

TERMS OF REFERENCE FOR A DIRECTED WRC PROJECT

KEY STRATEGIC AREA	KSA 9: Business Development and Innovations
THRUST	N/A
PROGRAMME	Business Development and Innovations
TOR	1009917
TITLE	Supporting the enabling environment for public sector uptake of emerging water and sanitation innovations (Technology and process solutions)

General context:

Public institutions are major drivers of the South African Water Sector and the various solutions we deploy to support the provision of services and management of water and sanitation. Many of the solutions, processes and technologies on the water market are thus bound for a public sector client.

The public sector is, however, highly regulated in terms of the standards by which it must provide water-related service delivery and in terms of how it can procure solutions on the market (the PFMA and MFMA have particular reference here). Pressure to deliver services at a certain standard, along with an interpretation of the rules by which public institutions can procure new solutions and processes, impacts the capacity and open-ness of these institutions to procuring emerging or new technologies and solutions for water and sanitation service delivery.

Rationale:

Part of the role of the Water Research Commission (WRC) in supporting the coordination of the water innovation ecosystem is to support the enabling environment for water innovations to have impact in society. A key aspect of this enabling environment is to find ways for emerging technologies, processes and solutions to be taken up and implemented by the water market, a large portion of which is a public. This is key to supporting water security and service delivery and is also pivotal to driving a more vibrant water market for businesses operating in this space.

One of the frequent issues we come across when engaging with utilities, municipalities and other government organisations is the challenges they experience in procuring solutions that are emerging or new to the market. Whilst it may be possible to test or demonstrate a solution or process at a small scale, many institutions struggle to then scale up these solutions to full scale within the context of their interpretation and experience of the PFMA/MFMA. Whilst not an exhaustive summary of the challenges, some of the key issues include 1) interpretations and regulation of Public-Private-Partnerships 2) inability to set up longer term Service Level Agreements which makes it difficult to drive sustainable business models for emerging businesses partnering with public institutions, and 3) being expected to re-tender (go back to the market) on solutions that need to be upscaled even when they have already been tested or piloted by a public institutions, 4) lack of clarity in terms of how municipal donation processes apply in the context of certain public sector to business service arrangements.

Similarly, entrepreneurs and emerging businesses site the high barriers to access in securing public sector business, experiencing this space as largely 'crowded' out by bigger, established businesses and role players.

Opening the space for public institutions in the water sector to procure and implement emerging solutions, technologies and processes is key to the growth of the water market, the realization of the aspirations of the Water RDI Roadmap and the Revised White Paper on Science, Technology and Innovation. This is also particularly important in terms of enabling municipalities, utilities, and other public institutions to unlock water and sanitation solutions

and processes that will improve service delivery and livelihoods for the poor. A range of partners working with the WRC in this space are calling for us to work together to find ways to address this issue.

To understand how to move forward we need a comprehensive and well consulted evaluation of this issue to be undertaken and a set of recommendations to shift us forward.

Objective:

Develop an evaluation and recommendations report on innovation and public procurement that will support public sector uptake of emerging water and sanitation innovations (technology and process solutions).

This will need to provide clear, tailored guidance to National Treasury and the Department of Science and Innovation as some of the key policy enablers in this issue. It will also need to guide the way forward for the users/buyers of solutions including Department of Water and Sanitation, CMAs, Municipalities, Utilities, and any other identified role players.

Specific Sub-objectives:

1. Literature scan to explore if there is existing work that has been done (even outside of the water sector) that looks at innovation procurement processes and opportunities.
2. Define what is meant by innovations (technologies and process solutions). This definition must be developed in a way that is relevant to public procurement processes and categorising. It will also need to consider innovations emerging from the system of innovation as well as more established solutions moving into public institutions for the first time.
3. Scan relevant legislation and policy to understand whether it has an intent to enable innovation uptake and also how it enables/inhibits uptake of emerging technologies and solutions in public institutions (this must include but is not limited to the PFMA, MFMA, and White Paper on Science, Technology and Innovation).
4. Document the interpretations that different public institutions have of their 'rules of the game' and how this impacts the way they think about working with new solutions and technologies (this must be guided by a survey, interview and case study approach, and needs to unlock an understanding of what ideal model would enable the public sector to become a first adopter of new innovations).
5. Define what interventions are needed to enable public sector uptake of emerging solutions, and who should lead on these in order to move forward.
6. All recommendations and unpacking of this issue must be guided by a consultative process and workshops that sense-check recommendations with key stakeholders (including National Treasury and PFMA/ MFMA specialists).
7. Propose a set of innovation procurement models or approaches that will help to streamline the way institutions can position themselves as first adopters. This must take into account different categories of solutions and different types of contracting/partnering mechanisms (e.g. PPPs, SLAs, donations, etc).

These objectives will need to be strongly underpinned by timeous, focused, systematically structured engagements with a range of stakeholders. This is key to getting the understanding of the issue right, and to enabling the right strategic buy-in of the work and process to allow the recommendations of the project to be taken forward.

Deliverables:

The following deliverables need to be provided, but may be further tailored to suit the proposed methodology:

Deliverable
Deliverable 0: 20% advance on signature of contract
Deliverable 1: Inception report highlighting the approach to the project (including details on planned sector engagements)

Deliverable 2: Desktop review of the issue and relevant policies
Deliverable 3: Report of stakeholder engagement process, including workshop proceedings
Deliverable 4: Full Evaluation and Recommendations report, ready for submission to National Treasury and other prioritized stakeholders
Deliverable 5: Tailored Policy Briefs for all prioritized stakeholder groups

Requirements

The appointed team will need to work with a Reference Group that will provide input and approve deliverables at key decision points in the project.

Time frame

9 months

Total funds available

Maximum of R 1 000 000 including VAT.

Closing date

The closing date for submission of proposal is 31 July 2022.

Proposal Template

Please apply on the standard WRC template, via the BMS system, details attached.

Contact

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