

# TECHNICAL & FINANCIAL FILE

## CAPACITY DEVELOPMENT OF THE MINISTRY OF (MINERAL RESOURCES AND) ENERGY AND OF THE CONSELHO NACIONAL DE ELECTRICIDADE (CNELEC)

### MOZAMBIQUE

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THE BELGIAN  
DEVELOPMENT COOPERATION **.be**

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## ABBREVIATIONS

AFD	Agence Française de Développement
AfDB	African Development Bank
AIDS	Acquired Immune Deficiency Syndrome
ARENE	Autoridade Reguladora de Energia
BEST	Biomass Energy Strategy
BTC	Belgian Development Agency
CB	Capacity Building
CD	Capacity Development
CFL	Compact Fluorescent Lamp
CNA	Capacity Needs Assessment
CNELEC	Conselho Nacional de Electricidade
DGD	Directorate General for Development Cooperation and Humanitarian Aid
DIPREME	Provincial Directorate of Mineral Resources and Energy
DNE	Direcção Nacional de Energia
DP	Development Partner
DSM	Demand Side Management
EDAP	Energy Development and Access Program
ERAP	Energy Reform and Access Project (WB)
EDF	European Development Fund
EDM	Electricidade de Moçambique
EE	Energy Efficiency
EDENR	Estratégia de Desenvolvimento de Energias Novas e Renováveis
ENDEV	Energizing Development Program
ESCO	Energy Services Company
EU	European Union
EUD	European Union Delegation
FED	Fonds Européen de Development
FUNAE	Fundo de Energia
GDP	Gross domestic product
GET FIT	Global Energy Transfer Feed-in Tariff
GIS	Geographic Information System
GIZ	German Development Agency
GO	General Objective

GoM	Government of Mozambique
GoN	Government of Norway
HCB	Hidroeléctrica de Cahora Bassa
HDI	Human Development Index
HPP	Hydro Power Project / Plant
HR	Human Resources
ICP	Indicative Cooperation Programme
INE	National Institute of Statistics (Instituto Nacional de Estatística)
IPEME	Instituto para Promoção das Pequenas e Médias Empresas, the institute of SMEs,
IPP	Independent Power Producer
IVA	Impuesto sobre el valor añadido (VAT)
JRC	Joint Research Council
KfW	Kreditanstalt für Wiederaufbau
KPI	Key Performance Indicator
kV	kilo Volt
kW	kilo Watt
LPG	Liquified Petroleum Gas
LV	Low voltage
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MF	Ministry of Economy and Finance
MFA	Mutualisation Framework Agreement
MINEC	Ministério dos Negócios Estrangeiros e Cooperação
MIREME	Ministry of Mineral resources and Energy
MoE	Ministry of Energy
MOTRACO	Moçambique Transmission Company
MOU	Memorandum of Understanding
MW	Mega Watt
NEEAP	National Energy Efficiency Action Plan
NGO	Non-governmental organization
Norad	Norwegian Agency for Development Cooperation
O&M	Operations & Maintenance
PARP	Plano de Acção Para a Redução da Pobreza
PARPA	Plano de Acção Para a Redução da Pobreza Absoluta
PDCA	Plan / Do / Check /Act
PETROMOC	Petróleos de Moçambique

PF	Power Factor
PMU	Project Management Unit
PRAP	Poverty Reduction Action Plan
PV	Photovoltaic
RAFI	Responsible for Administration and Finance (International)
REFIT	Renewable Energy Feed in Tariff
RERA	Regional Electricity Regulators Association of Southern Africa
RES	Renewable Energy Sources
SADC	Southern African Development Community
SAPP	Southern African Power Pool
SC	Steering Committee
SCA	Specific Cooperation Agreement
SCADA	Supervisory Control and Data Acquisition
SE4ALL	Sustainable Energy for All
Sida	Swedish International Development Agency
SL	Short List of projects
SME	Small and medium size enterprise
SO	Specific Objective
SPIU	Single Project Implementation Unit
STE	Sociedade Nacional de Transporte de Energia
SWAp	Sector Wide Approach
SWG	Sector Working Group
SWOT	Strengths, Weaknesses, Opportunities and Threats
TA	Technical Assistant
TFF	Technical and Financial File
ToR	Terms of Reference
TVET	Technical Vocational Education and Training
WB	World Bank

## EXECUTIVE SUMMARY

The Indicative Cooperation Program (ICP 2013-2017) between Belgium and Mozambique allocates a grant envelope to the energy sector in Mozambique, split over different interventions:

- Direct investments (Renewable Energy for Rural Development phase 2, 12M€)
- Institutional and organizational strengthening and capacity development at the Ministry of Energy (CB MoE, 4M€)

These interventions will all “contribute to the economic productivity and social service delivery in rural Mozambique through the provision of access to sustainable, affordable and environment-friendly energy for the social integration of all population groups”. Moreover, the ICP puts emphasis on Capacity Development, energy efficiency and access to off-grid renewable energy.

The present TFF covers the last component, the institutional and organizational strengthening and capacity building in the Ministry of Energy. This project is meant to create enabling conditions for the energy sector to plan, manage, implement and monitor all sector activities by strengthening the functioning and performance of the recently created Ministry of (Mineral Resources And) Energy (MIREME) and of the future regulator for the sector, currently called Conselho Nacional de Electricidade (CNELEC). Given the importance of regulatory functions for a performant sector, it has been agreed with the national partner and the Belgian donor to include CNELEC as an additional direct beneficiary in the scope of this intervention.

In order to support MIREME and CNELEC, an amount of 4 million € is foreseen. The duration of the intervention is 5 years and the proposed General and Specific Objectives are:

- General Objective: “The development of the energy sector is enhanced in order to power the socioeconomic development of the country and to contribute to the welfare of its people”
- Specific Objective: “The performance of MIREME and CNELEC in advancing access to renewable electricity in rural areas is enhanced ”

Three result areas have been identified:

- Result Area 1: the capacities of the MIREME at central level are strengthened in order to improve the energy sector planning and policy-making
- Result Area 2: The capacities of the DIPREME are strengthened in order to improve energy sector planning, monitoring and supervision in selected provinces
- Result Area 3: Efforts of transforming CNELEC into an independent and capable regulator for the new and renewable electricity sub-sector are supported

Specific Directorates, functions and structures are identified at central and provincial level as main beneficiaries, others are mentioned and will be supported directly or indirectly with a variable intensity.

Efforts will be targeting the central level and some selected provinces in a phased approach: Manica, Sofala and Zambezia (phase 1) including the possibility to extend towards two extra provinces where Belgium is currently investing in rural electrification (Niassa and Nampula)

Capacity Development support in this intervention will take multiple forms like coaching and mentoring, industrial attachment and especially long, medium and short term technical assistance. The intervention also provides minor logistical support. Regarding technical assistance, the intervention will prioritize transformational over transactional activities and focus on the transfer of capacity and on accompanying change processes.

Financial management and procurement will be conducted under BTC management.

No matter the choices made in terms of systems and responsibility modes, the principles of partnership, collaboration, transparency and mutual information between the partners will apply in managing the intervention.

Finally, regarding the cross cutting issues, the focus of this intervention will be mainly on gender and environment.

In preparation of upcoming additional interventions funded by Belgium in the energy sector, a programme approach will be promoted.

This Technical and Financial File is the result of a joint formulation exercise involving BTC and MIREME staff.

**Addendum :**

**The analysis of the Energy sector and its main institutions in Mozambique was conducted in the early months of 2015. At the time, a major restructuring of the sector was taking place that gave birth to a new integrated Ministry of Mineral Resources and Energy (MIREME). The current TFF takes into account the last institutional and organizational changes linked to this sector reform.**



## ANALYTICAL RECORD OF THE INTERVENTION

DGD National Number	3015662
BTC Navision Code	MOZ 14 030 11
Partner Institutions	Ministry of Natural Resources and Energy (MIREME) Conselho Nacional de Electricidade (CNELEC)
Duration of Specific Agreement	6 years (72 months)
Duration of implementation	5 years (60 months)
MOZ Contribution	500,000 EUR
Belgian contribution	4,000,000 EUR
Estimated date for Signature of Specific Agreement	2016
Intervention Sector	23010 : Energy policy and administrative management <i>Energy sector policy, planning and programmes; aid to energy ministries; institution capacity building and advice; unspecified energy activities including energy conservation</i>
Name	<b>Capacity Development of the Ministry of (Mineral Resources and) Energy and of the Conselho Nacional de Electricidade (CNELEC)</b>
General Objective	The development of the energy sector is enhanced in order to power the socioeconomic development of the country and to contribute to the welfare of its people
Specific Objective	The performance of MIREME and CNELEC in advancing access to renewable electricity in rural areas is enhanced
Intermediate Results	Result Area 1: the capacities of the MIREME at central level are strengthened in order to improve the energy sector planning and policy-making Result Area 2: The capacities of the DIPREME are strengthened in order to improve energy sector planning, monitoring and supervision in selected provinces Result Area 3: Efforts of transforming CNELEC into an independent and capable regulator for the new and renewable electricity sub-sector are supported

Figure 1 – Analytical record

# 1 SITUATION ANALYSIS

## 1.1 General context for the Energy Sector in Mozambique

### 1.1.1 Agenda 2025 and the Poverty Reduction Action Plan

The **Agenda 2025** document, approved in 2003 at the end of a two-year participatory process, provides a long-term National Vision on the development of Mozambique. The document includes a set of broad guidelines for leaders and decision makers in the public and private sectors and in the civil society on medium- and long-term action. The objective of this Vision is to make sure that by 2025 Mozambique “*has changed into an enterprising and successful country, to achieve a desired average level of development*”<sup>1</sup>.

