

TERMS OF REFERENCE: ANNEXURE A

SCM /Tender Ref #:	DPME 18/2022-23
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Request for proposals for:	Appointment of a service provider to produce research papers to identify implementable and workable scenarios to address the unemployment crisis in South Africa
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1. BACKGROUND AND CONTEXT

South Africa faces a chronic unemployment crisis, which shows little sign of being resolved in the near or medium term. The National Development Plan (NDP) adopted in 2012 aimed to ensure that all South Africans attain a decent standard of living through the elimination of poverty, reduction of inequality and addressing what was already a high level of unemployment. Unemployment was targeted to fall from 27% in 2011, to 14% by 2020 and 6% by 2030. Total employment was targeted to rise from 13 million to 24 million. According to the NDP, by 2030 there should be a reduction in the proportion of people living below the lower bound poverty line from 39% of the population to zero.

The response to the outbreak of the Covid-19 pandemic in March 2020 has magnified South Africa's unemployment crisis. Until the beginning of 2020, several attempts had been undertaken to address the low levels of unemployment in the country. The most recent, the Presidential Jobs Summit, held in 2018, was seen as a follow-up on a similar one held in 1999, the 2003 Growth and Development Summit, the 2008/9 Framework Agreement in response to the global financial crisis, and a series of social accords on specific themes (skills development, education, the green economy, local procurement and youth employment), which were adopted between 2011 and 2013.

Given the experiences of these compacts, there was a conscious attempt not to repeat the mistakes of the past when the 2018 Jobs Summit was convened under the auspices of NEDLAC. The framework agreement, which emerged, committed the government, labour, and business to the creation of 275 000 jobs annually. In addition, the signatories committed to avoiding retrenchments, providing support to failing companies, to creating a Rapid Response Team of experts to assist businesses whilst agreeing to revive the Training Layoff Scheme to mitigate job losses.

On 15 October 2020, President Ramaphosa tabled the Economic Reconstruction and Recovery Plan (ERRP) at a Joint Sitting of the Houses of Parliament. At that time, he indicated that the estimated impact of the plan as modelled by the National Treasury is about 1.7% GDP growth additional to the 1.3% baseline from a no-policy-intervention scenario, bringing the total to about 3% GDP growth on average over the next ten years. It is also estimated that the plan shall result in additional 1.6 million jobs over and above the two million jobs in the case of the baseline scenario without further policy interventions. Thus, the plan is projected to add 3.6 million jobs over a period of ten years.

However, according to Stats SA's Quarterly Labour Force Survey (Quarter 4:2021), the economy shed 2.2 million jobs since January 2020. At the beginning of 2022, 12.5 million South Africans were without a job or income, and the number of those employed had fallen since January 2020 from 16.4 million to 14.2 million, with a broad unemployment rate standing at 46.6%.

The National Planning Commission (NPC) is embarking on a process which allows the creative examination of the crisis so that we can address the question: how can the NDP employment targets be reached by 2030?

2. PURPOSE

The purpose of this call is to invite potential professional service providers to submit proposals with implementable and workable scenarios, based on a realistic diagnosis of the problem to address the unemployment crisis.

3. OBJECTIVES AND SCOPE OF PROJECT

The NPC requires a service provider to produce research papers to identify implementable and workable scenarios to address the unemployment crisis in South Africa. These papers must include sound analyses and be based on comprehensive and thorough research.

TERMS OF REFERENCE: ANNEXURE A

The successful bidder will be expected to respond to the following research questions:

- What are the root causes of the unemployment crisis?
- To what extent has unemployment affected the livelihoods and economic development of the country?
- What is the over-arching Theory of Change? Is it working? If not, why?
- What reforms, and immediate and medium-term actions can be undertaken by South Africa to ameliorate the crisis?
- What indicators should be used to monitor unemployment with the aim of achieving the goals of the NDP 2030?
- What lessons from South Africa's experience and that of similar economies can inform future long-term and national development planning in South Africa?

