of experience in the policy or regulatory environment, developing policies, standards, frameworks or guidelines in the emerging market/ developing country public sector;
- At least 15 years of experience in the preparation of key technical documentation such as feasibility studies and/or cost-benefit analysis and/or technical project designs for infrastructure projects;
- Experience in sustainable or green infrastructure would be considered as advantageous;
- Experience in preparation of EU or another international donor technical documentation and/or reporting would be advantageous.

##### **Key Expert 2: Innovative Financing Expert (for a minimum of 880 days)**

###### Qualifications

- At least a Master's degree academic level in Economics, Business, Finance, or related field with more than 6 years' experience; **OR**, a Bachelor's academic level in economics, business administration or in any related field with 10 years' experience.

#### General professional experience

- At least 6 years of professional experience in infrastructure finance, with responsibility for developing and applying innovative finance in infrastructure projects - or related development finance transactions.
- At least more than 6 years of experience working with government (including SOEs) and the private sector.
- At least more than 6 years of experience in training, facilitation or organisation of learning programmes would be an added advantage.

#### Specific professional experience

- At least 6 years' experience in public sector finance.
- At least 6 years of experience in financing instruments and mechanisms, as well infrastructure sectors or financing of sustainable (green) infrastructure would be advantageous.
- At least 6 years of experience in international development funding, including bilateral institutions, multilateral institutions, foundations, and the private sector would be advantageous.
- Experience in at least 6 established national, regional and international projects related to infrastructure investment, and/or project finance for public infrastructure projects.
- Experience in applying innovative finance or innovative techniques in at least 6 infrastructure projects would be a strong advantage.

### **Key Expert 3: Governance & Accountability Expert (for a minimum of 880 days)**

#### Qualifications

- At least a Master's degree academic level in Economics, Business, Finance, or related field with more than 6 years' experience; **OR**, a Bachelor's academic level in economics, business administration or in any related field with 10 years' experience.

#### General professional experience

- At least 6 years' professional experience in financial or business and management analysis and modelling.
- At least more than 5 years of experience working with government (including SOEs) and the private sector.
- At least more than 5 years of experience in training, facilitation or organisation of learning programmes would be an added advantage.

#### Specific professional experience

- At least 6 years of experience in project management, or monitoring and evaluation of at least one large infrastructure or development finance project of comparable value as one of the maximum budgets stated in the Contract Notice.
- At least 6 years of experience in planning and implementation of infrastructure projects for communities (including women and marginalised groups), and on increasing their engagement with public sector.

- At least 6 years of experience in the public infrastructure sector with multiple stakeholders, including development finance institutions, or academia, or private sector or civil society.
- Experience related to the rules and regulations in the public infrastructure and finance in South Africa.
- Working knowledge of the public, private and civil society infrastructure eco-system in South Africa would be advantageous, demonstrated through previous working experience in South Africa.

All experts must be independent and free from conflicts of interest in the responsibilities they take on.

### **6.1.2. Non-key experts**

The profiles of the non-key experts (NKEs) for this contract are as follows:

- Senior experts (more than 10 years' experience in various fields related to inter alia infrastructure design, planning, financing, and delivery, as well as gender, training (and related), and Monitoring & Evaluation (M&E))
- Junior experts (less than 10 years in various fields related to inter alia infrastructure design, planning, financing, and delivery, as well as training (and related), and M&E) as well as those defined in 6.1.1.
- A pool of short-term experts.

The expert roles that would be required to be filled by short-term consultants include, but are not limited to:

- Monitoring & Evaluation
- Financial and administrative coordination
- Risk Management
- Governance
- Procurement & Supply Chain Management
- Sector Analysis
- Impact Assessment
- E-learning Course Design
- Development and Pilot of learning programmes
- Financial Viabilities Studies
- Trainers

CVs for non-key experts should not be submitted in the tender but the tenderer will have to demonstrate in their offer that they have access to experts with the required profiles.

The contractor must select and hire other experts as required according to the profiles identified in the organisation & methodology and these Terms of Reference. It must clearly indicate the experts' profile so that the applicable daily fee rate in the budget breakdown is clear. All experts must be independent and free from conflicts of interest in the responsibilities they take on.