These broad objectives of the Agenda 2025 have been converted into action by a series of medium term strategic plans. The first was the **Action Plan for the Reduction of Absolute Poverty, PARPA I** (2000-2004), of which the implementation coincided with the development of the Agenda 2025 document. As was made clear in the title, the focus in this document was clearly on the reduction of **absolute poverty** in the country. The specific objective of the action plan was “*to reduce the incidence of absolute poverty from 70% in 1997 to less than 60% by 2005 and less than 50% by the end of 2010*”<sup>2</sup>. It was decided that the PARPA would be a **rolling and dynamic policy document**, for which specific targets and actions could be revised, while maintaining the main policy guidelines and priorities. As a consequence, the PARPA I was revised in 2001 and the new document covered the period between 2001 and 2005.

PARPA I was followed by the **PARPA II** which covered the 2006-2011 period. This new Action Plan still included the original objective on the reduction of absolute poverty but also included a new objective on “*the promotion of rapid, yet sustainable and comprehensive, economic growth*”<sup>3</sup>. In this document, the **importance of access to electricity for rural development, housing and health services** also received stronger emphasis. Furthermore, the PARPA II also mentions the “*promotion of alternative sources of electricity generation to use in electrification of areas that are isolated from the national grid*” as one of the actions in order “*to expand access to electricity for consumers, and especially for production, while curbing the environmental impact of its use*”<sup>4</sup>.

The **Poverty Reduction Action Plan (PARP) 2011-2014** is the most recent medium-term strategy document of the Government of Mozambique for Poverty Reduction. The focus of this Action Plan is on combating poverty and promoting a culture of work, with the objective of achieving inclusive economic growth and of reducing poverty and vulnerability in the country.

In the document, **the Electricity subsector is identified as a facilitator for human and economic development** but also as a direct contributor to national economic growth. On the latter, the PARP explicitly mentions the contribution of rural electrification as a determining factor for growth in the electricity sub-sector. On the former, the PARP points out the need to expand energy supply services for health and education throughout the country. This is supposed to be done through the installation of solar energy systems in rural areas without access to the National Electricity Network with priority to schools and health centers in all provinces. Also, all district headquarters and administrative post, not yet connected to the national grid should be electrified<sup>5</sup>.

**In the last Programa Quinquenal do Governo para 2015 – 2019**, the actions of the Government are directed to **Five Priorities**: i) consolidation of national unity, peace and sovereignty; ii) Development of human and social capital; iii) promotion of employment, productivity and competitiveness; iv)

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<sup>1</sup> Agenda 2025 document, p.10.

<sup>2</sup> PARPA I, p.1.

<sup>3</sup> PARPA II, p. 30.

<sup>4</sup> PARPA II, p. 128.

<sup>5</sup> PARP, p. 25.

Development of economic and social infrastructure, and v) sustainable and transparent management of natural resources and the environment.

As far as the fourth priority is concerned, the Government will increase access to quality and availability of electricity, liquid fuels and natural gas for the development of socio-economic activities, domestic consumption and export. Among the priority actions to be conducted, most of the attention is brought to large infrastructure projects (relying on hydro and natural gas sources), transmission lines, and non-renewable sources of energy. The GoM will

- pursue rural electrification through the national electricity grid and solar systems with a priority for the new districts, administrative posts and localities;
- continue the electrification of health facilities through solar systems, ensuring the improvement of the quality of health services for the citizens;
- promote the electrification of communities linked to fishing centers;
- continue to build Rotanda mini-hydro plants, Chiurairue, Sembezeia, Muoha, Mavonde and Berua (Manica), Nintulo (Zambezia), Meponda, N'timbe, Luangwa, Luaice and Zize (Niassa);

**Overall, the energy sector – and for that matter the electricity sub-sector- receives little attention in the general policy documents of Mozambique.**

## 1.1.2 The Energy Sector Strategy (2015-2024)

### 1.1.2.1 Overview

The Energy Sector Strategy for the 2014-2023 period (recently updated for 2015-2024) is articulated around the following five axes:

- **Axe 1:** Production and Transport of Electric Energy

This axe includes the different objectives and targets of the Government of Mozambique (GoM) for electricity production through macro-hydro plants, gas-to-power plants and coal plants. This axe also covers the topic of electric energy transmission through the national grid and the reinforcement of interconnection and export capacities with the neighbouring countries.

- **Axe 2:** Production and infrastructure for Combustibles

This axe includes the different objectives and targets of the GoM for the storage and the use of Combustibles (Liquid Natural Gas, Liquefied Petroleum Gas,...) in the country.

- **Axe 3 : Distribution and Access to electricity and combustibles**

This axe includes the different objectives and targets of the GoM on Access to electricity and combustibles in the country. Oddly, this axe also contains the **sector objectives for the generation of Renewable Energy**. The most important objectives cited under this axe will be further discussed in the following paragraph (§1.1.2.2).

- **Axe 4 :** Financing and Prices

This axe regroups the ambitions of the GoM on attracting (external) private investments and on making energy prices cost-reflective

- **Axe 5 : Organization and Institutional Capacity**

This axe includes the ambitions of the GoM on the creation of **sufficient institutional and organizational capacities in the State-owned companies** in the Energy Sector. Under this axe, a number of activities are mentioned to refine the existing legal framework and to develop a national workforce for the sector. Moreover, this axe also contains the ambition **to create a competent and independent Energy Sector Regulator**.

A sixth section in the Energy Sector Strategy covers the cross-cutting themes

- **Cross-cutting themes**

Environment, science and nuclear technology, HIV-AIDS, gender, territorial development and regional cooperation are the main cross-cutting themes promoted by the Strategy. Approaches and indicators related to gender and environment will be integrated in the intervention.

Both the axe 3 and 5 provide the high level ambitions and targets for the planned intervention.

<b>Axe 3: Distribution and Access to Electricity and Combustibles</b>	
<b>Objectives</b>	<b>Means</b>
<p>To provide energy access to 50% of the population</p> <p>To guarantee the existence of at least one petrol station in each district</p> <p>To stimulate the consumption of GPL and natural gas</p> <p>To reach 10% of the car park with GNV</p> <p>To extend the natural gas distribution network to at least 5 new population centres</p> <p>To promote the installation of 400MW of renewable energies</p>	<p><b>Regarding distribution and access to combustibles (Liquid, natural gas and GPL, biomass)</b></p> <ul style="list-style-type: none"> <li>• (...)</li> </ul> <p><b>Regarding distribution and access to electric power</b></p> <ul style="list-style-type: none"> <li>• Reach all districts and 50% of the population by 2024</li> <li>• Reach all urban areas by 2024</li> <li>• Reinforce FUNAE in various areas</li> <li>• Optimize and coordinate generation and distribution activities between FUNAE and EDM</li> <li>• Approve an Action Plan for Energy Efficiency</li> </ul> <p><b>Regarding renewable energies</b></p> <ul style="list-style-type: none"> <li>• Launch a PV program in rural areas (to reach 25% of population)</li> <li>• Stimulate private sector</li> <li>• Launch PPP program with EDM and FUNAE for renewable concessions</li> <li>• Approve a legislation regarding Renewable Feed-In Tariff (REFIT)</li> </ul>

<b>Axe 5: Organizational and Institutional Capacity</b>	
<b>Objectives</b>	<b>Means</b>
<p>To reinforce the role of State companies in order to assure their participation to large infrastructure investment projects</p>	<p><b>At institutional level</b></p> <ul style="list-style-type: none"> <li>• Review the Electricity Law in order to create two sectors: public and export + 3 types of concessions + roles for EDM and HCB</li> </ul>

<p><b>To approve a new Electricity Law by 2016</b></p> <p><b>Train and promote Mozambican staff members and technicians</b></p> <p><b>Reformulate the regulatory functions of the sector , creating a regulating authority for the Energy sector</b></p>	<ul style="list-style-type: none"> <li>• Review the system of concessions on electricity generation</li> <li>• Develop the legislation for natural gas</li> <li>• Review the legislation of the Combustible sector</li> <li>• Develop an Energy Efficiency Program</li> </ul> <p><b>At level of monitoring, supervision and inspection</b></p> <ul style="list-style-type: none"> <li>• Transform CNELEC into a regulatory Entity for the whole Energy sector</li> <li>• Reinforce inspection of installations for combustibles</li> <li>• Establish an institutional framework for accompanying large infrastructure projects</li> <li>• Invest in O&amp;M for existing infrastructures (generation and transport)</li> <li>• Promote planning and development of the sector</li> <li>• Develop a Regulamento de Qualidade de Serviço</li> <li>• Create a specialized unit for collecting, processing and disseminating statistics</li> </ul> <p><b>At level of capacity building</b></p> <ul style="list-style-type: none"> <li>• Implement an HR Management System in all public companies and Ministry, to attract and retain the best resources</li> <li>• Develop HR and promote scholarships</li> <li>• Promote women</li> </ul>
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**Figure 2 - Simplified and summarized content of the Energy Sector Strategy axes 3 and 5**

### **1.1.2.2 Objectives and strategies for the Electricity sub-sector.**

In order to make sure that the electricity sub-sector effectively contributes to inclusive economic growth and the reduction of poverty and vulnerability in the country, the GoM has set the following objectives and targets in its Energy Sector Strategy:

- Increased electricity generation capacity by 2024:
  - Increase Mozambique’s conventional electricity generation capacity to 5000 MW.
  - **Install 400 MW of renewable electricity generation capacity throughout the country<sup>6</sup>.**
- Increased Access to electricity by 2024:
  - 50% of the Mozambican population should have access to electricity by 2024:
    - 25% of the population should have access to on-grid electricity
    - **25% of the population should have access to off-grid electricity**
  - **1000 Administrative Posts and Localities should be electrified by using solar energy.**

<sup>6</sup> It is important to note that in Mozambique only installations that produce 15MW or less are considered as installations for Renewable Energy. This means that, e.g. large hydropower plants like Cahora Bassa are not included in the cited objective for Renewable Energy.

