



**THE REPUBLIC OF UGANDA**

**MINISTRY OF ENERGY AND MINERAL DEVELOPMENT**

**GRID EXPANSION AND REINFORCEMENT PROJECT (GERP)**

**TERMS OF REFERENCE FOR RECRUITMENT OF A CONSULTANCY FIRM  
TO UNDERTAKE CAPACITY ASSESSMENT OF THE UGANDA ELECTRICITY  
TRANSMISSION COMPANY (UETCL)**

**JULY 2019**

## 1.0 BACKGROUND

In order to drive economic development, the Government of Uganda (GOU) has identified key focus areas in the Energy Sector in the National Development Plan (NDP) II. This includes increasing power generation, expanding the electricity transmission and distribution grid networks, increasing energy efficiency, promoting the use of alternative sources of energy, and strengthening the policy, legal and institutional framework. Arising out of these focus areas are targets to increase access and demand for electricity. Under the NDP, GOU seeks to increase generation capacity in the country from 850MW in 2013 to 2,500MW in 2020 and 41,738MW in 2040. This will translate to an increase in per capita energy consumption from 80kWh in 2013 to 588kWh in 2020 and 3,688kWh in 2040. Under the NDP, GOU has set out an ambitious national electrification target of 50% by 2026 and 80% by 2030. The NDP targets universal access by 2040.

The Government of Uganda has thus embarked on significant investments to increase generation capacity with the construction of the Karuma 600MW and Isimba 180MW power plants. Other plants are being developed by private investors that will add over 190MW to the national grid. These investments will be realized in the short term. Other investments in the generation sector are being targeted for the medium to long term.

In order to evacuate this electricity from these power plants and to link the national grid to Uganda's immediate neighboring countries, major capital investments are ongoing while others are being planned to upgrade and expand the national electricity transmission grid to meet the needs of the NDP. These investments are being implemented by the Uganda Electricity Transmission Company Limited (UETCL). A full list of these projects and their current status may be obtained from the UETCL website at [www.uetcl.com](http://www.uetcl.com). The 2018 – 2040 Grid Development Plan (GDP) may also be downloaded from this site. These projects are financed mainly with the support of Development Partners in partnership with the Government of Uganda. Development Partners that support the electricity transmission subsector include among others the International Development Association (IDA) of the World Bank, French Development Agency (AfD), China Exim Bank (CEB), Islamic Development Bank (IsDB), The Royal Norwegian Government (GoN), African Development Bank (AfDB), and the Governments of Japan (JICA) and Germany (KfW).

UETCL is a wholly owned Government of Uganda Limited Company that is supervised by the Ministry of Energy and Mineral Development. In addition to implementing these projects, UETCL also has the following mandates: System Operator, High Voltage Transmission Grid Operator, Bulk Power Supply, and Power Import and Export. However, the Government of Uganda has noted a number of shortcomings that have led to extensive delays in the completion of these capital projects. These include the internal capacity of UETCL to implement projects and the land tenure and valuation systems in the country which are impacting both way leave acquisition and the implementation of Resettlement Action Plans. As such the Ministry of Energy and Mineral Development requires the services of a competent consultancy firm to undertake an institutional capacity assessment of UETCL and develop a strategy for improving its ability to deliver its mandate.

UETCL's business strategy is detailed in its third (2014 – 2018) Corporate Business Plan (CBP) which is also available on the corporate website. The CBP defines UETCL's vision, mission and values, governance arrangements and business ethics and strategic and tactical priorities. The CBP was developed through a top down/bottom up process involving Board,

Management and Staff. System expansion and system optimization are defined as UETCL's paramount goals. The Ministry of Finance, Planning and Economic Development (Privatization Unit) has defined eight performance areas and these are translated in the CBP into five strategic focus areas – Security of Power Supply and Regional Cooperation, Accelerated Grid Infrastructure Development, Financial Sustainability, Robust Human Capital Development and Efficient Business Processes. In turn these focus areas are supported by a Balanced Scorecard and a system of 18 Key Performance Indicators (KPI) and corresponding targets. A Management Charter sets short term performance targets and actions against these KPIs and departmental performance is reviewed quarterly. KPIs are also used to set individual performance targets. The net result is a comprehensive system of corporate and individual performance management.

