



## Terms of Reference (ToR): Professional services to undertake a Rapid Diagnostic Evaluation of a Tax incentive mechanism for New Energy Vehicle Uptake in South Africa

<b>Contracting authority</b>	African Climate Foundation
<b>Implementing partner</b>	JET PMU
<b>Contract period</b>	06/2026 to 09/2026
<b>Estimated level of effort</b>	4 months / 17 weeks
<b>Location</b>	South Africa (Hybrid/Remote)
<b>Submission portal</b>	<a href="#">ACF Portal - RFP -12-JET IP</a>
<b>PLEASE NOTE NO SUBMISSIONS VIA EMAIL WILL BE ACCEPTED</b>	
<b>Proposal submission deadline</b>	<b>12 June 2026 (17h00 SA standard time)</b>
<b>Queries</b>	For any technical queries, please contact Jamie Robertsen ( <a href="mailto:jamie.robertsen@jetpmu.org.za">jamie.robertsen@jetpmu.org.za</a> ) via email with subject: <b>RFP 12 - Professional services to undertake a Rapid Diagnostic Evaluation of a Tax Fringe Benefit as an Incentive for New Energy Vehicle Uptake in South Africa.</b> If you need any technical assistance with the portal, please reach out to <a href="mailto:grants@africanclimatefoundation.org">grants@africanclimatefoundation.org</a>
<b>Deadline for queries</b>	<b>3 June 2026 (17h00 SA standard time)</b>
<b>Queries posted link</b>	<a href="#">RFP12 - Questions and Answers - Google Docs</a>

### 1. Introduction

The African Climate Foundation (ACF), in partnership with the JET Project Management Unit (JET PMU) in The Presidency, invites qualified service providers to submit proposals for a Rapid Diagnostic Evaluation of a Tax incentive mechanism for New Energy Vehicle Uptake in South Africa. This Terms of Reference (ToR) outlines the scope, objectives, and requirements for this rapid diagnostic evaluation, which is to be conducted in accordance with South Africa's Department of Planning, Monitoring and Evaluation (DPME) standards and the Principles for Gender-Responsive Evaluations.

South Africa faces slow uptake of EVs and currently has significant fiscal constraints which limit the use of direct cash subsidies to stimulate private consumer demand for New Energy Vehicles (NEVs). This slow uptake hinders the growth of the domestic NEV market, which is critical for reducing transport sector emissions (approx. 14% of national GHG), strengthening local automotive value chains, and achieving the country's Just Energy Transition objectives. An innovative, fiscally prudent policy lever is required. This rapid study is to investigate how can existing tax structures such as fringe benefits and allowances be used to advance the adoption of NEVs.

### 2. Background

The transition to New Energy Vehicles (NEVs) is a critical component of South Africa's Just Energy Transition (JET) framework, aimed at reducing emissions from the transport sector. However, the high upfront cost of NEVs and current fiscal constraints pose a significant barrier to widespread private consumer adoption. Innovative, non-cash incentive mechanisms are required to stimulate demand.



The NEV White Paper (2023) positions South Africa for the transition to manufacturing of NEVs, deepening supply chains, infrastructure investment for job creation and economic diversification. The white paper also highlights the need for consumer incentives that are fiscally prudent to stimulate demand for NEVs, acknowledging that the uptake of NEVs and, in particular, battery electric vehicles (BEV) and Plug-in EVs (PHEVs), is behind that of peers. This leaves South Africa further behind the transition to decarbonise transportation and industrialisation or NEVs.

The consideration of the study stems from looking at the UK demand side tax incentive EV programme and see whether something of a similar nature can work in South Africa. There are many synergies between the two – SA already has tax schemes for pensions and health care and allowances to recoup benefits from using company cars for personal use.