In the Energy Sector Strategy, the following approaches are identified in order to achieve these objectives and targets:

### **1. Increasing electricity generation capacity**

As far as **conventional electricity generation capacity** is concerned, the Energy Sector Strategy focusses mainly on the better use of Mozambique's potential for hydropower. Also, the use of the countries strategic reserves in both coal and gas in order to generate electric power is greatly emphasized in this document.

However, the GoM is well aware that the huge investments needed to exploit the country's potential for electricity generation, especially from conventional energy sources, can not only be provided by the government. As a consequence, a lot of effort will have to go into attracting private sector investors through Public Private Partnerships (PPP's). In order to facilitate private sector involvement, the Energy Sector Strategy identifies a number of specific actions:

- The legal and policy framework for the sector should be reviewed in order to provide higher security for private investors
- The energy sector should be better regulated by a competent and independent regulator
- Existing tariff schemes should be reviewed and updated in order to provide higher security on revenues for private investors while protecting consumers against soaring electricity prices.
- Financial facilities and stimuli should be provided to diminish the risk related to private investments

On **renewable electricity generation**, the Energy Sector Strategy is less specific. The document mentions the installation of solar panels in 1000 Administrative Posts and Localities, which is strongly related to the increase of access to electricity. Moreover, the Strategy also talks about the Renewable Energy Atlas and the possibility/necessity to give concessions – at their demand- to private investors in order to allow them to exploit the existing potential (solar, hydro and wind) for renewable electricity generation.

From what is mentioned above, it is clear that the GoM, in its Energy Sector Strategy, recognizes the **important role of private investors** in order to develop the energy sector in the country. The Strategy even mentions a specific target on private investments: for the 2014-2024 time period: the sector should, on average, attract 2 billion \$ per year.

### **2. Increasing access to electricity**

As far as the "Access to Electricity" is concerned, the strategic approach of the GoM, proposed in the Energy Sector Strategy, is twofold:

- On the one hand, the GoM wants to continue its efforts to **connect urban and peri-urban households to the national electricity grid** by extending and improving the existing transmission and distribution network.
- On the other hand, the GoM also emphasizes the need for **off-grid solutions**, especially in remote geographical areas where levels of consumption are too low to justify a grid extension and connections to the national grid. In such cases, the GoM is envisaging off-grid solar, hydro and wind power installations to provide electricity to the local population.

### 1.1.2.3 Capacity Development in the Energy Sector Strategy

Besides the technical objectives, targets and strategic approaches, the Energy Sector Strategy also contains a number of **orientations on Capacity Development** in the sector. However, these orientations are very diverse in nature:

- Implement a real system of **Human Resources Management in all public entities** in the energy sector.
- Strengthen the **entrepreneurial capacity** of Mozambicans in the energy sector
- Invest in **education of sector professionals**, both inside and outside the country.

### 1.1.3 The Strategy for New and Renewable Energy Development (2011-2025)

#### 1.1.3.1 Overview

The Strategy for New and Renewable Energy Development (EDENR) of the GoM was developed almost in parallel with the Energy Sector Strategy and both documents cover almost the same time period. However, closer examination of the objectives in the two documents reveals a number of inconsistencies:

Strategy for New and Renewable Energy Development (EDENR 2011-2025)	Energy Sector Strategy (2015-2024)	Programa Quinquenal do Governo para 2015 – 2019
<ul style="list-style-type: none"> <li>• Access to electricity for household illumination, from a connected or isolated source: 100% by 2025</li> </ul>	<ul style="list-style-type: none"> <li>• Access to electricity for 50% of the population by 2024</li> </ul>	<ul style="list-style-type: none"> <li>• Access to electricity for 55% of the population by 2019</li> </ul>
<ul style="list-style-type: none"> <li>• Installation of solar panels for illumination in all off-grid localities</li> </ul>	<ul style="list-style-type: none"> <li>• Installation of 1000 solar panels on Administrative Posts (405 in total) and Localities</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>

Figure 3 - Inconsistencies between the EDENR, the Energy Sector Strategy and the PQG 2015

While it is clear that the objectives have not completely been harmonized between the different strategies, it seems that the EDENR was conceived to complement the Energy Sector Strategy in the area of Renewable energy generation.

#### 1.1.3.2 Objectives

The EDENR strategy is divided into two main areas of action:

- **On-grid strategy (EDENR-EN; En Rede):** to develop national renewable resources for generating electric power to ensure that the demand can be met, diversify the energy matrix and preserve the environment
- **Off-grid strategy (EDENR-FR; Fora-da-Rede):** To facilitate activities to support rural development and alleviate poverty in Mozambique as well to ensure access by communities in non-electrified areas to energy sources that are of better quality and more secure

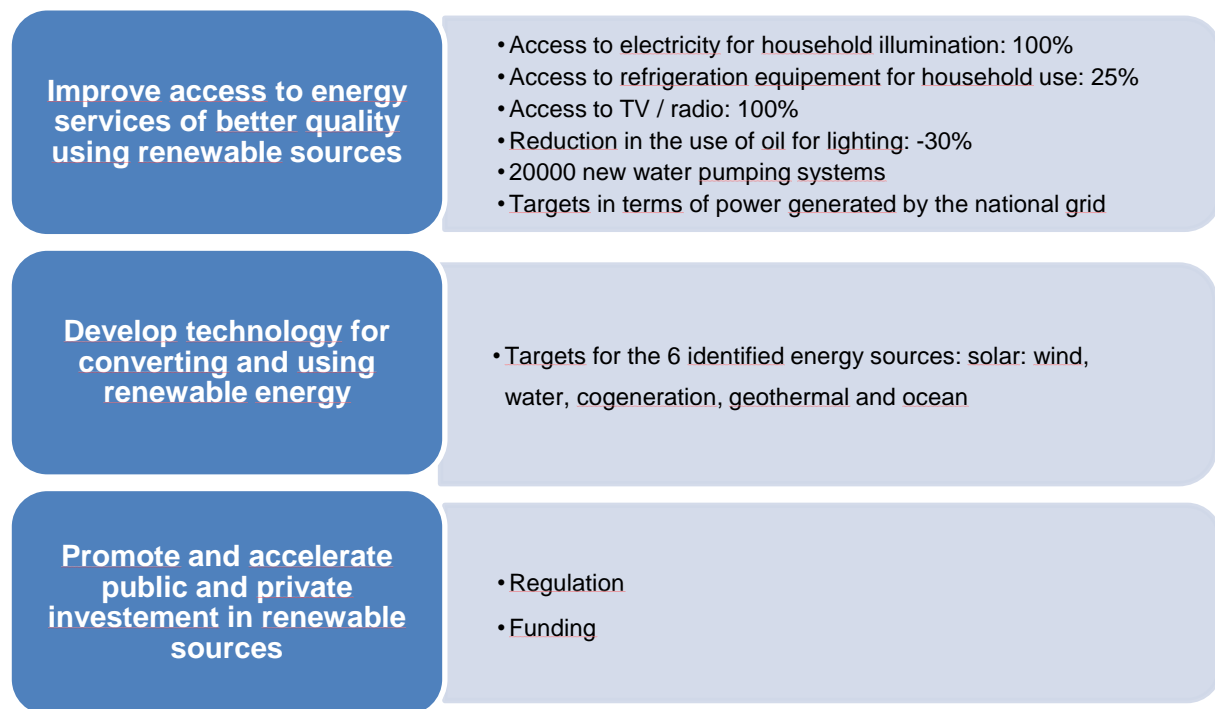
The strategic objectives for the development of new and renewable energies in Mozambique are:

- To improve access to energy services of better quality using renewable sources
- To develop technology for converting and using renewable energy

- To promote and accelerate public and private investments in renewable sources.

The strategy also contains a number of **additional operational objectives** developed in a National New and renewable Energy Program (PNENR), a number of which are mentioned below:

- Increase individual or community access to a radio or television signal to 100% through the use of solar panels and rechargeable solar-powered batteries.
- Install 20.000 new water pumping systems, powered by wind or solar energy.
- Install 100.000 solar water heaters
- Install 10.000 micro/mini aero generators, etc



**Figure 4 - Simplified and summarized content of the EDENR**

As is the case in the Energy Sector Strategy, the EDENR also emphasizes the **importance of attracting private investors** in the sector to complement the efforts of GoM and of Development Partners. The EDENR contains **more or less the same type of actions** as the ones already cited in the Energy Sector Strategy (§1.2.2), in order to facilitate private investments.

## 1.2 National stakeholders in the electricity sub-sector

### 1.2.1 Public stakeholders

A considerable number of stakeholders are currently active in the electricity sub-sector in Mozambique. The figure below shows the four main public stakeholders (center) together with other public and private stakeholders.



