

Appendix 1

Terms of Reference

Monitoring Services of the Mozambique Energy for All (MEFA)

1. Introduction

The Swedish International Development Cooperation Agency (Sida), through the Embassy of Sweden in Maputo (the Embassy), is supporting Electricidade de Moçambique (EDM) with Mozambique Energy for All (MEFA) project. The MEFA Programme has three components that respond to key development challenges in Mozambique. The first component entails the construction and taking into operation a new National Control Centre which will be pivotal to better manage electricity transmission for both the national consumption and for export. Such centre will enable efficient management of electricity resources, increase energy efficiency, and enable expansion of the electricity network throughout the country. In addition, and importantly, enable incorporation of new renewable energy generation to the electricity grid. The national electricity utility, Electricidade de Moçambique (EDM) is aiming for a threefold increase, incorporating more variable renewable energy sources, such as solar and wind, and facilitating inward investments due to availability of much better quality of power supply. The second component will provide nearly 49,000 new connections in support of the Government of Mozambique's (GoM), Energy for all Plan. This component aims to complement the ongoing wider electrification program (Energia para Todos) supported by Sweden through the World Bank Managed Multi-Donor Trust Fund (ref contribution 10477), to expand access to electricity. This component is mainly financed by AfDB. The third component targets operational support to the above components including capacity development and provision of technical support for the programme implementation. It will also support Mozambique's membership of the Africa Trade Insurance Agency and conduct feasibility studies on floating solar power plants and increasing energy efficiency of the utility.

With the aim of providing additional support to the process of follow-up and monitoring of project, the Embassy has decided to procure a Monitoring consultant (MC). The expected tasks of the MC a background to the project and its implementation are given in these Terms of Reference (ToR).

The ToR has been prepared by the Embassy of Sweden in Maputo.

2. Background

Since year 1979 Sweden has provided assistance to the energy sector in Mozambique, primarily through support to EDM. Over the years the support has covered technical support, support to consultancy services, as well as financing of generation, transmission, and distribution projects. Part of the support has been directed towards the MEFA project especially the first component regarding the National Control Centre and the third on the technical assistance for the project.

3. MEFA project

The MEFA Project has three components that respond to key development challenges in Mozambique. The first component entails the construction and taking into operation a new National Control Centre which will be pivotal in expanding power exports. The national electricity utility, Electricidade de Moçambique (EDM) is aiming for a threefold increase, incorporating more variable renewable energy sources, such as solar and wind, and facilitating inward investments due to availability of much better quality of power supply. The second component will provide nearly 49,000 new connections in support of the Government of Mozambique's (GoM), Energy for all Plan. The third component targets operational support to the above components, supporting Mozambique's membership of the Africa Trade Insurance Agency and improving the financial health of EDM. The Project Objectives are: (i) to increase stability of the Mozambican power system, (ii) enable a large

expansion of power sales to Southern Africa Power Pool (SAPP), (iii) expand access to electricity and (iv) assist in improving EDM's financial sustainability.

The MEFA project costs inclusive of taxes and duties are estimated to USD 97,75 million. A physical and price contingency of 5% and 13% of taxes and duties has been factored into the total project cost. The updated feasibility study for the first component (National control centre) currently being carried out by SWECO is estimating the total cost to USD 62,5 million. This includes all related costs of technical assistance, VAT, training and 10% contingencies. In addition to the allocation of USD 10 million for climate adaptation activities and 5 years operation and maintenance costs.

The funds available for the MEFA Project are from the different development partners. AfDB will extend an ADF grant of approximately UA 25.9 million, while KFW will contribute EUR 18 million and will also manage the EU grant funding, and SEFA will co-finance ADF grant with USD 1,9 million. The Swedish contribution will amount to SEK 170 million out of which the amount of SEK 5 million will be set aside for follow up and monitoring this represent approx. 24% of the total project costs.

KFW (including the EU funds) earmarked its funds to co-finance component 1 NCC and ATI membership under component 3. The electricity access component will be mainly financed by AfDB. AfDB will also co-finance ATI membership and the optical fibre commercialization and energy efficiency study in component 3. In addition, AfDB's SEFA fund will co-finance two sub-components, a floating solar PV feasibility study and technical assistance to EDM's market and system operator functions. EDM will provide a financial contribution to the MEFA project to finance some gender and social and environmental activities in the amount of USD 3,9 million.

Swedfund is currently financing the feasibility study and is also supporting the procurements under the project implementation. Sweden (Sida) will not earmark its funding to any specific component and will in consultation with the development partners decide the amount of funds to be allocated to each of the component during implementation.

4. Aim of the Monitoring Services

The primary objectives are to provide the Embassy of Sweden with advise and timely information on the progress of the Project, with specific reference, but not limited, to the following information:

- Regular up-dates of project activities, contracts implementations and projected overall Project costs.
- Projected timing and quantum of funding requirements.
- Reviewing payments made by EDM from the bank account established for the Project and comparing these with expected/certified/invoiced payments in connection with the contracts signed under the different components, referred to as "the Parties".
- Reviewing progress compared to plans with information on causes for any delays.
- Overview of the performance of the Parties, in respect of their obligations under the various contracts. adherence to business ethics by the Parties; recruitment of local staff, etc. and with attention to women and men respectively.
- Report on any significant possible changes to the Project scope and/or terms of the Parties contracts, together with information on the reasons for such changes being considered, and the requirements for and implications of any addendum to the contracts.
- General adherence to Sida and Mozambique accepted specifications and standards in respect of Environmental and Social requirements, including HIV/AIDS awareness and Contractor obligations
- Adherence to the agreed procurement rules and use of internationally recognised contract forms for procurement.