An example of a fringe benefit scheme used to accelerate EV adoption is the UK Salary Sacrifice (Salsac) schemes, where employees sacrifice a portion of pre-tax salary for a benefit-in-kind (such as an ZEV), present a promising model. As demonstrated in markets like the United Kingdom, these schemes can significantly reduce the cost of entry for employees while providing employers with an attractive staff benefit. South Africa's existing legal framework for fringe benefits and car allowances provides a potential foundation for such a scheme. Similar mechanisms exist in countries like Norway where many people acquire vehicles through company car allowances

This diagnostic evaluation aims to thoroughly assess the feasibility, optimal design, and implementation pathway for an appropriate tax benefit for supporting the uptake of NEVs in South Africa.

### **3. Purpose of the Rapid Evaluation**

To conduct a diagnostic assessment to determine the feasibility, design, and implications of implementing an EV tax incentive for NEVs in South Africa, and to develop a step wise implementation plan. It must include mainstream gender and inclusion. The diagnostic must identify the root causes of slow NEV uptake and assess how a tax incentive would address these specific causes.

As a rapid evaluation, this diagnostic will prioritise sufficiency and timeliness for decision-making while ensuring methodological rigour within the 17-week timeframe.

The evaluation shall aim for a Gender Responsive rating on the DPME Gender Results Effectiveness Scale (GRES).

The evaluation will provide strategic information to government departments, NT, DTIC, DoT, as well as the PCC and the JET PMU on the effectiveness of such an EV tax incentive programme. The findings will be used as evidence to consider whether a similar programme could be developed in South Africa.

### **4. The Focus of the Evaluation**

The specific objectives are to:

1. Benchmark international EV tax incentive models, to identify best practices and key success factors.
2. Analyse the compatibility of the South African tax legislative and regulatory framework against the benchmark analysis in objective 1 and identify necessary amendments.
3. Model the fiscal, economic, and development impacts of different scheme design scenarios.
4. Develop a stakeholder-validated implementation roadmap for consideration by government.
5. Estimate the impact of the proposals and recommendations, e.g. increases of EV leases / procurements.



6. Provide recommendations based on objectives 1 to 5 for policymakers to consider.

**5. Questions for the Evaluation**

1. What international best practices exist for EV tax incentives, and what are the critical success factors?
2. To what extent is the current South African tax and labour framework compatible with these models?
3. What would be the likely fiscal impact and uptake potential of different design scenarios?
4. How would different design scenarios affect women, youth, and persons with disabilities differently?

**6. Intended Users and Stakeholders**

Potential Users of the Evaluation	How they will use it?
JET PMU & The Presidency	to provide an evidence-based proposal to the Interministerial Committee
National Treasury	to assess fiscal implications and draft potential tax amendment
DTIC	to align the incentive with the NEV White Paper and industrial policy
DoT	to align with their policy priorities

**7. Deliverables and Timeline**

The service provider will be responsible for delivering:

- Inception Report: Detailing the work plan, methodology, and model design.
- The Inception Report must include a detailed Evaluation Matrix (aligned with DPME standards) including a Data Availability and Gaps Matrix and Draft International Benchmarking Report - Comparative analysis of international salary sacrifices schemes. This could include a theory of change for the proposed South African scheme, the expected take-up for new EV sales, estimated fall in emissions, costs of the scheme to the income revenue, complexity to run the programme, barriers that had been experienced, public reaction, and others
- Draft Legislative Gap Analysis - Assessment of South Africa’s tax and labour laws relevant and readiness
- Draft Economic and Fiscal Impact Analysis Report - Scenario-based modelling of costs and benefits.
- Stakeholder Consultation Report - Summary of engagements with industry, labour, and government.
- Final Comprehensive Diagnostic Report: Incorporating all findings and containing the final Implementation Roadmap and proposed policy/tax amendments - Policy and Tax law proposals, recommendations, and implementation framework including a dedicated limitations section outlining confidence levels for findings given the rapid methodology.
- Summary Report, Recommendations and Presentation.