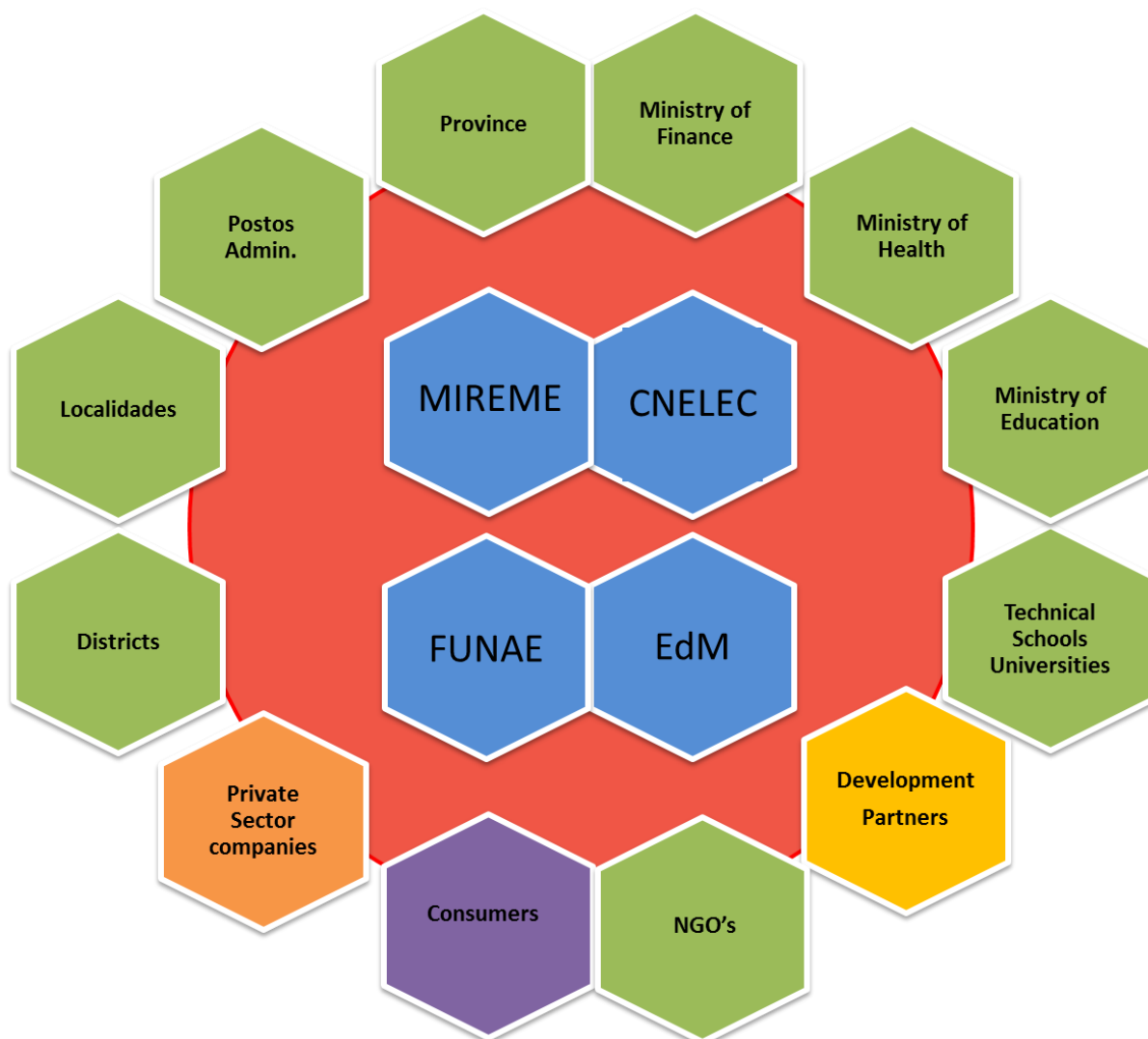


Figure 5 - Schematic overview of public and private stakeholders in the Electricity sub-sector

Below, a more detailed overview of the main public actors is provided, together with a brief explanation of their institutional role in the sub-sector.

STAKEHOLDER	INSTITUTIONAL MANDATE
<b>MIREME</b> <b>Ministério dos Recursos Minerais e Energia</b>	The <b>Ministry of Mineral Resources and Energy</b> is responsible for national energy <b>planning and policy formulation</b> . Furthermore, the MIREME is also in charge of <b>overseeing</b> the functioning and the development of the energy sector in Mozambique.
<b>EdM</b> <b>Electricidade de Moçambique</b>	EDM is a vertically-integrated, government owned <b>electric utility</b> responsible for generation, transmission and distribution of electricity through the national grid.
<b>FUNAE</b> <b>Fundo de Energia</b>	The <b>Fundo de Energia</b> is a public institution responsible for <b>promoting rural electrification and rural access</b> to modern energy services in a sustainable manner. Since its creation, FUNAE has <b>implemented numerous projects</b> using renewable energy technologies to electrify schools, clinics and communities.

<p><b>CNELEC</b> <b>Conselho Nacional de Electricidade</b></p>	<p>This <b>consultative body</b> shares some regulatory functions with the MIREME to whom it mainly provides advice on the performance of EdM and on tariff applications. It is about to be transformed into a full regulator for the energy sector under the name ARENE</p>
<p><b>ARENE</b> <b>Autoridade Reguladora de Energia</b></p>	<p>Future denomination of the Regulating Authority for the entire energy sector. The new law creating this structure is ready and about to be voted in Mozambique</p>
<p><b>MF</b> <b>Recent merger of the ministries of Finance and of Planning and Development</b></p>	<p>The <b>Ministry of Economy and Finance</b> is, among other things, responsible for developing clear strategies to stimulate private investments in the energy sector. This includes the establishment of risk mitigation strategies such as access to public credit, tax exemptions, etc. This Ministry, together with the MIREME, is also responsible for the monitoring of the 5 years' Performance Contract between EdM and the GoM.</p>
<p><b>MICOA</b></p>	<p><b>Ministry of Land, Environment and Rural Development</b></p> <p>The <b>Ministry of Natural Resources</b> is responsible for ensuring that natural resources such as hydro, peat, and geothermal are used in an efficient and environmentally sustainable manner.</p>
<p><b>Other stakeholders e.g. Ministry of Education and Culture, Ministry of Health, provinces,...)</b></p>	<p>Electricity provision is vital to all economic and social sectors in Mozambique. Therefore, the different sector ministries and the authorities at the lower levels of the government also have a role to play in the electricity sub-sector, especially in the field of policy making. Moreover, these actors are often benefiting from investments made in electricity generation and access..</p>

Figure 6 - Overview of public stakeholders in the energy sector

Below, the two crucial public stakeholders for the current intervention, the MIREME and the CNELEC, will be discussed in greater detail.

## 1.2.2 The Ministry of Mineral Resources and Energy (MIREME) at central level

### a) the merger and its impact

Following its recent election, Mozambique's new president Filipe Nyusi has reduced the number of ministries from 19 to 13 in a move aimed at cutting government spending. It has merged the Ministry of Energy and the Ministry of Mineral Resources into a new Ministry of Mineral Resources and Energy (MIREME). MIREME and the new Ministry of Economy and Finance (from the merger of Finance and Planning & Development) become the two most powerful ministries in Mozambique.

The former Ministry of Energy, which is now fully integrated into the larger Ministry of Mineral Resources and Energy (MIREME) was initially established as a separate ministry by Presidential Decree in March 2005. Its main missions were to assume responsibility for national **energy planning and policy formulation**. Furthermore, the Ministry was also in charge of **overseeing the functioning and the development of the energy sector** in Mozambique.

The following presentation of MIREME is based on the new Presidential Decree n°11/2015 dated 16<sup>th</sup> of March 2015 which defines the attributions and competencies of the Ministry of Mineral Resources and

Energy (see c).

As far as the organizational structure of the new Ministry is concerned, the presentation here below is extrapolated from discussions held with the MIREME partners and from a draft ESTATUTO ORGÂNICO DO MINISTÉRIO DOS RECURSOS MINERAIS E ENERGIA.

The former Directorate of New and Renewable Energy (DNER) which was responsible for design, promotion, appraisal, implementation and monitoring of policies for new and renewable energy in Mozambique is no longer part of the organigram. Nevertheless, specific competences in the field of new and renewable energies remain within the MIREME, as described in the last Estatuto Organico.

The following analysis and evaluation of capacity needs is based on interviews and works conducted only with the staff of the former Ministry of Energy and cannot take into account, at this stage the impact of the merger of similar departments (e.g.: DAF Mineral Resources and DAF Energy merged into a MIREME DAF). Mineral resources and non-renewable sources of energy have not been included in the analysis.

### a) Organigram

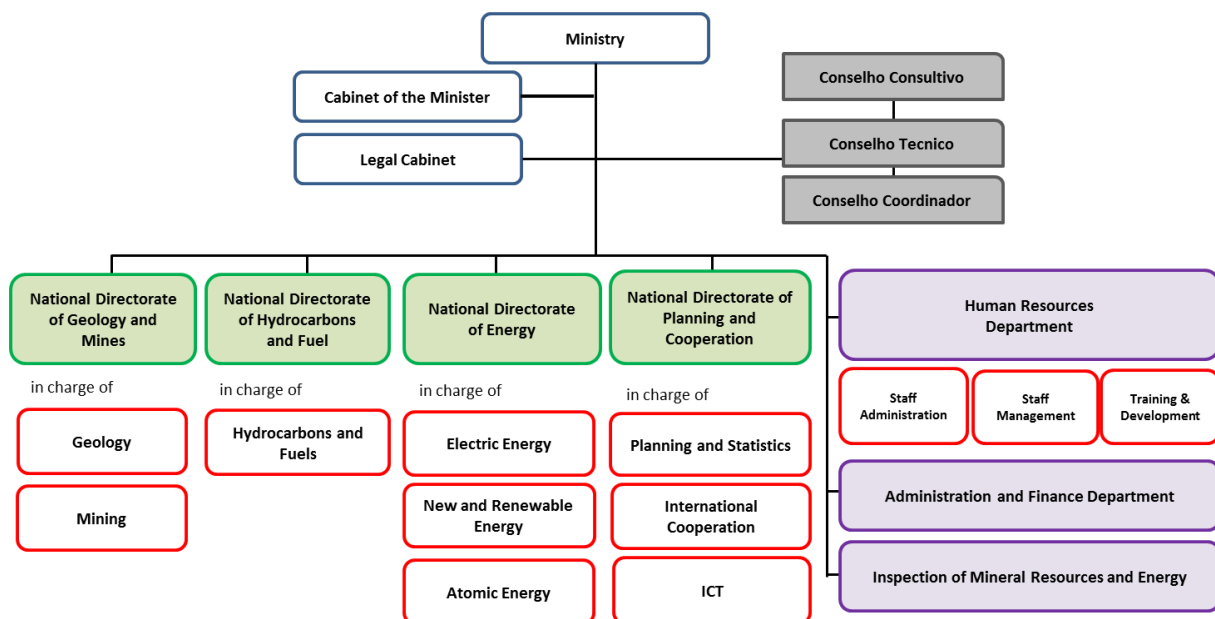


Figure 7 - Tentative high-level organigram of the MIREME

The Ministry of Mineral Resources and Energy directs and monitors the implementation of the Government policy in geological investigation, in mineral and energy resources exploitation, and in the development and expansion of supply infrastructure of electric power, natural gas and petroleum products

The Ministry is mandated to regulate the Energy (and Mineral Resources) sector and is formed by three technical directorates to help accomplish this task:

- The **National Directorate of Geology and Mines** (Direcção Nacional de Geologia e Minas) in charge of policy making, planning, coordination and control in the field of geological activities and mineral resources;
- The **National Directorate of Hydrocarbons and Fuels** (Direcção Nacional de Hidrocarbonetos e Combustíveis) is in charge of planning and regulating the market of hydrocarbons and fuels. It also plays a role, in coordination with other entities, in the preparation, development and management of proposals with regards to forest resources and waste in order to produce energy, while also promoting the development and use of technologies for sustainable charcoal and biofuels production
- The **National Directorate of Energy** (Direcção Nacional de Energia) is the central technical

body within the Ministry responsible for the analysis, preparation and elaboration of energy policies, plans, programmes and legislation in the areas of electricity, **new and renewable energy** and atomic energy, and ensure their implementation.