In addition to a weak and aged transmission infrastructure with inadequate coverage and weak regional interconnection, the CBP identifies many cross-cutting strategic challenges including financial sustainability (with stranded generation capacity due to weak offtake infrastructure being a major contributing factor), high workload, low staff morale, high turnover of critically skilled staff, inadequate organization structure, business processes and office infrastructure, limited use of modern technology, complicated and lengthy processes of way leave acquisition, and weak external stakeholder relations.

UETCL's organization chart refers to two business areas – Single Buyer and Transmission System Operator - and is organized along traditional departmental lines. There is no separate business area for Capital Projects Management, but this is under the purview of a Manager, Projects Implementation reporting through the Deputy CEO to the MD/CEO. A Projects Engineer, a Monitoring and Evaluation Officer, a Social Aspects Officer, and an Environment Officer supervise supporting departments.

The CBP notes that “UETCL is now faced with the daunting responsibility of executing a large project portfolio within the next five years as derived from both its Grid Development Plan and the National Development Plan. The increasing portfolio calls for development of the organizational capacity to ensure efficiency and flexibility in the fulfillment of its obligations. As a result, organizational changes and additional resources will be necessary in the implementation of the CBP within the next 5 years. This will involve, among others, additional human resources, enhancement of staff skills and competences, review of the existing organization structure, implementation of ICT strategy, acquisition of more office accommodation, and further development of efficient internal and external decision processes.” In addition, the CBP identifies the need to develop a project governance model.

Under a 2006 twinning arrangement with Statnett Norway from 2006, UETCL received extensive consulting assistance in corporate planning. However as this ended in 2014, Statnett has not been involved in monitoring the efficacy of the CBP or in tracking performance against it.

## **2.0 Purpose of the Assignment**

The purpose of the assignment is to support the Ministry to carry out an assessment of the institutional capacity of UETCL to deliver its mandate in expanding and operating the Electricity Transmission Grid. The assessment will draw on experiences on the lessons learnt from the implementation of similar projects.

## **3.0. Overall Scope of the Assignment**

The scope of services under the assignment will include the following:

- a. Undertake a review of the structure, human resource, business processes and systems of UETCL and determine their effectiveness in supporting UETC in implementation of its strategic plan aimed at delivering her mandate.
- b. Identify key bottlenecks to effective implementation of UETCL strategic plan that include among others bottlenecks in projects implementation and contract management practices.
- c. Prescribe practical and cost-effective strategies for enhancement of UETCL's capacity in delivering her mandate.

#### **4.0. Detailed Scope of the Assignment**

The detailed scope of the assignment will include, but not necessarily be limited to:

##### ***A. Capacity Assessment Phase***

###### **1. Governance Review**

- a. Review the Board composition and selection procedures
- b. Assess the role, outputs, and independence of any Independent Directors
- c. Review the Board Charter and TORs and comment on the Board's role in practice
- d. Review the Board Sub-Committee structure, composition, TORs and outputs
- e. Review the Board Meeting Process and sample Agendas, Board Papers and Minutes
- f. Review the Director Performance Evaluation Process
- g. Review oversight of the MD/CEO by the Board, including any performance contract
- h. Review the Board's oversight of the Procurement function and evaluate its effectiveness referencing sample procurements both large and small
- i. Review all integrity, ethics and anti-corruption structures and mechanisms and comment on their efficacy
- j. Review Governance reporting both internally and to the public
- k. Identify any weaknesses of governance implementation and oversight

###### **2. Process, People and Systems Review**

- a. Develop a high-level integrated business process map for the full scope of UETCL's operations
- b. Map this to the business areas and current organization chart
- c. Identify critical organization silo-ing and process bottlenecks
- d. Review the qualifications and experience of senior management
- e. Review the job designs, skills levels, qualifications and training of each department
- f. Review the workload and staffing levels of each department and correlate this, if appropriate, to any bottlenecks identified in the process map
- g. Inventory the main IT systems and tools in use (for workflow and transaction processing, for internal and external communications, for data management, for document management and collaboration and

for business intelligence (MIS) reporting) and identify the extent to which they adequately support the business process map