Proposed Methodology:

- Desktop Review: of international case studies and national legislation
- Situational analysis of South Africa and globally
- Econometric and Fiscal Modelling: to simulate impacts under various scenarios including. The methodology must apply an intersectional lens to assess how overlapping and interacting identities affect access to and benefit from the proposed NEV tax incentive
- Stakeholder Consultations: with key stakeholders for them to:

- NT: to assess fiscal implications and draft potential tax amendment
- DTIC: to align the incentive with the NEV White Paper and industrial policy
- DoT: to align with their policy priorities
- JET PMU: to provide an evidence-based proposal to the Interministerial Committee
- A gender analysis framework must be included in the study.
- Triangulation strategy - outlining how findings from desktop review, modelling, and stakeholder consultations will be cross-validated.
- Strategy for sourcing or generating sex-disaggregated and disability-disaggregated data

All reports are to be provided in electronic format as word and pdf documents. Data rooms to be used for sharing of documents and final reports and presentations. Models to be encrypted.

All information and intellectual property generated will be for the use of the IDC and JET PMO.

**Table 2: Deliverables and timeline**

#	Deliverable	Description	Estimated duration	Payment schedule upon approval of deliverable
1	<b>International Benchmarking and Best Practice Review</b>	<ul style="list-style-type: none"> <li>- Conduct a comparative analysis of established EV tax incentives</li> <li>- Document scheme structures, tax incentives (e.g., Benefit-in-Kind rates), roles of employers/lessors, and key lessons learned.</li> <li>- Identify critical success factors and potential pitfalls for the South African context.</li> <li>- how gender and inclusion are implemented throughout their schemes.</li> </ul>	2-3 weeks	10%
2	<b>Legislative and Regulatory Diagnostic</b>	<ul style="list-style-type: none"> <li>- Undertake a detailed review of the Income Tax Act, Tax Administration Act, Labour Relations Act, and related regulations governing fringe benefits, allowances and similar mechanisms.</li> <li>- Identify specific clauses that would enable or inhibit the use of such mechanisms.</li> <li>- Examine what legislative and regulatory amendments required for implementation.</li> <li>- Include a dedicated limitations section outlining confidence levels for findings given the rapid methodology.</li> </ul>	2-3 weeks	20%
3	<b>Economic and Fiscal Impact Modelling</b>	<ul style="list-style-type: none"> <li>- Develop a quantitative model to simulate the impacts under various scenarios (e.g., different BiK tax rates, vehicle value caps, eligibility criteria).</li> </ul>	4-6 weeks	40%



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		<ul style="list-style-type: none"> <li>- Model the impact on:             <ul style="list-style-type: none"> <li>i. Fiscal Revenue: Income tax and VAT implications for the fiscus.</li> <li>ii. Consumer Savings: Net financial benefit for employees across different income brackets.</li> <li>iii. NEV Uptake: Projected increase in NEV sales.</li> <li>iv. Developmental outcomes: Jobs, infrastructure investment, localisation, CO2 emissions</li> <li>v. Diversity Analysis: The methodology must include gender analysis to assess how an EV tax incentive programme affects women, men, youth, and persons with disabilities differently, and to examine the structures that contribute to inequalities.</li> </ul> </li> </ul>		
4	<b>Stakeholder Engagement and Roadmap Development</b>	<ul style="list-style-type: none"> <li>- Conduct targeted consultations with key stakeholders, including National Treasury, SARS, the dtic, NAAMSA, leasing companies, and organised labour.</li> <li>- Present findings and model outputs for validation and feedback.</li> <li>- Synthesize all analysis into a final diagnostic report and a phased implementation roadmap with clear milestones and responsible entities.</li> </ul>	2-3 weeks	20%
5	<b>Summary Report and Presentation</b>	<ul style="list-style-type: none"> <li>- Produce a summary report from findings and present to the steering committee</li> <li>- Transfer all reports provided in electronic format as word and pdf documents. All modelling to be encrypted.</li> </ul>	2 weeks	10%

### 8. Criteria for the Selection of Consultant

The proposed team must demonstrate proven experience and expertise in:

- Proven JET-Relevant Experience: Demonstrated experience in preparing or supporting Just Energy Transition-aligned projects, including work within South Africa’s energy, green economy, or inclusive enterprise development sectors.
- Tax Law and Advisory: Deep knowledge of the Income Tax Act and fringe benefits.
- Labour Law: Understanding of the Labour Relations Act and employment contracts.
- Economic and Fiscal Modelling: Proven ability in building complex fiscal models and cost-benefit analyses.
- Team Composition and Expertise: Details of the proposed team, their roles, (Team Leader/Policy Specialist (responsible for synthesis and recommendations), Tax/Legal Expert, Econometric Modeller, Evaluation specialist, project management, Gender Specialist (as a core member) and level of effort. CVs must be included in an annex.
- Public Policy Analysis: Experience in developing policy proposals and implementation frameworks for government.
- The Automotive Sector: Knowledge of the NEV landscape, vehicle financing, and leasing.



