
Green Hydrogen Community Beneficiation Mechanisms	Project number/ cost centre: 21.2230.7-001.00
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0. List of abbreviations

AVB	General terms and conditions of contract ('local terms and conditions') for supplying services and work on behalf of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in South Africa from 2022.
BMU	German Federal Ministry of the Environment
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
H2	Green Hydrogen
H2.SA	Promoting a South African Green Hydrogen Economy (GIZ project)
IIO	Investment Infrastructure Office
IPP	Independent Power Producer
KfW	Kreditanstalt für Wiederaufbau (German Development Bank)
MS	Microsoft
Mt	Megaton
pa	Per Annum
PtX	Power to X (derivates of hydrogen)
REIPPPP	Renewable Energy Independent Power Producer Procurement Programme
t	Ton
ToR	Terms of reference

1. Context

In the context of a rapidly decreasing global carbon budget and urgency to identify adequate solutions for decarbonizing the so-called heavy-to-abate sectors, the demand for green hydrogen (H₂) and green hydrogen-based products (PtX), such as ammonia and synthetic jet fuels, is steadily increasing. Many off takers (e.g., Germany, the EU, Japan, etc.) are willing to pay a premium price and to sign long-term supply agreements to stimulate H₂/PtX market development. Green hydrogen, however, also offers domestic use opportunities to countries like South Africa, characterised by favourable solar and wind energy conditions, sufficient mineral resources and existing hydrogen value chains and industries. A recently published IHS Markit report for South Africa (2021) estimated that by mid-century, “over 2 Mtpa hydrogen will be in domestic use, contributing between 6 and 8 percent of final energy use in the country”. Combined with the potential for export, 1.8 Mtpa, green hydrogen / PtX thus presents a promising option for contributing to the sustainable transition of the South African energy and industry sector

Given this potential, and within the framework of the German National Hydrogen Strategy, the South African-German Cooperation recently agreed on launching several initiatives in the field of green hydrogen and power-to-x (PtX) in South Africa. Besides a financial component implemented by KfW and a project funded by the German Ministry in charge of Environment (BMU: ‘PtX Pathways’), a technical component called ‘H₂.SA’ has been initiated focusing on supporting South African stakeholders from the public and private sector as well as civil society in setting up favourable regulatory, institutional and technical framework conditions for a green hydrogen economy. In detail, four work streams have been defined:

- WS 1: Strategy Development and Regulatory Framework
- WS 2: Private Sector Engagement and Support
- WS 3: Training, Research and Innovation
- WS 4: Sustainability and Just Transition

The political partner of H₂.SA is the Investment Infrastructure Office (IIO) in The Presidency and the project implementation period is August 2021 to December 2023.

One key aspect of the H₂.SA project includes the active technical support of private companies engaged in the build-up of the South African GH economy. It is essential for GIZ, however, to ensure that communities in the vicinity also derive tangible benefits from green hydrogen projects. The Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) placed a specific emphasis on community beneficiation in the areas of socio-economic development, enterprise development, and communal shareholding in Independent Power Producer (IPP) projects. Over the years, several studies were published on the successes, challenges, and lessons learnt of REIPPPP’s community development elements.

This service package is intended to build on this solid foundation but to adapt and transfer the lessons learnt and recommended community beneficiation mechanisms to the green hydrogen sector. While also relying on independently produced renewable energy, green hydrogen projects are different from IPP projects in various ways. First, green hydrogen projects include additional elements (e.g. electrolysis, conversion to ammonia or other derivatives, etc.) other than the generation of renewable energy. Second, there is no South African public procurement of green hydrogen, which is why green hydrogen projects need to secure private off-take agreements. Third, as a consequence of the previous point, there will not be a uniform, mandatory community beneficiation mechanism for green hydrogen projects but rather a voluntary, project-specific approach.

This service package seeks to provide project developers with an overview of different mechanisms to ensure community beneficiation. Based on the mechanisms, lessons learnt, and criteria developed in this service package, project developers shall be able to customise their project-specific community beneficiation strategy.

