THE UNITED REPUBLIC OF TANZANIA

**MINISTRY OF ENERGY AND MINERAL**

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**TERMS OF REFERENCE FOR CONSULTANCY SERVICES TORWARDS JESR (2010)**

**1.0 Background Information**

The Joint Energy Sector Review (JESR) is the key element of coordination, planning and financing the energy sector and it establishes a common basis of performance monitoring and sets the priorities of the energy sector. The Ministry of Energy and Minerals (MEM) has been facilitating JESR in collaboration with some active DPs in the energy sector since 2007. The exercise is carried out annually to generate inputs for the General Budget Support (GBS).

The Fourth annual JESR workshop will be held in September 2010. As input to the JESR workshop a review of the sector is needed. The review is expected to focus on the implemented target for the energy sector during 2009/10, achievements and key issues to be considered in 2010/11.

A consultancy team with expertise in financial and technical issues in the Energy Sector will procured by the Ministry of Energy and Minerals, in close collaboration with Sida to undertake this task.

1. **Objective of the JESR**

JESR will build consensus among energy stakeholders on the following:-

1. performance assessment framework and indicators, taking into account MKUKUTA Cluster I

targets.

(b) Mechanisms for sector co-ordination and dialogue between the Government

(GoT) and Development Partners (DPs) as well as other stakeholders in the Energy Sector; and

(c) Assessment of policy, strategy and investment priorities in the energy sector

1. **Scope of work**

The scope of the study is limited to mainland Tanzania.

***3.1 General Review***

3.1.1 Review the

a) JESR 2009 Report and Proceedings of the Workshop including the underlying situational Analysis; Policy and Planning; Sector Financing and key issues to be monitored.

b) Relevant policies & strategies (National Energy Policy and MKUKUTA II) and map interventions (GoT and DPs). Analysis of the accuracy of interventions towards policies & strategies as well as identification of gaps/overlaps should be made.

* + 1. Analyze MEM Medium Term Plan (MTP) and Medium Term Expenditure Framework (MTEF) (budget execution & planning) and map interventions (Got and DPs), including analysis of accuracy of interventions towards policies & strategies and identify gap/overlaps (Focus on Development Accounts).
    2. Take stock, analyze and conclude on existing Monitoring Framework and Indicators: on Government Budget Support (GBS) and PAF. Indicators: Temporary Process Actions, Outcome Indicators: and MKUKUTA II (Clusters 1& 2 for Goal 6) Monitoring Framework- input to JESR.
    3. Elaborate on what information (and its sources) is required for an Energy Information

Management System to monitor sector Performance.

* + 1. Analyze the sector’s review process in terms of implementation structure, management, stakeholder involvement and process of establishment of milestones and outcomes. Make a comparison to existing GoT/sector planning, budgeting and review process for alignment of JESR and subsequent meetings during the year.
    2. Review :

1. The sector progress (targets and results);
2. Consistency of the budget with the sector programme strategy, plans and priorities;
3. Whether budget execution/budget allocation is in line with approved budget;
4. Progress on performance indicators, targets and outcomes as identified in strategic plans, indicator frameworks and MKUKUTA for the 2010;
5. Progress on achieving milestones agreed in the past Review;
6. Information sharing and timeliness;

(g) Performance of the energy sector (physical and financial);

(h) Challenges faced by sector and proposal for crucial issues for discussion at the JESR meeting;

(i) Energy issues being addressed in MKUKUTA II document;

(j) Monitor and review budgets in terms of their alignment with policies, strategies or relevant strategic plan and MKUKUTA II;

(k) Monitor and review the implementation of sector programme activities and budget execution;

(l) Monitor and report on progress on MKUKUTA II goals and targets;

(m) Monitor, assess and report on results and outcomes in the sector, detailing progress, challenges and constraints in implementing policies, strategic plans and programme plans, including progress on sector or programme indicators;

(n) Monitor and assess the functioning of public financial management systems (e.g procurement, auditing, etc.); and

(o) Actions on previous year recommendations.

3.1.7 “**Definition of Satisfactory Sector Review”.**  It entails the need to determine if the progress is satisfactory in terms of: budgeting and financing; progress on agreed targets and results; and accountability. The basis for the determination of the progress will be on:-

(i) Criteria

* Timing
* Stakeholder participation & GoT leadership
* Review agenda
* Review outputs & Follow-up

ii) JESR report

iii) Agreed sector assessment framework

3.1.8 Propose:

1. Priorities and actions for the coming year;
2. Road map for implementation of JESR for 2011;
3. Format for continued energy sector review including organization and time frame over the year (given the respective plan of operations for the respective projects); and
4. A set of indicators by which the state and performance of the sector could be measured, including sources of information. The number of indicators should be based on MKUKUTA.

**3.2 Specific Energy Sub-Sectoral Reviews**

3.2.1 ***Electricity***

Assess current state (values) of the set of MKUKUTA and PAF-indicators, e.g. Installed capacity (MW), availability (%), Population with access of electricity (%) as well as technical and financial loss (%) during transmission and distribution of electricity.

