

REQUEST FOR QUOTATION

GREENCAPE MPUMALANGA GREEN CLUSTER AGENCY PROJECT – RESEARCH ON POTENTIAL PAYMENTS FOR ECOSYSTEM SERVICES PROJECTS

Established in 2010, GreenCape is a non-profit organisation that drives the widespread adoption of economically viable green economy solutions from South Africa. GreenCape works with businesses, investors, academia, and government to unlock the investment and employment potential of green technologies and services, and to support a transition to a resilient green economy. Our aim is to be globally relevant in driving the uptake of green economy infrastructure solutions in the developing world.

One of our current projects is to support the creation and capacitation of the Mpumalanga Green Cluster Agency (MGCA).

As part of this project, we require a service provider to research the potential for payments for ecosystem services projects or programmes in Mpumalanga.

Interested organisations are invited to submit quotations to undertake this work.

BACKGROUND TO THE RESEARCH

Mpumalanga has historically been at the heart of the South African energy and industrial complex. Mpumalanga is home to rich deposits of coal, iron ore, platinum group metals (PGMs) and industrial metals such as nickel and chrome. Mining and related activities require vast amounts of water while impacting the environment and local water qualities through effluent discharge. Various river systems in the province have been significantly impacted in terms of quality due to nearby mining. The Olifants River catchment has experienced over 100 years of coal mining and now has some of the poorest water quality in South Africa. The water quality of the Olifants River is such that it cannot be utilised by Eskom (the national power utility) in its new coal fired power station Kusile without treatment, because the water is too polluted.

Long term water quality data indicated that the total dissolved salt content (sulphate being the major constituent) frequently exceeds resource water quality objectives at sites upstream of the Emalahleni and Middelburg dams. Surface and groundwater qualities are negatively impacted by mine water run-off due to the abundance of mining activities within the province. Agricultural activities also impact water quality through nitrogen and phosphorous pollution resulting from chemical fertilisers as well as erosion from agricultural lands. Eutrophication is especially prevalent in the Upper Olifants River catchment where urgent interventions are required to reduce these nutrient inputs.

GreenCape is supporting the Mpumalanga Provincial Government in setting up and capacitating a green economy cluster agency. For sustainable economic development to be pursued, and to successfully transition away from a coal-based economy, access to an adequate supply of clean water is crucial. Innovative approaches for improving water security, water quality and ecological functioning of the catchment areas in Mpumalanga should be explored, and it is for this purpose

that research into the applicability of a payments for ecosystem services (PES) concept is proposed.

PES projects have successfully been implemented internationally and local examples also exist where the beneficiaries or users of an ecosystem service make payments to the providers of that service. In practice, this may take the form of a series of payments in return for receiving a flow of benefits or ecosystem services. The basic idea is that whoever provides a service should be paid for doing so. However, for PES projects to be successful, there are a few critical requirements that need to be met: the buyer must be identified, the market conditions understood (including any conditionalities), and the service provider legally and institutionally recognized. A widely quoted definition of a PES is that it is:

1. a voluntary transaction where
2. a well-defined ecosystem service (or a land use likely to secure that service)
3. is “bought” by a (minimum of one) ecosystem service buyer
4. from a (minimum of one) ecosystem service provider; if and only if
5. the service provider secures ecosystem service provision (conditionality).

GreenCape is looking to appoint a service provider to research the potential for the implementation of a PES project/programme in Mpumalanga. The **objective** of the research is to identify where market-based mechanisms may be workable options to improve water quality and availability to downstream users in Mpumalanga.

SCOPE OF WORK

The appointed service provider will be expected to submit a report on the potential for PES projects in Mpumalanga. To achieve this, the service provider will be expected to undertake various activities, including:

1. Conduct background research on the watersheds in Mpumalanga, their water quality and availability challenges, and their significant downstream and upstream users.
2. Propose a prioritisation methodology on how potential catchments or project sites should be selected for the piloting of a PES initiative. The criteria for prioritisation should at least include the potential economic development and job creation impacts from the implementation of a PES project.
3. Outline potential PES schemes/sites in Mpumalanga. The scope of potential PES sites/projects should consider the following factors:
 - Identify the ecosystem service(s) (i.e. watershed protection, water quality improvement, etc.)
 - Map out the boundaries of the service(s). Are there clear geographic boundaries defined?
 - Identify the sellers. Who owns the ecosystem service(s)? Are they legally entitled to sell it?
 - Identify the buyers. Who is going to buy the ecosystem service(s)? Is the buyer known to the seller?
 - Identify the market(s). In what market(s) will the ecosystem service(s) be sold: international, national, local? How accessible is the market? How is the price set?
4. Create a prioritised shortlist of the PES scheme options in a workshop with GreenCape.