The only National Directorate within the Ministry to cut across functions is the **National Directorate of Planning and Cooperation** (Direcção de Planificação e Cooperação) which is responsible for, amongst other things, research and investment analysis, planning and statistics across the entire energy sector, international cooperation and ICT.

The **Administration and Finance** (Departamento de Administração e Finanças) and **Human Resources** (Departamento de Recursos Humanos) departments provide internal support to the three above mentioned Directorates. Technical and financial auditing for the entire sector is the responsibility of **Inspection of Mineral resources and Energy** (Inspeção-Geral dos Recursos Minerais e Energia) whilst technical and administrative support is provided to the Minister, Deputy Minister and Permanent Secretary through a **Cabinet of the Minister and a Legal Cabinet**.

The Ministry also disposes of three additional boards:

- **Coordinating Board** (Conselho Coordenador): Convened by the Minister of Energy to assure the coordination and assessment of all institutions of the Ministry and subordinated institutions are safeguarded.
- **Advisory Board** (Conselho Consultivo): Convened and chaired by the Minister of Energy in order to examine and report on key issues related to the activities of the Ministry.
- **Technical Committee** (Conselho Técnico): Panel of technical-scientific support and advice to the Minister of Energy.

The Ministry of Mineral Resources and Energy keeps FUNAE among its **subordinated institutions**, together with the Technical Unit for Hydroelectric Projects Implementation, the National Museum of Geology and The Gemological and Stoning Centre of Nampula.

CNELEC, EDM and PETROMOC, among others remain as **institutions under tutelage** of the MIREME.

### **c) mandate**

The duties of the Ministry of Mineral Resources and Energy are:

- Preparation of proposals and execution of the Mineral Resources and Energy sector policies;
- Inventory and management of mineral and energy resources of the country;
- Promotion of a suitable legal and institutional framework to develop the sector;
- Promotion and dissemination of the mineral resources and energy sector potential;
- Promotion of technological development for the sustainable use of mineral and energy resources at national level;
- Promotion of private sector participation in the development and use of the potential of mineral and energy resources and of their infrastructure;
- Promotion and monitoring of prospecting activities, geological research and rational and sustainable use of mineral resources;
- Inspection and supervision of the sector's activities and monitoring of the implementation of technical safety standards, hygiene and environmental protection;
- Promotion and control of oil production activities and of the development of transport and logistics infrastructures;

- Promotion of the development of electric power supply infrastructure;
- Promotion of an increased access to energy in its various forms, in order to stimulate growth and economic and social development of the country;
- To supply security assurance and distribution of petroleum products nationwide, with particular emphasis on the expansion of the distribution network to rural areas;
- Promotion of the diversification of energy sources and energy efficiency with a view to energy security and stability;
- Promotion of the safe and peaceful use of atomic energy

#### **d) Specific competences of the MIREME in the field of new and renewable energies**

- i. To propose a legal framework for the development of new and renewable energies;
- ii. To promote and enhance the use of new and renewable energies with a view to diversify the energy sources;
- iii. To promote and encourage the sustainable use of new and renewable energies for rural development;
- iv. To approve studies and development projects for exploration and use of new and renewable energies;
- v. To license activities and infrastructure in the context of new and renewable energies;
- vi. To ensure and update the mapping of renewable energies sources.

#### **e) Specific findings on MIREME**

There is a **certain level of capacity** available at the Ministry level. No essential capacity gaps have been identified during the scoping and formulation missions and the Ministry is **generally well equipped** to perform its mandate.

However, perception exists in the sector that the **outputs and the performance** of the Ministry could be further improved, mainly on the following areas:

- The decision making processes seem to be centralized within the organization with **little delegation of responsibilities** to lower levels;
- Everyone mentions the **difficulty to recruit sufficient qualified staff** because of long recruitment procedures and low wages;
- Seemingly the **workload** is unevenly distributed among the different staff members mainly because of **differences in competences**;
- Clear efforts in the areas of **staff development and retention** (through selective use of training funds);
- Necessary to build teams (and a team spirit), not only to have people in the organization, but **people working together, sharing information and keen on communication**;
- **Need for tools and systems** to support sector planning and decision-making (database, GIS, etc)

**e) Zoom on the following directions and departments:**

The following section focusses only on structures and sub structures in line with the strategic orientations presented in Chap 2.

**1) The Directorate of Planning and Cooperation**

**a) Mandate**

The main tasks of the new Directorate of Planning and Cooperation are:

- To ensure the **development, implementation and monitoring of strategies, programs, projects, plans and budgets of the Ministry**;
- To monitor the implementation of the sector's investments;
- To ensure the execution of relevant studies to develop the sector, including the evolution of the prices of mineral products, oil and energy in domestic and foreign markets;
- To advise on funding proposals submitted to the Ministry, including supervised and subordinated institutions;
- To manage the **external cooperation** portfolio of the sector;
- To coordinate and accompany the negotiation process of agreements and other international cooperation instruments in which the Ministry is a party;
- To **organize and update statistical information** on the mineral resources, fuel and energy sectors, and disseminate information of interest about the sector;
- To ensure the use of Information and Communication Technologies (**ICTs**) in the performance of the sector's activities; and
- To manage the website of the Ministry.

**b) Organization and structure**

This new Directorate will regroup the former National Directorate of Studies and Planning, the former International Relations Department and the former ICT Department.

The Directorate of Planning and Cooperation will be headed by a National Director assisted by two Deputy National Directors

**c) SWOT elements / Challenges and Areas where potential for a CB intervention:**

The following table compiles the SWOT analyses conducted with the former departments now integrated in the DPC.

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Main strengths of the Directorate mentioned by partners are the quality of plans and reports</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• Lack of qualification, team needs to be trained on following subjects: negotiation, agreements, MoU, regional integration, English (or French)</li> <li>• <b>International Cooperation Strategy</b> is missing and should be realized</li> <li>• Overall view on DP's support is fragmented and incomplete</li> <li>• Lack of IT maintenance and capacity building of the IT staff.</li> <li>• potential of information exchange between the</li> </ul>
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	<p>field and the capital remains untapped because of a lack of capacity.</p> <ul style="list-style-type: none"> <li>• At provincial level, non-technical staff usually have a very limited knowledge of the ICT basics</li> <li>• ICT is not seen as an asset but as a means of controlling people. Provincial levels are therefore not keen on using these shared tools / software / resources.</li> <li>• A lack of basic equipment at DIPREME's level (PC, for example)</li> <li>• A lack of skilled staff to manage the infrastructure and provide direct support to colleagues</li> <li>• Lack of financial resources to buy extra hardware, licenses, etc</li> <li>• No specific budget for the IT Department</li> <li>• No database available and used at MoE level, very little sharing of information through ICT channels within the Ministry and between actors in the sector (MoE has no access to the New and renewable Energy Atlas).</li> <li>• The new MIREME building is not equipped (yet) with ICT infrastructure (cabling, outlets, racks, computer room, switching and routing equipment, servers, etc)</li> <li>• Limited available bandwidth</li> <li>• Frequent power cuts at provincial level</li> <li>• Lack of skills to read, understand, analyse and comment the received reports. These reports may be very complex and contain information that can only be understood by highly qualified civil servants</li> <li>• because of the limited number of competent staff, a bottleneck is created at the top since the deputy and the director have to take care of operational tasks of reviewing (complex) documents etc.</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• the creation of MIREME will allow an upstream and downstream information on the energy sector</li> <li>• It will allow to receive more interest from the donors/partners</li> <li>• The fact that Mozambique is now member of many international groups (i.e.: IRENA, ...)</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• The Ministry of Mineral Resources that has recently merged with the Ministry of Energy does not have an IT Department and resources. The MIREME IT specialists are then about to inherit around 300 extra users (from the former Ministry of Mineral Resources) without additional means.</li> </ul>

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>IT infrastructure is composed of 5 central servers (in a 19" rack) in Maputo and one server per province (star architecture) accessible from the central level</li> </ul> |  |
|--|--|

## 2) The Human Resources Department (HRD)

### a) Mandate

The Human Resources Department has the following functions:

- To prepare and propose the development policy of the Human Resources sector and to ensure its implementation;
- To manage the Ministry's staff, according to the General Regulations of Staff and State agents and other applicable laws;
- To organize, manage and update the sector e-SIP, according to the guidelines and standards set by the competent bodies;
- To plan, coordinate and ensure the implementation of trainings for the professional development of employees and State agents working in the sector;
- To coordinate the implementation, in the sector, of activities in the context of the Strategies for HIV and AIDS, Gender and Persons with Disabilities in the Public Service;
- To observe and ensure compliance with the General Regulations of Staff and State agents and other applicable legislation and issue opinions, when asked, about hiring foreign workers;
- To prepare, propose and manage the Ministry personnel frame;
- To prepare and propose professional qualifiers for specific careers;
- To assist the preparation and staff management process of institutions subordinated and supervised by the Ministry;
- To ensure the completion of the evaluation of the performance of employees and State agents;
- To organize, manage and update the sector e-SIP, according to the guidelines and standards set by the competent bodies;
- To plan, coordinate and ensure the selection and management of Human Resources of the Ministry, as well as hiring national and foreign workers;
- To implement the norms of social welfare of the employees and State agents of the Ministry;
- To develop and operate information systems and registration of the Ministry staff;
- To manage remuneration and benefits system for employees and State agents of the Ministry;
- To prepare the procurement regulation proposal for the sector specific careers;
- To plan, implement and control the collective studies of law;
- To assist the Minister in the social dialogue and consultation activities in the field of industrial relations and syndication;



## b) Organization and functioning

The Human Resources Department is headed by a head of department

The HR department will cover:

- **Staff Management** in charge of salaries, recruitment and HR budget
- **Training and Development** in charge of identifying training needs within the Ministry and allowing the civil servants to be trained and develop their capacities
- **Staff administration** in charge of pension, transfers, assiduity, etc

### c) SWOT elements and Challenges for the HRD in the Electricity sub-sector

<b>STRENGTHS</b> <ul style="list-style-type: none"> <li>•</li> </ul>	<b>WEAKNESSES</b> <ul style="list-style-type: none"> <li>• Difficulties to attract and retain people with the salary the Ministry offers</li> <li>• No database of the civil servants (current work on Excel sheets)</li> <li>• English is not spoken well enough within the department</li> <li>• Division of “Training and Development” needs some more experimented/better trained people: difficult for them to assess the capacity development needs of the MoE.</li> </ul>
<b>OPPORTUNITIES</b> <ul style="list-style-type: none"> <li>• Donors offering program of capacity development (hinted: receive funds for training &amp; scholarships)</li> </ul>	<b>THREATS</b> <ul style="list-style-type: none"> <li>•</li> </ul>

#### Info on the former Department within MoE

To get information on **training** needs from the different directorates, the HR department sends a document to the directors (Head of directorates & departments) and they fill in the themes they would like their team to receive training for. There is no detailed information on “which person should go where to follow what specific training”. There seems to be no system for competency management in place.

Training and Development has no global overview on Capacity Development efforts within MoE.

There is no approved training policy available. There is also no database in which Training and Development staff is able to keep track of received training by individual staff members. As far as the quality of trainings is concerned, there is no systematic evaluation of the quality of trainings (skills or knowledge transfer) nor of the impact of trainings on the work floor (change in behaviour or performance).

Long term trainings like Licenciatura or Master in the country, where the people work during day time and go to school at night (evening), Distance learning, Masters out of the country and other scholarships are the main possibilities to receive training for civil servants. Training opportunities is mentioned by civil servants as a part of their motivation to enter/stay at the MoE (training tuition + per diem).

The budget of the MoE for training & scholarship, in 2014 was as follows: 670.000 MZN (equivalent to 17.000 €) per year for training & scholarships inside the country and 300.000 MZN (equivalent to 8.000 €) per year for training & scholarships outside the country.

Local institutions like University Eduardo Mondlane (UEM) offer trainings but the offer is relatively limited and does not always suit the needs of the trainees: UEM will open a course in 2016, but it will take 4 years for students to finish their curriculum. There are other institutes like ISCTEM where people can get

training on Oil & Gas.

The main donors who are funding scholarships and trainings at the MoE are Norway and World Bank.

### **Recruitment**

The HR Department does not have a mid-term or a long-term recruitment planning for the moment. This is mainly due to the situation of transition the Ministry is currently in. For the moment, the Management Division is only handling replacement of key staff members. All other recruitments are put on hold. In general, the HR Department does not have a structural approach or an instrument for workload calculation or long and medium term staff planning.

Recruitment Planning would allow for induction course planning, equipment and workplace planning.

The **recruitment process** for civil servants may take up to one year, mainly because of the different levels of validation (administrative court, Public Service,...). There is a “concurso”, then they need approval by the Tribunal Administrativo, then approval by MinFin. This is why many qualified people do not want to wait that long and end up working in other places.

All actors mention the difficulty to attract and retain qualified technicians in renewable energy and oil/gas.

### **Performance management**

An annual performance evaluation system exists within the MoE. Done by n+1, could be linked to an individual bonus, but major factor to get promoted is to get a higher diploma.

HR Management collects and stores all appraisal documents. Currently, information from these appraisals is not used to guide individual capacity development or talent management.

### **Retention/motivation/remuneration**

The turnover rate in MoE is said to be relatively low. This is not confirmed by the fact that often experienced staff are said to leave MoE for a higher pay in the private sector. Civil servants who receive the training have to stay at the MoE for as long as the training takes. If they leave before, they have to reimburse the value of the training. The basis salary for people entering the MoE is 3500MZN/month and the tuition for a “licenciatura” at UEM is 2500MZN/month (30.000MZN/year). Every 1<sup>st</sup> of April, unions discuss about salary increases for civil servants.

## **3) The National Directorate of Energy (NDE)**

### **a) Mandate**

The National Directorate of Energy has the following functions:

- To **prepare and propose policies, strategies, programs, plans and legislation** in the areas of electricity, **new and renewable energy** and atomic energy, and ensure their implementation;
- To prepare and propose technical standards for energy use in public buildings and industrial facilities;
- To **prepare and propose technical safety standards and environmental protection in the field of energy**;
- To promote diversification and the rational use of various sources of energy generation;
- To ensure compliance with programs for operation and maintenance of infrastructures of energy generation, transport and distribution, in order to ensure the supply of electricity with better quality and reliability;
- To promote actions for the expansion of energy generation, transport and distribution

infrastructures, ensuring the increased availability and access to energy as well as interconnections with neighbouring countries;

- To conduct **studies on the electricity tariffs and on the market structure of the sector** of electricity and new and renewable energy;
- To promote the efficient use of energy as well as to perform audit of energy use sites;
- To conduct studies on the development and sustainable use of energy resources, including its mapping and updating;
- To prepare technical standards and specifications for energy facilities and services and ensure their compliance;
- Licensing energy installations, natural and legal persons responsible for the development and operation of energy projects and update their registration;
- To assess, monitor and propose a certification of energy technologies, in coordination with the competent authorities in order to conform them with the quality, safety, health and environmental standards in force in the country;
- **To ensure and promote the sustainable use of new and renewable energy particularly for rural areas;**
- **To promote the establishment of centers of excellence for the development of new and renewable energies in coordination with other relevant entities;**
- **To promote the spread of the use of new and renewable energy technologies to produce heat or electrical energy, including production technologies at national level;**
- To promote the safe and peaceful use of atomic energy;
- To coordinate, control and supervise the activities in the use of nuclear science and technology; and
- To ensure coordination of the activities inherent to the Interministerial Commission on Bioenergy.

**b) Organization and functioning**

The National Directorate of Energy is headed by a National Director assisted by two Deputy National Directors.

**c) Challenges for the previous DNER in the Electricity sub-sector**

They can be summarized in a SWOT matrix

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Staff motivation</li> <li>• Availability of a regulatory framework</li> <li>• Strong human capital, ready to specialize</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• Lack of specialized people in renewable energy (also mentioned by the HR Dept)</li> <li>• Lack of tools (GIS, M&amp;E, reporting, etc)</li> <li>• Lack of people with the right profile to solve issues, at provincial levels (in the DIPREME)</li> <li>• Poor access to qualitative information</li> <li>• Difficulties to reach the provincial levels</li> <li>• Cycle of Reporting / Planning centralized at DEP</li> <li>• Centralized information</li> </ul>
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OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• integration of new and renewable energies in the DNE can be seen as an opportunity to really consider them as normal sources of energy and important contributors to the energy mix</li> </ul>	<ul style="list-style-type: none"> <li>• New and Renewable not benefitting from the same attention than other sources of energy</li> <li>• Difference of attitude between engineers from both Directorates</li> <li>• Pressure on delivering results</li> </ul>

**Areas where there is a potential for a CB intervention:** innovative management tools; information sharing, up and down communication, change management from the top to the bottom and in the field, communication gaps, HR management and performance management, knowledge management.

#### 4) The Administration and Finance Department (DAF)

##### a) Mandate

The Department of Administration and Finance has the following functions:

- To prepare and propose the coordination of sector budget with other organizational units;
- To run the sector budget and perform the rendering of accounts according to specific regulations;
- To organize and plan the process of procurement of goods and services of the Ministry;
- To ensure registration and inventory of assets, ensure their maintenance, conservation, supply and distribution, and propose their slaughtering;
- To manage and ensure the maintenance of the car park of the Ministry and ensure the functioning of the internal communications system;
- To manage the archive system of the Ministry in accordance with the applicable rules; and
- To ensure the general office expedient service and its internal and external distribution, classification, registration, delivery of received and sent correspondence.
- To ensure the accounting control of the execution of the administrative and investment budget;
- To organize and plan the process of procurement of goods and services of the Ministry;
- To ensure the general office expedient service and its internal and external distribution by implementing classification, registration, forwarding and distribution of received and sent correspondence;
- To liaise with the Ministry responsible for the area of finance in budgetary matters;
- To prepare the Management Account of the Ministry;
- To make and keep under its custody, during the period established by the State Financial Administration, systematic archiving of documentation of accounting entries;
- To manage and ensure the maintenance of the car park of the Ministry and ensure the operation of the communications system;
- To participate in the preparation of business plans and budget, in coordination with the Directorate of Economics;
- To exercise any other functions as may be superiorly determined in accordance with this Statute and other applicable legislation.