- Stakeholder Facilitation: Experience in engaging with senior government and industry representatives.
- Value for Money: Competitive and transparent cost structure proportional to the level of expertise and outputs.
- Gender and Inclusion Expertise: The team should include expertise in gender and inclusive evaluation and gender analysis, as required by the Gender-Responsive Evaluations Guideline.

## 9. Management and Reporting

### 9.1 Role of Steering Committee

A Steering Committee will be established to oversee the evaluation, ensuring its quality, credibility, and relevance. It will be chaired by the JET NEV PMO and include representatives from key national departments (e.g., National Treasury, DTIC, DoT and PCC). The Steering Committee will approve the ToR, Inception Report, and final report. It will provide strategic guidance and consolidate feedback on all deliverables.

### 9.2 Reporting Arrangements

The successful bidder will report contractually to the African Climate Foundation but will work under the direction of the Steering Committee. The day-to-day project management and primary point of contact will be Ms. Christel Jacob (M&E Manager, JET PMU or delegated authority). Regular progress meetings will be scheduled throughout the project. The following decision-making authority applies:

(a) The Steering Committee approves the Inception Report, draft final report, and any changes to evaluation scope exceeding 10% of budgeted effort;

(b) The JET PMU M&E Manager (day-to-day contact) approves interim deliverables, interview protocols, and routine workplan adjustments;

(c) The evaluation team retains independence over findings, conclusions, and recommendations, subject to factual accuracy verification and utility by the Steering Committee, NEV PMO and the JET PMU.

Any proposed change to evaluation questions or methodology must be submitted in writing with justification.

### 9.3 Stakeholder Engagement Plan

The successful bidder shall develop and implement a Stakeholder Engagement Plan, to be included in the Inception Report. The plan must specify: (a) stakeholder mapping by category (government, industry, labour, civil society, marginalised groups); (b) engagement methods for each category (interviews, workshops, validation sessions); (c) timing of engagements aligned with deliverables; and (d) strategies to include under-represented groups (women, youth, PWDs, rural stakeholders). A minimum of one validation workshop shall be convened to present draft findings prior to finalisation."

### 9.4 Proposal Invitation and Submission Guidelines

Qualifying providers are invited to submit an electronic proposal outlining the provider's approach to fulfilling the requirements.

## 10. The Proposal to be Submitted

### 10.1 Structure of the Proposal (max 12 pages)

Qualifying providers are invited to submit an electronic proposal outlining the provider's approach to fulfilling the requirements (**max 12 pages**, excluding annexures). Proposals require the following this structure:



1. Understanding of the TORs and Context: A brief statement demonstrating a clear understanding of tax incentives and the NEV sector, the purpose of the rapid evaluation, and the South African context.
2. Approach, Design, and Methodology: A detailed description of the proposed methodology, including the overall framework, data collection and analysis methods, a draft evaluation matrix, sampling strategy, case study selection criteria, and a clear explanation of how the approach will be participatory, learning-focused, and gender-responsive. Bidders must submit a Gender and Ethics Protocol as part of their methodology.
3. Risk Assessment and Mitigation Strategy: Bidders must identify potential risks to the successful completion of the rapid diagnostic, including but not limited to: data availability and access risks, stakeholder engagement risks, modelling assumption risks, and timeline risks. For each risk, bidders shall propose a mitigation measure and assign a probability and impact rating.
4. Activity-based Evaluation Project Plan: A Gantt chart or similar project plan outlining key activities, timelines, and level of effort for each team member.
5. Team composition: Detail the experience (include CVs) and professional qualifications of the team members who will be involved, indicating the roles and responsibilities of each. The proposed team must demonstrate proven experience and expertise in:
  - a. Tax Law and Advisory: Deep knowledge of the Income Tax Act and fringe benefits.
  - b. Labour Law: Understanding of the Labour Relations Act and employment contracts.
  - c. Economic and Fiscal Modelling: Proven ability in building complex fiscal models and cost-benefit analyses.
  - d. Public Policy Analysis: Experience in developing policy proposals and implementation frameworks for government.
  - e. The Automotive Sector: Knowledge of the NEV landscape, vehicle financing, and leasing.
  - f. Stakeholder Facilitation: Experience in engaging with senior government and industry representatives.
  - g. Disclosure of subcontractors: Bidders must disclose any proposed subcontractors,
- Costing: Provide a detailed cost proposal that is realistic and reflects the scope of the work. Costing should be broken down to a cost per hour. Please make use of the Pricing template for the cost proposal as provided on the portal.
- Related work examples: Provide at least one (ideally two) relevant previous assignments and contactable references.

Service providers have the option to submit proposals as individual entities or as part of a consortium. When submitting as a consortium, providers must ensure that the full range of necessary skills and experience required for this assignment are represented within a single proposal. Additionally, consortium proposals must clearly outline the proposed project governance structure.

#### **10.2 Documents required for submission**

- a) Technical proposal (aligned to guidance in section 10.1)
- b) Signed Conflict of Interest Declaration (completed on portal).
- c) Tax Clearance Certificate (uploaded on portal).
- d) Company registration document (uploaded on portal).
- e) Pricing template (available to download and upload on portal).

#### **10.3 Evaluation Criteria and Competencies**

- a) Demonstrated expertise in:
  - a. The provision of Just-relevant experience
  - b. Public policy analysis
  - c. The automotive sector, specifically the NEV landscape, vehicle finance and leasing



- d. Stakeholder engagement with government and sector
- b) Deep knowledge shown of tax and labour law relevant to the EV tax incentive
- c) Proven abilities for economic and modelling, building complex models including cost-benefit analyses
- d) Track record of delivering assignments on time and with quality.
- e) Clear and realistic project plan
- f) Competitive cost structure (ACF will consider total cost and value for money and will not be required to select the lowest cost proposal)
- g) Shown gender and inclusion from previous assignments and policies within the organisation

#### 10.4 Evaluation Criteria for Proposals

Proposals will be evaluated on a three-stage basis.

##### Stage 1: Administrative Compliance

The following criteria will be applied to determine whether a proposal has met the mandatory administrative requirements of the RFP:

- The proposal was submitted on or before the specified closing date and time.
- The proposal is complete, with all sections fully completed, and includes all mandatory documents as outlined in the Terms of Reference (ToR) (refer to Section 10.2).

Only proposals that fully comply with the above administrative requirements will proceed to Stage 2 of the evaluation process.

##### Stage 2: Technical evaluation

At this stage, proposals will be evaluated against the functionality (technical) criteria using the weighting system set out below. Each criterion will be scored according to the allocated weighting, and the total technical score will determine whether a proposal meets the minimum technical threshold required to proceed to the next stage.

The functionality (technical) criteria and corresponding weightings are as follows:

Domain/Descriptor	Functional Evaluation Criteria	Weight
1. The Quality of the Proposal	The extent to which the proposal addresses the ToR, demonstrates a clear understanding of the context (tax/auto sector), and presents a coherent, feasible, and rigorous methodology (including gender-responsiveness and participation).	35%
1.1 Understanding of the TORs and Context	Clear understanding of tax incentives and the NEV sector, the purpose of the rapid evaluation, and the South African context.	8%