2. Tasks to be performed by the contractor

The contractor is responsible for providing the following services:

- Task 1: Task clarification and kick-off meeting
- Task 2: Review REIPPPP's community beneficiation mechanism
- Task 3: Review other relevant community beneficiation mechanisms
- Task 4: Develop viable community beneficiation mechanisms for green hydrogen projects

Tasks 2 – 4 all contribute to the final deliverable ("Final Report"). Task-specific deliverables are included for clarification, but they do not constitute separate or additional deliverables.

a) Task 1: Task clarification and kick-off meeting

The service provider is responsible to prepare, organise and follow up a kick-off meeting with the H2.SA team. The goals of this meeting include:

- Clarification of all tasks listed above and agreement on how to interpret and implement them
- Provide a work plan outlining all milestones for all deliverables and proposing a coordination mechanism
- Share a resource estimation for the anticipated activities, incl. proposal for expert days and required expenses
- Review GIZ's invoicing requirements to ensure efficient processing of future invoices
- Review GIZ's and H2.SA's communication and visibility guidelines

In addition, the service provider shall present their strategy and work plan to H2.SA and receive/implement feedback. The service provider shall provide a kick-off meeting report following the meeting.

Deliverable: Work and resource plan; kick-off meeting report.

b) Task 2: Review REIPPPP's community beneficiation mechanism

REIPPPP implemented a community beneficiation mechanism to incentivise IPPs to contribute to communal development. The mechanism includes several elements; i.e. socio-economic development, enterprise development, and communal shareholding in IPPs, entitling

communities to dividends of IPP profits. The IPP Office's project database¹ currently lists 92 active projects across the five completed bidding rounds. Therefore, both the IPP Office as well as dozens of IPPs gained significant experience with the REIPPPP community beneficiation mechanisms. Several studies were published on their success stories, challenges and lessons learnt.

The service provider shall conduct a systematic review of these studies to identify the main lessons learnt and recommendations to date. A particular emphasis shall be placed on communities' perceptions of the mechanisms. The service provider shall also contact the IPP Office as well as IPPs to gain a more in-depth understanding of operational aspects of REIPPPP's community beneficiation mechanisms.

Deliverable (part of the "Final Report"): Systematic review of lessons learnt from REIPPPP's community beneficiation mechanisms.

c) Task 3: Review other relevant community beneficiation mechanisms

Besides REIPPPP, there are other relevant examples of community beneficiation schemes. Extractive industries (e.g. oil, gas, mining), for example, implemented different community development mechanisms in different countries and supply chains.

Similarly to Task 2 for REIPPPP, the service provider shall identify other relevant community beneficiation mechanisms, review studies on them, interview companies (to the extent possible), and draw lessons learnt from them that could be relevant to green hydrogen projects in South Africa. As in Task 2, a particular emphasis shall be placed on communities' perceptions of the mechanisms.

Deliverable (part of the "Final Report"): Systematic review of lessons learnt from other relevant community beneficiation mechanisms.

d) Task 4: Develop viable community beneficiation mechanisms for green hydrogen projects

Based on the lessons learnt identified as part of Tasks 2 and 3, the service provider shall develop at least three viable community beneficiation mechanisms for green hydrogen projects in South Africa. Importantly, the service provider shall not just present a collection of best practices but rather derive adapted mechanisms adjusted to the South African context as well as the green hydrogen sector.

The proposed mechanisms can either be mutually exclusive strategies ("either mechanism A or B") or they can be complimentary modules or a larger strategy ("mechanisms A and C"). For each community beneficiation mechanism, the service provider shall present the following elements:

- Strategy: What is the strategic logic of the mechanism?

¹ <https://www.ipp-projects.co.za/ProjectDatabase>

- Approach: How does the mechanism work?
- Useability: When is it advisable to use this mechanism rather than others?
- Upsides/Downsides: What are the specific advantages and disadvantages of this mechanism?
- Mitigation: Are there mitigating measures for the mechanism's downsides?

The service provider shall share a draft version of the "Final Report" with GIZ to receive their feedback. The report shall be submitted as an MS Word file in English with a length of 20 – 25 pages, excluding bibliography and annexes.

Deliverable: (1) Draft version of the "Final Report" on green hydrogen community beneficiation mechanisms in MS Word; (2) Final version of the "Final Report" incl. GIZ's feedback.

Certain milestones, as laid out in the table below, are to be achieved by certain dates during the contract term, and at particular locations:

Milestone	Deadline/place/person responsible
Kick-Off Meeting Report	24.11.2022
Submit Draft Version of the "Final Report"	31.03.2023
Submit Final Version of the "Final Report"	30.04.2023

Period of assignment: From 15.11.2022 until 30.04.2023.

3. Concept

In the bid, the bidder is required to show how the objectives defined in Chapter 2 are to be achieved, if applicable under consideration of further specific method-related requirements (technical-methodological concept).