4. Scope of Work

The advisory and monitoring services shall be provided for the period of the project and shall include, but not be limited to, the following Scope of Services:

- I. Keep being informed about the work carried out in relation to the project, including review and the various contracts, planned and ongoing activities and expected outcomes and results, as well as review and comments to the comprehensiveness and quality of deliverables submitted to EDM by the procured consultants and contractors
- II. Obtain information on progress of the implementation activities and compare these with the various time schedules that may form part of the Parties Contracts. Provide information on the causes for any delays.
- III. Follow up with EDM on the delivery of the agreement conditions, review and recommend to the embassy's approval or follow up.
- IV. Review and comment on audit reports of the project, and advice the Embassy and EDM on the appropriate management response
- V. Review and assess draft Progress Reports, Financial Reports and proposed Work Plans, draft and final completion reports and compliance with the Specific Agreement and other relevant documents
- VI. Obtain, on a regular basis, copies of bank statements for the EDM specific Project account and compare payments with invoices. Monitor the time it takes for payments to be made. Monitor any claims for additional payment that may be made by the Parties and keep the Embassy informed of the impact these may have on the cost of the project
- VII. Regularly follow-up on management of the grievance system; access by the general public, and any information therein.
- VIII. Support and quality control and assurance in procurement and contract management including Bidding documents, technical evaluation of the obtained bids, financial evaluation of the bids, contract negotiations, draft contract, and any amendment
- IX. Follow up deliveries under the different contracts in accordance with the signed contracts including invoices, and payments verifications
- X. Conduct checks on; equipment; and adherence to the Environment and Social Management Plan (ESMP). Follow up the plans and implementation of the environmental and social plans including resettlement action plans and compensation to affected parties.
- XI. Obtain periodic projections of project costs and cashflows and the use of resources, as compared with initially agreed budgets and advise the Embassy of any likely changes in levels of funding and timing of tranches of funding to be made into the bank account, on EDM's request.
- XII. Review documents and support the embassy in the annual and semi-annual review meetings. Propose key issues to highlight at the Semi-Annual Meetings
- XIII. Assist in the development of terms of reference for consulting services under the project including potential independent evaluation of the support to the EDM, including review and assess the draft and final Evaluation Reports
- XIV. Provide other advice with regards to the project implementation to the embassy on needs basis when needed

5. Reporting and Documentation

The Monitoring Consultant shall report to the Embassy semi-annually prior to the semi-annual consultations between EDM and the Embassy. In addition to mission report in writing after each mission to the project including an oral debriefing in connection with each mission.

The written semi-annual report shall include in addition to the scope of work listed above (but not limited to)

- Names of reports/documents that have been read through during the reporting period, together with names of Project personnel who have been consulted for information. Any other activities, such as site visits and meetings attended shall also be listed.
- Brief description on progress of the Project, and any information gleaned that is intended to rectify any risk and identify in any other way risks to have negative impact on the Project and its implementation.
- Expenditure to date, estimated final costs, cashflow projections, and payments made to Contractors and Consultant(s).
- Information on expected disbursements for the foreseeable future,
- Output and outcomes of the project follow up (results matrix)
- under the heading of “findings and recommendations” any other information that is considered to be of use and/or importance to Sida in respect of its efforts to support this Project and the Power Sector in Mozambique
- other important issues such as additional unforeseen events and any risks including proposal of mitigation measures

With regards to providing comments and advise in relation to the “no objection-process”, the MC is expected to respond in writing to the Embassy not later than 5 days after receiving the concerned documents.

Provide final report on the project to provide a full review of the project including, achieved results and lesson learned, constraints and other issues of specific relevance.

The reports shall be submitted in an electronic version and written in English. In between, the Monitoring Team will report to the Embassy, orally and in writing, as and when needed.

6. Organisation and Time required for the Task

The Assignment is expected to start 1 June 2022 and end 31 December 2026, and be performed as follows:

The monitoring services shall be performed both in Mozambique and at the home office of the Consultant(s). It is estimated that 1-2 visits to Mozambique will be needed each year. The duration of each visit may vary, but on average be five (5) working days (excluding travel time).

Services shall be carried out during the period leading up to the point where the construction of the project is completed, including a period of defects liability after completion of the work.

7. Qualifications

The assignment can be carried by an individual consultant or a team. The Consultant(s) shall possess profound knowledge, and have at least 10 years proven work experience in developing countries in the following areas:

- The role of energy in a development context;
- Project monitoring in the sector of energy;

- Procurement processes, including international procurement regulations and contract system such as FIDIC;
- Assessment of studies addressing technical, financial, environmental, social and sustainable business feasibility of electricity generation, transmission and distribution projects;
- Knowledge of environmental, social and gender action plans
- Familiarity with policies and procedures of international development cooperation;
- Knowledge of National control centres (Scada system) system and requirements

In addition, the Consultant shall have full professional proficiency in English in speech and writing, be able to work closely both with staff from the Embassy and EDM, and flexibly respond to the demands within the proposed Assignment. Experience from the region, in particular Mozambique, is an advantage. The Consultants shall also have experience in preparing and implementing on-the-job-training on procurement, reporting and project management.

Working knowledge in Portuguese is an advantage.