The selection procedures used by the contractor to select these other experts must be transparent, and must be based on pre-defined criteria, including professional qualifications, language skills and work experience. The findings of the selection panel must be recorded. The selected experts must be subject to approval by the contracting authority before the start of their implementation of tasks.



### **6.1.3. Support staff & backstopping**

The contractor will provide support facilities to their team of experts (back-stopping) during the implementation of the contract.

Backstopping and support staff costs must be included in the fee rates.

### **6.2. Office accommodation**

Office accommodation of a reasonable standard and of approximately 6 square metres for each key expert working on the contract – under an open plan arrangement with hotspot with similar arrangement for non-key experts (NKEs) – is to be provided by the Contracting Authority.

### **6.3. Facilities to be provided by the contractor**

The contractor must ensure that experts are adequately supported and equipped. In particular it must ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities. It must also transfer funds as necessary to support their work under the contract and to ensure that its employees are paid regularly and in a timely fashion.

The contractor will be responsible for the supplies, services, documentation and logistical support required for the success of the contract. The contractor will be fully responsible for the provision of stationery, surface mail requirements, telecommunication, software, portable devices and all other administrative needs of the expert team for the day-to-day implementation and administration of the contract.

The abovementioned costs are to be covered by the fee rates.

### **6.4. Equipment**

No equipment is to be purchased on behalf of the contracting authority / partner country as part of this service contract or transferred to the contracting authority / partner country at the end of this contract. Any equipment related to this contract that is to be acquired by the partner country must be purchased by means of a separate supply tender procedure.

### **6.5. Incidental expenditure**

The provision for incidental expenditure covers ancillary and exceptional eligible expenditure incurred under this contract. It cannot be used for costs that should be covered by the contractor as part of its fee rates, as defined above. Its use is governed by the provisions in the general conditions and the notes in Annex V to the contract. It covers:

- Travel costs and subsistence allowances for missions, outside the normal place of posting (defined as province of Gauteng), to be undertaken as part of this contract. If applicable, indicate if the provision includes costs for environmental measures, for example CO<sub>2</sub> offsetting;
- Reproduction of training materials, including design and printing training materials, template application documents, handbooks, booklets, studies and other publications when necessary (electronic material should be preferred as much as possible); production of short informative and explanatory videos or similar;
- Telecommunications and mailing costs related to project activities not covered by fees;
- Workshops, conferences, training sessions, networking events, study visits and field project site visits if required for implementing the result areas (the visit and associated costs should

receive an ex-ante approval of the Contracting Authority), meetings and events (including, inter alia: Project Steering Committee meetings, technical expert meetings, networking events, information days, facilitation of events, translation and interpretation fees), rental and arrangement of venues and associated services.

- Costs associated with eLearning and blended learning initiatives and solutions including digital networking licensing fees (e.g., Zoom, Teams, etc.) and/or access fees, subscriptions to specialised publications and databases.
- The contractor will be fully responsible for the provision of online platforms to host meetings, conferences, dialogues etc. The contractor will ensure the subscription cost of these platforms as well as other interactive tools such as Slido or Mentimeter or others as required by the experts. The contractor will have to provide all the technical and IT support to the experts if actions must take place online.

The provision for incidental expenditure for this contract is **EUR 250 000**. This amount must be included unchanged in the budget breakdown.

Per diem are daily subsistence allowances that may be reimbursed for missions foreseen in these terms of reference or approved by the Contracting Authority, carried out by the contractor's authorised experts outside the expert's normal place of posting. The per diem is a maximum fixed flat-rate covering daily subsistence costs. These include accommodation, meals, tips and local travel, including travel to and from the airport. Taxi fares are therefore covered by the per diem. Per diem are payable on the basis of the number of hours spent on the mission. Per diem may only be paid in full or in half (no other fractions are possible). A full per diem shall be paid for each 24-hour period spent on mission. Half of a per diem shall be paid in case of a period of at least 12 hours but less than 24 hours spent on mission. No per diem should be paid for missions of less than 12 hours. Travelling time is to be regarded as part of the mission. Any subsistence allowances to be paid for missions undertaken as part of this contract must not exceed the per diem rates published on the website - [http://ec.europa.eu/europeaid/funding/about-calls-tender/procedures-and-practical-guide-prag/diems\\_en](http://ec.europa.eu/europeaid/funding/about-calls-tender/procedures-and-practical-guide-prag/diems_en) - in force at the time of contract signature.