Technical-methodological concept

Strategy: The strategy is the core element of the technical-methodological concept. The bidder is required to interpret the tasks outlined in this document and to provide a critical appraisal of the tasks (see Chapter 1) (Grid: 1.1.1). Following this, the bidder presents and justifies the strategy with which it intends to provide the services for which it is responsible (see Chapter 2) (Grid: 1.1.2).

The bidder is required to present the actors relevant for the services for which it is responsible and describe the **cooperation** with them (Grid: 1.2.1 & 1.2.2).

The bidder is required to describe the key **processes** for the services for which it is responsible and create a schedule that describes how the services according to Chapter 2 are to be provided. In particular, the bidder is required to describe the necessary work steps and milestones in an implementation plan in accordance with Chapter 2 (Grid: 1.4.1).

Project management of the contractor

The bidder is required to draw up and explain a personnel assignment plan of all the experts included in its tender to implement the strategy and achieve the deliverables. The assignment plan must include the assignment times (periods and expert days) and assignment locations of the individual experts and in particular, describe the necessary tasks. It must also take into consideration and, if necessary, add to the milestones in the processes section above (Grid: 1.6.2).

The bidder is required to describe its backstopping concept. A brief CV with relevant details must be provided for the position of backstopper (Grid: 1.6.3).

The following services are part of the standard backstopping package and must be factored into the fees for the staff listed in the tender as ancillary staff costs in accordance with GIZ's General Terms and Conditions:

- The contractor's responsibility for its seconded staff
- Ensuring the flow of information between GIZ and the contractor's seconded staff
- Managing adaptations to changing conditions
- Monitoring performance
- Ensuring the provision of project administration services
- Ensuring compliance with reporting requirements

Project management specifications:

- The contractor is responsible for selecting, preparing, training and steering the experts (international and national, short and long term) assigned to perform the advisory tasks.
- The contractor manages costs and expenditures, accounting processes and invoicing in line with the requirements of GIZ.
- The contractor reports regularly to GIZ in accordance with the general terms and conditions of contract ('local terms and conditions') for supplying services and work on behalf of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH in South Africa from 2022.

4. Personnel concept

The bidder is required to provide personnel who are suited to filling the positions described, on the basis of their CVs (see Chapter 6), the range of tasks involved and the required qualifications.

The below specified qualifications represent the requirements to reach the maximum number of points.

Team leader

Tasks of the team leader

- Overall responsibility for the delivery of quality products within the allocated budget and time.
- Provide the strategy, planning and lead execution.
- Manage team members and assign team resources responsibly.
- Monitor progress and milestones, evaluate and update the work plan; implement mitigation measures where needed.

- Lead role in conducting the research and writing the report.
- Ensure quality control of all deliverables.
- The main liaison (contact point) with H2.SA.
- Control the use of funds in consultation with H2.SA.
- Report to H2.SA in accordance with deadlines.

Qualifications of the team leader

- **Education/training (2.1.1):** University qualification (Master) in Economics, Political Science, Energy Studies, or another relevant field.
- **Language (2.1.2):** Knowledge of English, Level C2 in the Common European Framework of Reference for Languages.
- **General professional experience (2.1.3):** 10 years of professional experience in development work, business consulting, energy / green hydrogen, community development.
- **Specific professional experience (2.1.4):** 5 years of professional experience in community development, renewable energy sustainability, or corporate sustainability.
- **Leadership/management experience (2.1.5):** 5 years of management/leadership experience as project team leader or manager in a company.
- **Regional experience (2.1.6):** 6 years of experience in projects in sub-Saharan Africa, of which 3 years in projects in South Africa.
- **Development Cooperation (DC) experience (2.1.7):** 2 years of experience in DC projects.
- **Other (2.1.8):** None

Short-term expert pool with minimum 2, maximum 3 members

Tasks of the short-term expert pool

- Research and report-writing
- Outreach and interviewing of IPP Office officials, IPP companies, and other relevant stakeholders
- Overall project management support

Qualifications of the short-term expert pool

- **Education/training (2.6.1):** All experts with university qualification (Master) in Economics, Political Science, Energy Studies, or another relevant field.
- **Language (2.6.2):** All experts with very good language skills in English.
- **General professional experience (2.6.3):** All experts with 5 years of experience in development work, business consulting, energy / green hydrogen, community development.
- **Specific professional experience (2.6.4):** All experts with 2 years of professional experience in community development, renewable energy sustainability, or corporate sustainability.
- **Regional experience (2.6.5):** 1 expert with 3 years of experience in South Africa.
- **Development Cooperation (DC) experience (2.6.6):** 1 expert with 3 years of experience in DC.
- **Other (2.6.7):** None.