- h. Document the extent of IT systems integration and identify strengths and weaknesses.
- i. **Review availability/absence and/or functionality of Environmental and Social Management System, with a view of identifying gaps and necessary improvement actions**

### 3. Human Resource Administration (HR&A) Review

- a. Assess the capacity of the HR&A department in hiring and retaining the talent necessary for UETCL to function effectively
- b. Review the competitiveness of salary and benefits scales
- c. Review the content, take up and effectiveness of UETCL training programs and identify any critical training gaps
- d. Identify the drivers of high turnover of critical management and staff
- e. Review HR&A's management succession planning
- f. Identify any labor relations constraints
- g. Review staff communications
- h. Review any available HR&A strategies and short-medium term action plans and comment on progress against them and on any constraints
- i. Assess the capacity of the HR&A department to develop and carry out organizational development interventions.

### 4. Corporate and Individual Performance Systems Review

- a. Review the Corporate KPI and Balanced Scorecard system and reporting process, and evaluate its effectiveness against the workload it imposes
- b. Review the Individual Performance Appraisal system and its relationship to the Corporate Performance system and evaluate its effectiveness against the workload it imposes
- c. Validate these findings with management and staff interviews
- d. Identify any critical performance gaps and their causes and comment on the ability of the performance management system to drive actual improvement in performance as opposed to simply being a monitoring system

5. Review of Achievements against the 2014-2018 Corporate Business Plan (CBP)
  - a. Review the CBP and Annual report production processes and identify the reasons for any delays in issuance of these
  - b. Update the Strengths, Challenges, Opportunities and Threats (SCOT) identified in the CBP
  - c. Evaluate progress to date against the CBP – both in terms of the five focus areas and the Single Buyer, Transmission System Operator and Cross-Cutting Challenges identified in Section 4.5 of the CBP
  - d. Comment on the five-year KPI performance trends
  - e. Identify specific constraints and challenges preventing greater progress over the CBP period – including commenting on the Critical Success Factors/Assumptions in Section 4.6.8 of the CBP

6. Capital Projects Management Review

This is a specific focus area of these Terms of Reference as slow project implementation has been a major problem for UETCL of late. As such it should be reviewed in greater depth than the other areas above.

- a. Detail the full capital projects management process from project identification to commissioning, and including project feasibility and financing as well as procurement
- b. Repeat the process mapping in Section 1. a. – c. at a detailed level to check organizational alignment and identify any process breakdowns or bottlenecks
- c. Specifically review the way leaves acquisition process in the context of overall capital projects management and detail its challenges and impacts on capital projects implementation
- d. Specifically review the policy and procedures regarding land valuation to identify their impact on the implementation of Resettlement Action Plans
- e. Specifically review the Resettlement Action Plan process in the context of overall capital projects management and detail its challenges and impacts on capital projects implementation
- f. Examine the 5-year performance in capital projects implementation against the targets set, and identify the key factors contributing to delays. A useful approach may be to compare the best and worst cases of similar size and scope projects. Quality and cost performance should be considered as well as time.
- g. Project likely performance in the future based on the known pipeline of upcoming projects and set realistic targets to strive for after process, organization and systems improvement.
- h. Review the Lessons Learned from previous projects implementation including but not limited to the World Bank's ESDP.
- i. Review the project governance and organization models used at both a portfolio and individual project level and comment on their efficacy at ensuring time, cost and quality goals are fully met