The service provider will also be expected to perform the following activities:

- **Analyse** where we are today in terms of the crisis;
- **Scope and analyse the policy, legislation and regulatory framework that governs the South African labour market.** This include, amongst others, recommendations from published NPC documents and the Department of Employment and Labour's employment strategy (to be made available to the successful bidder);
- **Identify** key issues impacting on levels of unemployment in South Africa by 2030;
- Undertake an **international benchmarking analysis** in this area, using both developed and developing countries as case studies – including a rationale for the choice of countries selected for comparisons;
- Include **Futures Thinking** through evaluating what scenarios are possible, probable, and preferable to address the unemployment crisis;
- Convene and facilitate **workshops** with stakeholders to identify research questions, develop or outsource approximately eight research papers, present research papers and identify trends or variables with the highest impact and uncertainty; and
- **Brainstorm** storylines by thematic groups (Government, labour business community, youth, etc.), agree on storylines to be developed into scenarios, write-up scenarios, and provide strategic responses to scenarios.

4. PROPOSED METHODOLOGY / APPROACH

The service provider will be expected to provide a detailed exposition of the design, methodology, and steps that they will use to execute the assignment. The service provider may be invited to do a presentation of their proposal should the need arise.

The methodology/approach must contain the detail of the following but not limited to:

- Project plan with a detailed breakdown of the project milestones and timeframes of activities (duration of tasks in workdays);
- Research methodology and motivation for the selected methodology;
- Data sources, collection and analysis tools that will be used;
- Catalogue of the effectiveness of the various proposals made through social partners agreements and rich set of documents yielded by the second NPC;
- Literature review on existing research undertaken in South Africa on proposals to address the unemployment crisis;
- Analysis and reflections on the gaps; and
- Stakeholder engagement plan and approach to consultations with private and public sector as well as civil society.

TERMS OF REFERENCE: ANNEXURE A

5. DELIVERABLES AND TIME FRAMES

It is anticipated that the project will be concluded in approximately eight (8) months, starting June 2023. Overall, the deliverables for this project require the inception report, research papers with different employment scenarios, and a report with findings and recommendations.

Description	Expected date	% of project (Payment)
Approved Inception Report as a means of ensuring mutual understanding of the service provider's plan of action, methodology, content structure for the final report and timelines for undertaking the project.	Two weeks from the appointment of the service provider	
Desktop research and integration of the following: <ul style="list-style-type: none"> The current state of employment with a detailed sector breakdown; A critical review of the various social compacts including the ERRP; A critical review of proposals made to address unemployment; Summary of the published NPC recommendations; Department of Employment and Labour's employment strategy and other relevant policies; and Key Issues impacting on levels of unemployment in South Africa by 2030. 	Eight weeks after approval of inception report	20%
Identify stakeholders and convene the first workshop of critical researchers and role players (reference group) to identify research questions.	Four weeks after completion of desktop research	10%
Summary of the issues identified by the first workshop of the reference group and writing up of briefs for critical research to be conducted, and commissioning of research thereof.	Four weeks after the first meeting of the reference group	15%
Second workshop to present research findings to the NPC, brainstorm scenarios and write-up of possible responses to the scenarios, substantiated with relevant data and evidence. A draft report for review by the NPC, with findings and recommendations.	Eight weeks after papers have been commissioned	25%
Final report , both full report and executive summary in 1/5/25 format, in hard copy and electronic. All datasets, metadata, and survey documentation (including interviews) when data is collected. A PowerPoint or audio-visual presentation of the results.	Six weeks after second reference group meeting	30%

6. PROJECT MANAGEMENT / REPORTING ARRANGEMENTS

- The NPC Secretariat will inform the successful service provider of the appointment in writing. Awarding of the contract will be subject to the signing of a service level agreement between the Department of Planning, Monitoring and Evaluation and the successful service provider. The service provider will be expected to report to the NPC Secretariat.
- The service provider will be expected to participate in meetings, workshops, and compulsory briefing sessions. The NPC Secretariat will convene a meeting with the successful service provider to agree on the project process and options to be investigated.
- The service provider will be required to submit detailed written progress reports and monthly invoices to the NPC Secretariat.

TERMS OF REFERENCE: ANNEXURE A

7. INTELLECTUAL PROPERTY RIGHTS

- The intellectual property of all deliverables lies with the NPC Secretariat. All documents and other products should be treated as confidential and should not be passed on to a third party.
- The material compiled by the service provider for the NPC may not be used in any form or for any purpose other than the purpose stipulated in the agreement.
- If the service provider wishes to use such material in any other form or for any other purpose, including, but not limited to, workshops, media releases and the like, it must submit to the NPC Secretariat a written motivation for such use. The Department will request approval from the designated officer in whom copyright vests. Only once the designated officer has granted written approval will the Department convey such written approval to the service provider and will the service provider have permission for such usage.

8. OTHER

Not applicable.