The bidder must provide a clear overview of all proposed short-term experts and their individual qualifications.

Soft skills of team members

In addition to their specialist qualifications, the following qualifications are required of team members:

- Team skills
- Initiative
- Communication skills
- Sociocultural competence
- Efficient, partner- and client-focused working methods
- Interdisciplinary thinking

5. Costing requirements

Assignment of personnel

All experts: Total 80 expert days

Travel

The bidder is required to calculate the travel by the specified experts and the experts it has proposed based on the places of performance stipulated in Chapter 2 and list the expenses separately by daily allowance, accommodation expenses, flight costs and other travel expenses.

- Flight costs – up to 3 return flights
- Accommodation – up to 30 nights
- Per Diem – up to 30 days
- Car Hire – up to 30 days
- Mileage – up to 2000 kilometres

Flexible remuneration item

ZAR 74,310.00 flexible remuneration. Note that the use of the flexible remuneration is subject to approval by the GIZ and can only be used in support of activities outlined in this ToR.

6. Requirements on the format of the bid

The structure of the bid must correspond to the structure of the ToRs. In particular, the detailed structure of the concept (Chapter 3) is to be organised in accordance with the positively weighted criteria in the assessment grid (not with zero). It must be legible (font size 11 or larger) and clearly formulated. The bid is drawn up in English.

The complete bid shall not exceed 10 pages (excluding CVs).

The CVs of the personnel proposed in accordance with Chapter 4 of the ToRs must be submitted using the format specified in the terms and conditions for application. The CVs shall not exceed 4 pages. The CVs must clearly show the position and job the proposed person held in the reference project and for how long. The CVs can also be submitted in English.

If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment.

As the contract to be concluded is a contract for works, please offer a fixed lump sum price that covers all applicable costs (fees, travel expenses etc.). The price bid will be evaluated based on the specified lump sum price. For our internal costing and any further commissions, please also provide the daily rate which the prices are based on. A breakdown of days is not required.

Other Requirements

- Please submit your proposal (technical and price proposal) in separate files/folder to ZA_Quotation@giz.de no later than **24.10.2022**, all documents must be in PDF.
- Please do not mention any price for this measure on your cover letter/Technical proposal.
- Please submit your tax clearance certificate with the bidding documents.
- Please submit your price proposal in ZAR.

- Our General Terms of Conditions (attached) shall not be changed/amended should you be the winner of this tender. These General Terms and Conditions will form part of the contract should you be awarded this contract. By submitting your proposal we will conclude that you have read and accepted these terms and conditions.
- Bidders are not allowed to communicate directly with any other person regarding this bid other than the procurement official/s. Failure to comply with this requirement may lead to your bid being disqualified.
- Bidders must strictly avoid conflicts with other assignments or their own interests. Bidders found to have a conflict of interest shall be disqualified. Without limitation on the generality of the above, Bidders, and any of their affiliates, shall be considered to have a conflict of interest with one or more parties in this EOI and tender process, if they:
 - a) are or have been associated in the past, with a firm or any of its affiliates which have been engaged by GIZ or the Interim Supply Chain Management Council to provide services for the preparation of the design, specifications, Terms of Reference, cost analysis/estimation, and other documents to be used for the procurement of the services in this selection process;
 - b) were involved in the preparation and/or design of the programme/project related to the services requested under this EOI and tender;
 - c) are serving or have been serving in the past three months in the structures of the Interim Supply Chain Management; or
 - d) are found to be in conflict for any other reason, as may be established by, or at the discretion of GIZ.

- In the event of any uncertainty in the interpretation of a potential conflict of interest, Bidders must disclose to GIZ, and seek GIZ's confirmation on whether or not such a conflict exists.
- Similarly, the Bidders must disclose in their proposal their knowledge of the following:
 - a) if the owners, part-owners, officers, directors, controlling shareholders, of the bidding entity or key personnel are family members of GIZ staff involved in the procurement functions and/or the Interim SCM Council or any Implementing partner receiving services under this EOI or tender; and
 - b) all other circumstances that could potentially lead to actual or perceived conflict of interest, collusion or unfair competition practices.
- **Failure to disclose such an information may result in the rejection of the proposal or proposals affected by the non-disclosure.**
- **Questions & Answers will be placed on the link provided.**

Bids sent via Dropbox and WeTransfer will not be accepted.