- j. Review in depth the roles, responsibilities, reporting, workload and staffing levels of the Projects Implementation function and its three sub departments
- k. Also review the project management training, qualifications and experience of the Projects Implementation function and its three sub departments
- l. Evaluate the merits of elevating the Projects Implementation role to a full Business Unit level
- m. Compare UETCL practice to best practices in capital projects implementation – including but not limited to:
  - i. Definition of scope and content of Project Charters
  - ii. Use of standard project management techniques such as Work Breakdown Structures, Gantt charts, Critical Path Analysis
  - iii. Management of change orders
  - iv. Use of modern project management IT systems and tools
  - v. Procurement planning and management
  - vi. Acquisition of way leaves and land valuation
  - vii. Formulation and implementation of Resettlement Action Plans (RAPs)
  - viii. **Implementation of an Environmental and Social Management System**
  - ix. Prioritization of competing demands – both within and across projects
  - x. Early identification of risks and their timely mitigation
  - xi. Project, and project portfolio, monitoring and performance reporting including actions taken
  - xii. Impact of reporting to external stakeholders including multiple donors and government
  - xiii. Coordination of external stakeholders
  - xiv. Communications within project teams
  - xv. Project commissioning and close out procedures
  - xvi. Actual versus the planned cost and time targets
  - xvii. Adequacy of the team allocated to the project in terms of skills, numbers and resources
  - xviii. Adequacy of the accountability, incentives and sanctions procedures/systems

Methods used to execute the above reviews in Sections 1. – 6. should begin with review of all relevant documents and initial interviews. As hypotheses are developed around the specific challenges UETCL faces in each review area, additional more detailed interviews should be carried out to substantiate (or otherwise) and detail those hypotheses. The number of interviews should be determined to limit any subjectivity with all findings cross-referenced wherever possible. Quantitative data should also be gathered to substantiate such hypotheses wherever possible.

Initial high-level findings of these review activities will be presented in a Stakeholder Workshop to be organized by the Client after preparation and

acceptance by the Client of the Inception Report. Similarly, detailed findings of these review activities will be presented in another Stakeholder Workshop after preparation and acceptance by the Client of the Draft Capacity Assessment Report.

**B. Capacity Building Solutions Phase**

1. Considering all issues identified in the Capacity Assessment Phase, develop practical and cost-effective recommendations to mitigate them, taking into account any resource constraints
2. Consolidate these into a time bound action plan with key milestones
3. Identify an implementation team, and recommend its reporting lines, to put these recommendations into effect and monitor their implementation progress

The capacity building plan will be presented in a third and final Stakeholder Workshop to be organized by the Client after preparation and acceptance by the Client of the Capacity Building Solutions Report.

**4.0 Expected Deliverables and Timing**

Item	Description of Output	Timing from the Date of Contract effectiveness
4.1.	Inception Report and Workshop Report	1 month
4.2.	Draft Capacity Assessment Report and Workshop Report	3 months
4.3.	Draft Capacity Building Solutions Report and Workshop Report	4 months
4.4	Final Report	5months

**5.0 Client Inputs to the Assignment**

The Client shall:

1. Set up a Contract Management Committee to oversee the smooth progress of the Capacity Assessment
2. Provide the Consultant with suitable office space with reliable and adequate speed wireless internet access, as well as printing and copying facilities
3. Engage the key stakeholders, especially UETCL, MEMD and World Bank, and keep them updated on the progress of the Capacity Assessment
4. Facilitate the Consultant to access all UETCL departments and provide the Consultant with access to project sites as necessary during the execution of the Capacity Assessment.

5. Provide the consultant all relevant outputs from previous capacity building and project management implementation studies conducted within the Ugandan energy sector.

## 6.0 Firm and Staffing Requirements and Qualifications

The firm must have 8 years' experience either undertaking similar capacity review and capacity building assessments, or in successfully managing large capital projects portfolios. The firm must have performed at least two similar assignments. The following key personnel shall be included as a minimum requirement for the Consultant's personnel and each of the key personnel must have carried out at least one similar assignment. The indicative time frames have been provided below for illustrative purposes only.