## b) Organization and functioning

The Department of Administration and Finance is headed by a head of department

## c) Challenges for the AFD in the Electricity sub-sector

<b>STRENGTHS</b> <ul style="list-style-type: none"> <li>E-SISTAF is seen as an asset, possibility to make remote payments, used every day, could be improved but works well (works also with a “token” system on WB funds)</li> </ul>	<b>WEAKNESSES</b> <ul style="list-style-type: none"> <li>Need for trainings and CB on accounting</li> <li>Difficulties to access training opportunities due to financial constraints</li> <li>Limited resources (HR, cars, office, equipment)</li> </ul>
<b>OPPORTUNITIES</b> <ul style="list-style-type: none"> <li>Merger will bring additional human resources in the department</li> <li>GoM usually uses donors’ money for trainings</li> </ul>	<b>THREATS</b> <ul style="list-style-type: none"> <li>Merger will bring extra management challenges within the new department</li> <li>A major part of the Department’s resources are used to comply with external donors requirements , which weakens the structure</li> </ul>

One of the main issues that the DAF faces is that it has to dedicate its own resources for the accounting and financial management of external donors’ funding (like Norway, DFID, World Bank), which often threatens the fragile equilibrium in allocating the scarce resources of the department. Main donors use Ministry resources to staff their project management unit within the ministry, which leads to diverting internal resources to external needs. Some accounting profiles work full-time on the EDAP project under WB regulations in terms of financial management, procurement.

The DAF Director is therefore openly in favour of a (project management) unit outside of his structure (also for preventing jealousy in terms of salary conditions).

Generally speaking, the Department does not have special difficulty to find good administrative / financial profiles on the labour market. The challenge is to attract and retain them within the Ministry, given the better conditions offered by the private sector in Mozambique. An attractive HR policy could help, for example by stressing the efforts made the Ministry to train its human resources, which is recognized as a competitive advantage. The private sector is said to not invest really in people compared to the GoM.

## 5) The Inspection of Mineral Resources and Energy

### a) Mandate

The Inspection of Mineral Resources and Energy has the following functions:

- To organize and carry out inspection activities, surveys, syndication and audits of the different activities related to the Mineral Resources and Energy sector;
- To inspect and monitor compliance with the regulations and technical safety standards, hygiene and environmental protection, according to law, conventions and international best practices;
- To prepare studies, reports and opinions on matters within its competence.
- To inspect and audit the production, transport, distribution and sale facilities of electricity, hydrocarbons and fuel, including the storage and discharges facilities of fuel;
- To ensure, in coordination with other institutions, the protection of mineral resources and the fight against smuggling, illegal trade and counterfeiting of mineral products, adulteration of petroleum products, infrastructure vandalism

- To ensure the control of discharge of hydrocarbons and fuels;
- To institute proceedings and apply appropriate penalties in accordance with the legal provisions of the mineral resources and energy sector, within its competence;
- To suspend and propose the ban of any activity in the mineral resources and energy sector that is being carried out in flagrant violation of the law and to propose the revocation of any certificate, license, permit and contract, which has been awarded or entered into in violation of legislation;
- To exercise such other functions as may be superiorly determined in accordance with the Organic Statute and other applicable legislation.

**b) Organization and functioning**

The Inspection of Mineral Resources and Energy is headed by an Inspector General, assisted by a Deputy Inspector General.

**1.2.3 The Ministry of Mineral Resources and Energy at provincial level**

For administrative purposes, Mozambique is split into ten provinces in each of which is located a Provincial Directorate of Mineral Resources and Energy (DIPREME).

DIPREME's are part of each Provincial Governor's administration with all costs funded entirely from the Provincial Governor's budget and not through the Ministry of Mineral Resources and Energy. These offices should therefore be more rightly considered as provincial offices that can provide local support to the Ministry of Mineral Resources and Energy rather than being considered as part of the Ministry.

**a) Organization and functioning of the DIPREME**

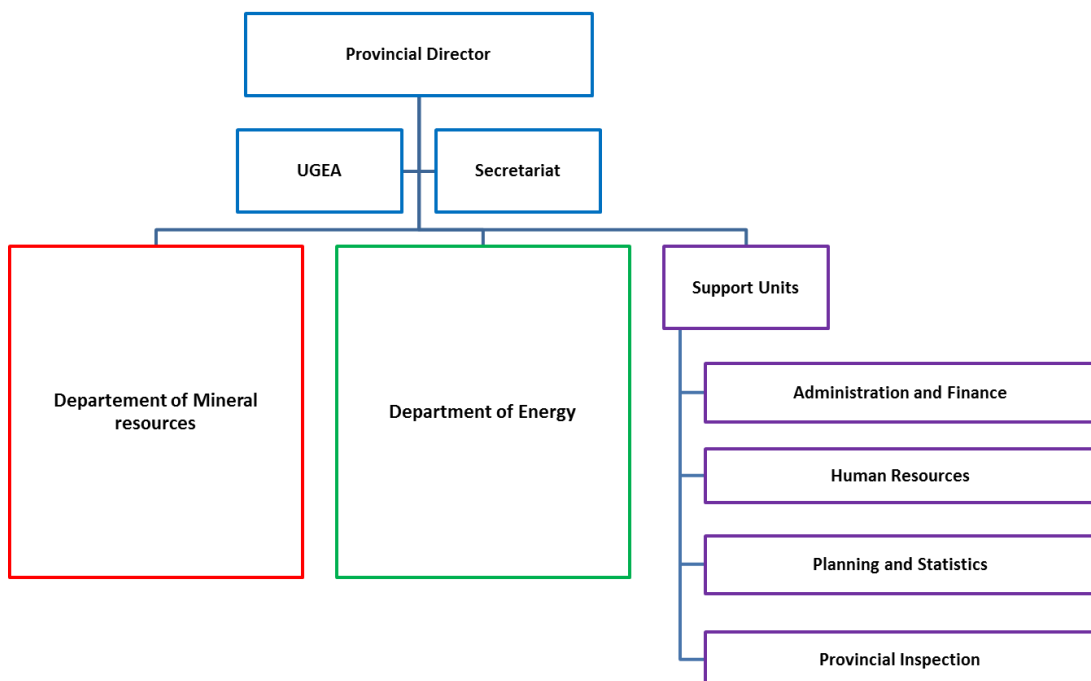


Figure 8 - Organigram of the DIPREME's

In most provinces, the Provincial Directorates of Mineral Resources and Energy (DIPREME) only have two main departments:

- The **Mineral Resources Department**, responsible for sector planning, supervision and monitoring in the area of Mineral Resources at provincial level.
- The **Energy Department**, responsible for sector planning, supervision and monitoring in the Energy sector at provincial level.

Besides that, each DIPREME has a number of Support Units:

- An **Administration & Finance** Unit
- A **Human Resources** Unit
- A **Planning & Statistics** Unit
- A **Provincial Inspection**

Finally, 2 services are directly attached to the provincial Director:

- The **general secretariat** that regroups all administrative support staff of the DIPREME
- The **Public Procurement Management Unit**, responsible for all procurement processes at the level of the DIPREME.

#### Staffing levels of DIPREME<sup>7</sup>

	INHAMBANE	CHIMOIO	NAMPULA
Provincial Director	1	1	1
UGEA	?	?	4
Mineral Resources Dep.	9	8	11
Energy Dep.	4	5	12
Provincial Inspection	3	6	13 in the field
HR Unit	5	4	14
Adm. & Fin. Unit	5	4	9 + 4
Planning & Statistics	?	3	3
General Secretariat	3	3	7
Mineral Cadastre	Not applicable	Not applicable	5
			IT (1), Gabinete Juridico (2) + Transporte (3)
<b>TOTAL</b>	<b>29</b>	<b>34</b>	<b>88</b>
Surface	68,615 km <sup>2</sup>	62,272 km <sup>2</sup>	79,010 km <sup>2</sup>
Number of districts	12	9	23
Total population	1,412,349 (2007)	1,412,245 (2007)	3,985,613 (2007)

Figure 9 - Staffing levels of DIPREME

<sup>7</sup> Staffing levels are based on information obtained during interviews on February 9<sup>th</sup>, March 12<sup>th</sup> and March 13<sup>th</sup> 2015.

Based on the above mentioned data, the following observations can be made:

- Overall, the total number of technical staff members is limited compared to the number of districts and the surface of the different provinces. Especially given the investments already made and also foreseen in the Energy Sector in the country.
- The proportion of non-technical (support) staff is rather high compared to the total staffing level in the different DIPREME.
- The size of the DIPREME seems to be related to the number of districts in a given province
- The size of the DIPREME seems also to be related to the population level in the province.

In conclusion, DIPREMEs are **not overly staffed with technical profiles**, especially given the scope of responsibilities in both sectors.

## **Internal functioning of the DIPREME**

### *Hierarchical and reporting lines*

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The different DIPREME's function in a situation of **double subordination**:

For administrative and financial matters, it's subordinated to the provincial level. In fact, the DIPREME has to present its annual planning and a budget proposal to the Provincial Directorate of Planning and Finance. This directorate in turn consolidates these proposals from the different Provincial Directorates and introduces a proposal for the provincial budget at the national Ministry of Finance.

For technical matters, the DIPREME refers to the MIREME.

This double subordination also requires a double reporting system: to the provincial level on financial and administrative matters, to the MIREME on technical issues especially regarding the implementation of the 5 year energy sector plan. This technical reporting is done by the two technical departments within the DIPREME.

Given its technical expertise and its presence at the provincial level, the DIPREME functions as the governor's specialist body for Mineral Resources and Energy. At the level of the governor's cabinet, there are no specific specialists present for these specific thematic areas.