3.2.3 ***Renewable Energy***

Assess contribution of renewable energy for thermal applications and in power generation/supply

3.2.3 ***Petroleum and Natural Gas***

(a) Assess investment opportunities and contribution of petroleum and gas in thermal and power supplies.

(b) Identify strengths, weaknesses, opportunities and challenges in each energy subsectors and propose recommendations.

**4.0 Deliverables**

1. Draft report for presentation to the Working Groups for their comments and suggestions;
2. Well structured draft report (in hard and editable soft copies) submitted to MEM;
3. Presentation at the JESR stakeholders’ workshop 2010; and
4. Final JESR report submitted to MEM, having incorporated stakeholders’ inputs and ideas.

**5.0 Proposed Approach and Methodology**

1. Literature search (suggestion has been made to the consultant to review the documents as listed under item 9.0);
2. Carry out interviews with relevant officials in TANESCO, TPDC, REA, EWURA, SONGAS, IPTL, National Bureau of Statistics; Ministry of Finance and Economic Affairs (MoFEA); President’s Office-Planning Commission; and REPOA just to mention a few;
3. Process and analyse the collected information and data, and submit a draft report;;
4. Make a Power Point Presentation of the draft report to the Energy Sector Joint Energy Sector Working Group for comments and suggestions;
5. Revise the first draft report based on the received comments by the Working Groups;
6. Make presentation at the JESR workshop in September 2010; and
7. Submit final report to MEM, having incorporated comments/inputs from the stakeholders’ workshop.

**6.0 Team Organisation**:

The procured team of consultants will on the assignment over a period of not more than 30 working days.

The consultancy team will be led by a Team leader who will be responsible for the execution of the contract, as well as coordination of all consultancy activities, and may choose to represent the other consultants to meetings with MEM and DPs. He/she will also be accountable for report writing and submission, organizing the group, preparing JESR document and making presentations.

**7.0 Time Frame & Reporting**

The consultancy service for the Review is estimated to require about 16 person-weeks within 30 working days.

The review should be undertaken during the period June- August 2010.

Proposed schedule is as follows:

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| --- | --- | --- |
| Date(s) | Activity | Remarks |
| May 2010 | Contract negotiation and signing | Contract signed between Sida and the consultants |
| 7 June- 09 July 2010 | Work plan  Desk study & Stakeholder interviews in Tanzania, and report writing | Consultants to get the necessary reference literature, and interviews with major stakeholders in the Energy sector. |
| 23 July 2010 | Present the draft report to the Joint Energy Sector Working Group [JESWG] | Comments from JESWG to be incorporated into the draft report for improvement. |
| 06 August, 2010 | Submission of the improved report | To be submitted in electronic (editable) and hard copies (5). |
| 03 September,2010 | JESR Workshop 2010: Presentation at Stakeholders’ workshop | The consultants will be expected to record comments and ideas from stakeholders for incorporation into the draft final document. |
| 13 September, 2010 | Final submission after incorporation of comments from the consultants. | The final JESR 2010 document to be submitted for GBS meeting. |

**8.0 Consultants Qualifications.**

The team of consultants must together cover the following competences:

a) Masters Degree or above in Economics Engineering, Business, Finance, or related subjects;

b) Excellent knowledge of Tanzania and the Energy sector and the private sector;

c) Experience in Tanzania Government Budgeting and Planning system;

1. Sufficient exposure to energy assessments, reviews, performance indicators and monitoring;
2. Strong knowledge of MKUKUTA and other national policies/strategies; and
3. Proficiency in English and strong communication skills.

**9.0 Guiding Reports and Documents for the Energy Sector Review**

1. National Energy Policy (NEP 2003);
2. Electricity Act 2008 ; and Petroleum Act, 2008;
3. National Growth and Reduction of Poverty Strategy (MKUKUTA;
4. GBS Annual Review Report 2009 including PAF 2009(PRBS secretariat)
5. GBS Work plan 2010 & PAF 2010 (PRBS secretariat)
6. JESR 2009 report and Proceedings (MEM)
7. Medium Term Plan (MTP) and Mid Term Expenditure Framework (MTEF) - (MEM) 2009/10
8. MKUKUTA Annual Implementation Report (President’s Office-Planning Commission).
9. Final draft Power Systems Master Plan (2009- 2033).
10. Poverty and Human Development Report (REPOA) 2007.
11. Household Budget Survey 2008.
12. Public Expenditure Estimates 2009- Development Votes (Volume IV) – Ministerial and Regional Development Programme
13. Public Expenditure Estimates 2009- Development Votes (Volume II) – Supply Votes (Ministerial)
14. The Economic Survey of 2007 and 2008.
15. Appropriation Accounts and other Statements for the Year ended 30th June, 2009.
16. MEM’s Budget Speech 2010/11 available in July 2009.
17. MEM’s Budget Memorandum (June 2010)
18. Annual Progress report of:- MEM; TANESCO; TPDC; REA and EWURA.