Position	Minimum Qualifications and Experience	Man Months
Team Leader	A Team Leader with at least ten years' experience in implementing organizational development, change management, capacity needs assessment, strategic and business planning, and human resources optimization. A Master's degree in Human Resource Management, Business Administration, Public Sector Management, or Organizational Development is preferred. Strong communication and change facilitation skills in a cross-cultural setting are essential.	3.0
Utility Management Specialist	A Utility Manager or Management Consultant with a minimum of a Bachelors' Degree in Electrical Engineering and at least six years' experience in operational management related utility business processes and systems.	3.0
Capital Projects Management Expert	A Project Manager with a degree or professional qualification in Project Management and at least seven years' experience in managing large capital project portfolios related to electricity transmission infrastructure. Good knowledge and understanding of the financing requirements of projects, including project planning, project design, procurement, project implementation, and contract management is essential. Exposure to World Bank or other donor procurement, capital projects supervision, and Resettlement Action Plan implementation is essential.	3.0
Financial Management Expert	A Financial Expert with a Financial Professional Degree, post gradual training with least 6 years' experience in Financial Management, related to electricity utilities. A good knowledge and understanding of the funding needs for electricity transmission utilities, including operational budgeting, revenue management, bulk power trading, and regional power trading is required.	3.0

<b>Position</b>	<b>Minimum Qualifications and Experience</b>	<b>Man Months</b>
Legal/Land and Servitude Acquisition Expert	A legal/land and servitude acquisition expert with a relevant degree in Land Economics or Law, post graduate training with at least, five years' experience in large scale land access, accrual, servitude registration, and resettlement management practices related to large infrastructure projects. A good knowledge and understanding of Ugandan Land Acquisition Law and practices is preferred.	1.0
IT Systems Audit Expert	An IT Systems Audit Expert should possess a degree in Information Technology and an internationally recognised certification in IT systems audit with experience of at least five years.	1.0

## **7.0 Reporting**

### **7.1 Reporting Requirements - General**

The Ministry will coordinate and manage the Assignment and will be represented by the Project Manager, Grid Expansion and Reinforcement Project (GERP). All reports will be submitted to:

The Permanent Secretary,  
 Ministry of Energy and Mineral Development  
 P.O Box 7270  
 KAMPALA Uganda

A copy of the report shall be submitted to the World Bank Task Team Leader of the Grid Expansion and Reinforcement Project (GERP) at: 4<sup>th</sup> Floor Rwenzori House, Lumumba Avenue, Kampala.

### **7.2 Reporting Requirements – Specific Reports**

The Consultant shall prepare and submit the Reports specified below (all in English) to the Client. The reports shall be in both hardcopy and softcopy format (five copies of each)

1. Inception Report and Workshop Report
  - a. describing the Consultant's initial findings
  - b. identifying any unanticipated challenges
  - c. detailing the Consultant's proposed forward workplan, including any changes to the methodology proposed in their Bid submission
2. Draft Capacity Assessment Report (including findings and recommendations)
  - a. detailing all findings, organized per the sections above
  - b. presenting initial high-level recommendations
3. Final Capacity Assessment Report:
  - a. detailing all recommendations and Workshop Report.
  - b. presenting a time bound action plan with specific stakeholder responsibilities, progress indicators and milestones

The consultant shall also prepare and submit a report for each workshop conducted that shall contain all information about the workshop – agenda, a copy of the presentation by the Consultant, discussions, recommendations, participants, photos, etc.

After submission of each Report, the Consultant shall make to the Client a one-hour presentation using Power Point to elaborate his submission.

The Client will provide comments on each report within two (2) weeks of submission, and the consultant will be expected to incorporate the Client’s comments into the Final version of each Report.

### **8.0 Payment schedule**

The work will be expected to be carried out during the five-month period after mobilization which should be within one month of contract signing. It is expected that the majority of the work will be carried out on-site out in Kampala, Uganda.

Invoices will be made at specific milestones; an indicative payment schedule is as follows:

<b>Invoice</b>	<b>Milestone</b>	<b>%</b>
1st	Inception Report submitted	10%
2nd	Interim Capacity Assessment Report submitted, including the first Workshop report	25%
3rd	Interim Capacity Assessment Report signed off by GERP Project Manager	20%
4th	Final Capacity Building Report submitted, including the third Workshop report	25%
5th	Final Capacity Building Report signed off by MEMD	20%