The contracting authority reserves the right to reject payment of per diem for time spent travelling if the most direct route and the most economical fare criteria have not been applied. Prior authorisation by the contracting authority for the use of the incidental expenditure is not needed with the exception of study visits.

## **6.6. Lump sums**

No lump sums are foreseen in this contract.

## **6.7. Expenditure verification**

The provision for expenditure verification covers the fees of the auditor who has been charged with the expenditure verification of this contract in order to proceed with the payment of further pre-financing instalments if any and/or interim payments if any. The provision for expenditure verification for this contract is **EUR 135 000**. This amount must be included without modification in the budget breakdown.

This provision cannot be decreased but can be increased during execution of the contract.

## 7. REPORTS

### 7.1. Reporting requirements

Please see Article 26 of the general conditions. Interim reports must be prepared every six months during the period of implementation of the tasks. They must be provided along with the corresponding invoice, the financial report and an expenditure verification report defined in Article 28 of the General Conditions. There must be a final report, a final invoice and the financial report accompanied by an expenditure verification report at the end of the period of implementation of the tasks. The draft final report must be submitted at least one month before the end of the period of implementation of the tasks. Note that these interim and final reports are additional to any required in Section 4.2 of these Terms of Reference.

Each report must consist of a narrative section and a financial section. The financial section must contain details of the time inputs of the experts, incidental expenditure and expenditure verification.

To summarise, in addition to any documents, reports and outputs which could be specified under the duties and responsibilities of each key expert above, the contractor shall provide the following reports:

Name of report	Content	Time of submission
Inception Report	Analysis of existing situation and plan of work for the project	No later than 2 months after the start of the implementation.  Comments will be provided by National Treasury: IDC within 2 weeks after receiving the draft
Quarterly Progress Report	Short description of progress (technical and financial) including problems encountered; planned activities for the ensuing 3 months.	No later than 1 month after the end of each 3-month implementation period.  Comments will be provided by National Treasury: IDC within 3 weeks after receiving the draft
6-monthly Progress Report	Short description of progress (technical and financial) including problems encountered; planned activities for the ensuing 6 months, accompanied by an invoice and the expenditure verification report.	No later than 1 month after the end of each 6-month implementation period.  Comments will be provided by National Treasury: IDC within 2 weeks after receiving the draft.
Draft Final Report	Short description of achievements including problems encountered and recommendations	No later than 1 month before the end of the implementation period.

Name of report	Content	Time of submission
		Comments will be provided by National Treasury: IDC within 2 weeks after receiving the draft.
Final Report	Short description of achievements including problems encountered and recommendations; a final invoice and the financial report accompanied by the expenditure verification report.	Within 1 month of receiving comments on the draft final report from the Project Manager identified in the contract.

## 7.2. Submission & approval of reports

Reports should be written in English and submitted to the attention of the Contracting Authority in 5 (five) copies in A4 format. The NT Chief Director: IDC is responsible for approving the reports, after which it will be endorsed by the European Union Delegation to South Africa within 30 days upon its receipt.

## 8. MONITORING AND EVALUATION

### 8.1. Definition of indicators

The Objectively Verifiable Indicators (OVIs) for the assignment and means of verification will be defined in the Inception Report and in conjunction with the National Treasury: IDC. This will be based on, but not limited to, the Logical Framework for the programme to be shared at the inception meeting. Indicatively, the following indicators would be deemed relevant:

- An increase in the level of investment in infrastructure.
- An increase in the number of projects reaching bankability and/or implementation stage.
- An increase in the training of public officials and strengthened capacity of their institutions involved in infrastructure development.
- A more integrated project planning, budgeting and implementation environment and increased coordination amongst government departments and other stakeholders.

### 8.2. Special requirements

No special requirements.

\* \* \*