5. For the prioritised PES schemes/sites, the researcher should also indicate what the necessary governance and institutional arrangements would need to be in place and identify any barriers and who can unlock them in order to facilitate a PES scheme.
6. Conduct interviews with experts in the PES field and local Mpumalanga organisations to validate the findings from the research.
7. Submit an inception report with the tasks 1 and 2 listed above
8. Run a workshop with the draft findings from the research with GreenCape, members of the MGCA and other invited participants
9. Submit a final research report on tasks 1 to 6 as described above
10. Ensure that COVID-19 regulations are complied with at all engagements.

PROPOSAL SUBMISSION DETAILS

Interested organisations are invited to submit a proposal for the outlined scope of work that should include the following:

1. Quotation for the work, broken down by activity (see 2a below) (noting that the maximum budget is R450,000 ex VAT)
2. A brief work plan that outlines the proposed approach and activities that would be taken to achieve the required scope of work. The work plan should include:
 - a. the proposed activities to achieve the required scope of work
 - b. the timeframes for each activity, noting that the overall scope of work must be completed by 30 November 2021
 - c. a brief description of the proposed approach to conducting the research, running the analysis and synthesising the findings
 - d. a risk register and mitigation plan that addresses any key project risks
3. CVs of proposed team and team structure/organogram
4. Company profile, indicating previous projects with similar requirements
5. Tax Clearance Certificate
6. Company Registration Certificate
7. Declaration of Interest (complete Annexure A)
8. BEE credentials with certificate or affidavit as relevant
9. Letter of good standing from the Compensation Fund in South Africa (COID)
10. Proof of professional indemnity cover

Please email the above documentation to claire@green-cape.co.za by 17h00 on 10 September 2021, using the reference: GreenCape MPA PES RFQ 2021

The quotations will be evaluated on the basis of functionality/price/B-BEEE weighted as 50/30/20 respectively. B-BEEE points will be as per the table below.

Table 1 – B-BBEE score weighting

| B-BEEE Level Status of Contributor | Number of Points |
|------------------------------------|------------------|
| 1 | 20 |
| 2 | 18 |
| 3 | 16 |
| 4 | 12 |

| | |
|---------------|---|
| 5 | 8 |
| 6 | 6 |
| 7 | 4 |
| 8 | 2 |
| Non-compliant | 0 |

Note: GreenCape reserves the right not to make an appointment on this project.

For any queries please email claire@green-cape.co.za

Thank you

Annexure A

DECLARATION OF CONFLICT OF INTEREST FORM

Any legal person/s having a relationship with persons employed by The GreenCape Sector Development Agency or any of the funders listed in this RFQ may make an offer/s in terms of this invitation to bid. In view of the possible allegations of favouritism, should the resulting bid, or part thereof, be awarded to persons connected with or related to The GreenCape Sector Development Agency or any of the funders listed in this RFQ, it is required that the bidder or his/her authorized representative declare his/her interest as required below.

1. Have you previously provided services/products to The GreenCape Sector Development Agency or any of the funders listed in this RFQ?

YES

NO

If yes, please furnish further particulars:

2. Do you have any relationship (family, friend or otherwise) with employees of The GreenCape Sector Development Agency or any of the funders listed in this RFQ?

YES

NO

If yes, please furnish further particulars:

3. Were you previously employed by the GreenCape Sector Development Agency or any of the funders listed in this RFQ?

YES

NO

If yes, please specify further details of previous employment:

4. Please provide details of any other positions that you currently hold that could be of relevance to assessing conflict of interest for purposes of this project (e.g. directorships, partnerships, trusteeships, shareholdings, etc.):

I am aware that in the event of not accurately declaring any of the above, The GreenCape Sector Development Agency is entitled to terminate the agreement, and take any further action it deems necessary.

I hereby confirm that all the information provided above is true and correct.

SIGNATURE

DATE

FULL NAME

CAPACITY