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1.2 Approach, Design, and Methodology	Proposed methodology, including the overall framework, data collection and analysis methods, a draft evaluation matrix, sampling strategy, case study selection criteria, and a clear explanation of how the approach will be participatory, learning-focused, and gender-responsive. Submitted Gender and Ethics Protocol as part of their methodology.	15%
1.3 Risk Assessment and Mitigation Strategy	Detailed risk assessment and a mitigation measure and assign a probability and impact rating.	7%
1.4 Activity-based Evaluation Project Plan	Clear and realistic project plan.	5%
2. Team Expertise and Experience	The collective qualifications and experience of the proposed team against the required competencies (Evaluation Leadership, Evaluation Craft, Sector Knowledge, Gender Expertise). This includes the track record of the Project Manager, Evaluation Specialist, and Sector Specialist. CVs to be included.	45%
2.1 Modeller	Has proven experience of building complex fiscal models	10%
2.2 Project Manager	Experience managing projects of this size and complexity.	10%
2.3 Evaluation Specialist	Experience undertaking evaluations of a similar nature.	10%
2.4 Sector Specialist(s)	Deep knowledge of the NEV/Automotive sector landscape, public policy analysis, labour law, tax law, and an experienced modeller.	10%
2.5 Gender Expertise	A team member with proven gender analysis and evaluation expertise.	5%
3. Past Performance and Track Record	Quality of previous work as evidenced in proposal and by submitted examples and positive references, including track record of completing projects within the required timeframe. Provide at least one (ideally two) relevant previous assignment issued through contactable external references.	20%
Total		100%

### Stage 03: Price Evaluation

Only proposals that achieve a minimum technical score of 70% in Stage 2 (Functionality Evaluation) will be considered for price evaluation.

At this stage, proposals will be assessed for cost competitiveness, transparency, and value for money, considering the proposed methodology, personnel, and level of effort. The evaluation will consider the total cost of the proposal in relation to the quality and feasibility of the proposed approach.

Price is evaluated using a comparative formula, where the lowest acceptable price receives the full 20 points, and other prices are scored proportionally.

Stage	Domain/Descriptor	Weight
Stage 02	Functionality (technical) evaluation	80%



Stage 03	Price and value for money evaluation	20%
<b>Total</b>		<b>100%</b>

ACF reserves the right not to award the contract to the lowest-priced proposal, but rather to the proposal that demonstrates the best overall value for money.

#### 11. Confidentiality and Conditions

- **Confidentiality:** All information submitted in response to this TOR will be treated as confidential and used solely for the purposes of evaluating the proposal. Service providers may not disclose information relating to this TOR of ACF's or JET PMU's operations without prior written consent.
- **Language:** Proposals, documents and correspondence must be submitted in English.
- **Validity of Proposals:** All pricing and conditions contained in the proposal shall remain valid for a minimum of 90 calendar days from the closing date of submission. Any deviation from this must be clearly stated and may affect the evaluation outcome.
- **No Obligation to Award:** ACF reserves the right not to award a contract because of this TOR and is under no obligation to provide reasoning or feedback for its decision. ACF may cancel or modify this procurement process at any time.
- **Due Diligence:** ACF reserves the right to conduct due diligence on service providers, including requesting additional information, reference checks, or interviews.
- **Conflicts of interest:** Service providers must declare any actual or potential conflicts of interest. Failure to disclose such conflicts may result in the disqualification of the proposal or termination of any subsequent contract.
- **Cost of submission:** ACF shall not be responsible for any costs incurred by the service providers in preparing and submitting the proposal. All such costs will be borne solely by the service provider.
- **Ethical Conduct:** ACF expects all service providers to adhere to ethical business practices, including compliance with applicable anti-bribery and anti-corruption laws and regulations.
- **Amendments and Clarifications:** ACF may issue amendments or clarification to the TOR. These will be communicated to all bidders who submitted queries or expressed intent to submit proposals.

#### 12. Enquiries

For any technical queries, please contact Jamie Robertsen ([jamie.robertsen@jetpmu.org.za](mailto:jamie.robertsen@jetpmu.org.za)) via email with subject: RFP 12 - Professional services to undertake the JET Implementation Plan Evaluation. If you need any technical assistance with the portal, please reach out to [grants@africanclimatefoundation.org](mailto:grants@africanclimatefoundation.org).