### *Provincial Inspection*

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Besides the technical inspections, the Provincial Inspection also serves as the **Internal Audit** for the DIPREME. In this capacity, the Inspection verifies **compliance with regulations on financial management** (expenditures, accounting, etc.) as well as with **administrative regulations** for the civil service (recruitment procedures, reporting requirements, etc.)

The provincial inspection has a direct link with the General Inspection in the MIREME. However, the provincial director is always informed of subjects discussed with the central level.

### *The Administrative & Financial Unit.*

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The responsibilities of this Unit include:

- Preparing a proposition for the annual budget of the DIPREME, based on the consolidated annual planning. This proposal is then sent to the Provincial Directorate of the Ministry of Planning and Finance. The DIPREME receives a general budget; no distinction is made between Natural Resources and Energy.
- Executing payments of invoices received by the DIPREME through the SISTAFE system
- Preparing a monthly financial report for the provincial director



- Making operational (logistics) and financial arrangements (per diems) in preparation of the field visits by members of the technical departments and of the Provincial Inspection.
- Paying salaries of DIPREME staff, based on calculations made by the HR Unit
- Managing the inventory of all assets (cars, furniture, electronic appliances, etc.) owned by the DIPREME

As mentioned above, financial management at DIPREME level is controlled by the Internal Audit (Provincial Inspection). But on top of that, the actions of this Admin. & Fin. Unit are also supervised by the External Audit (Administrative Court) and by inspectors from the MoE and the Ministry of Mineral Resources.

As mentioned above, public procurement for the DIPREME is not done by the Adm.&Fin. Unit but by the Public Procurement Unit (UGEA) situated at the level of the Provincial Director.

### *The Human Resources Unit*

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The responsibilities of this Unit include:

- Managing administrative changes (absences, promotion, etc.) for individual staff members and calculating the salaries for all DIPREME staff members. Payments of salaries are done by the Admin. & Fin. Unit.
- Attracting new staff members for the DIPREME, through competitive recruitment procedures. Recruitment is done based on needs expressed by the other departments. However, recruitment procedures at this level (as on the national level) take a very long time (around one year) and do not always yield the desired result. There seems to be a rudimentary staffing and recruitment planning available within the HR Unit.
- Assuring the proper use of available funding for training by combining needs with the available offer. At DIPREME level, different opportunities for training are currently available:
  - Scholarships provided by donors. However, contrary to staff at the national level, provincial staff is not always given the opportunity to benefit from this type of support. Given the fact that these scholarships are a motivating factor for people to work in the public service (interview Head of HR Department of MIREME), this could also be a reason why people prefer to work in Maputo.
  - Training financed on the annual budget of the DIPREME. Currently, the DIPREME has a small budget for training (e.g. 300.000 MT/year in Nampula)
  - Specific technical training organized by the central level for which provincial staff is also invited.
  - Information meetings on internal regulations, organized at DIPREME level

Each Department/Unit can make demands and these are analysed by the HR Unit and put in an annual training plan. There are no specific envelopes for each department/unit.

- Supporting the existing system of individual performance management. In this system, each supervisor is supposed to produce an annual planning for each of his/her staff members. Based on this planning, staff members are evaluated at the end of the year. Each evaluation is co-signed by the provincial director and all evaluations are centralized by the HR Unit.

The responsibilities of this Unit include:

- Consolidating the internal annual planning of the DIPREME based on the inputs received from the other departments and units. In the annual planning, operational targets (#supervisions, # licenses, etc.) for each department are enumerated. The consolidated annual planning is validated by the provincial director. For planning purposes, the Planning & Statistics Unit used the mandatory format issued by the Provincial Directorate of Planning & Finance. This format is not necessarily the same for the different provinces.
- Consolidating the sector planning based on input received from FUNAE, EdM and Petromoc in order to send this info to the governor's office (through the Prov. Dir. of Finance). The Governor's office transmits the consolidated planning to the MIREME for approval.
- Consolidating statistical data received for the Mineral Resources sector and reporting this data to the national level. For the Energy Sector, reporting is done through the Energy Department.

### **Infrastructure and equipment**

The size of the offices of the DIPREME varies from one province to the other. In Inhambane and Nampula, for instance, office space in the DIPREME building is rather limited. On the contrary, in Chimoió (Manica), DIPREME staff has ample space in a new building constructed by the provincial authorities.

Nonetheless, the offices in all three visited provinces seemed to be well equipped with furniture, computers, printers and office consumables.

### **b) Mandate of the DIPREME in the Energy Sector**

The Energy Department within the DIPREME is generally responsible for sector planning, supervision and monitoring in the Energy Sector at provincial level. These core functions and the way they are assumed by the Energy Department are discussed below. Emphasis will be put on how these functions (can) contribute to the increase of access to renewable energy in rural areas.

#### **Energy sector planning**

Energy sector planning is a key function within the energy sector since it allows for the provision of future public and private investments and it also helps to avoid overlaps between on- and off-grid electrification projects.

In theory, the DIPREME are well positioned at the provincial level to help with the identification of priorities for (rural) electrification at the district level and to communicate and defend these priorities on the national level. However, in practice, the role of the DIPREME in sector planning is not always clear; in fact, important differences exist between the different visited provinces. In one province, the DIPREME was clearly piloting the sector planning process while in another one, the DIPREME was merely tolerated in a process piloted by the other sector actors (EdM, FUNAE and Petromoc) The schematic below shows the different ways in which the DIPREME is involved in energy sector planning in different provinces

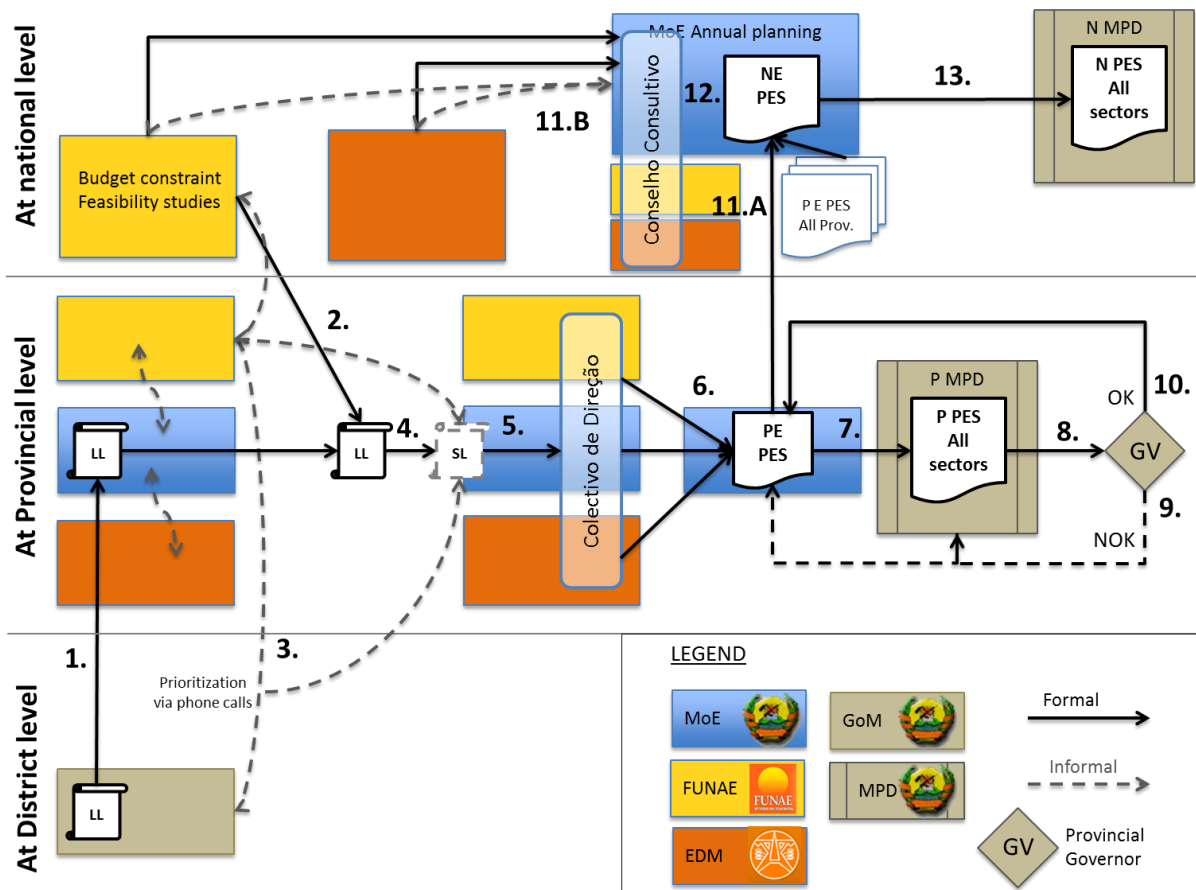


Figure 10 - Simplified sector planning process

The LL acronym stands for **Long List** (of electrification needs prepared by the Districts and sent to the DIPREME. SL for **Short List** and PES for **Plano Economico e Social**.

From the figure above, it appears that many informal relations between actors take place in the process and that the role of the DIPREME in a bottom-up energy sector planning approach could be clarified, enhanced and institutionalized.

### Licensing

At the moment, even if the number of private actors in the electricity sub-sector is still relatively low, the DIPREME already plays a certain role in the licensing of conventional generation capacity. However, for small scale generation of and access to New and Renewable Energy, regulations for licensing private companies are largely absent. However, since private investments are also desperately needed in the area of rural off-grid electrification, it would be interesting for the new intervention to support the effort of creating such a legal framework.

Finally, it has to be noted that in many countries, licensing is done by the sector regulator and not by the Ministry.

### Supervision

There is certainly a link between licensing and supervision in the electricity sub-sector. In principle licensing is done based on a number of criteria/conditions and the State has the obligation to verify, on a regular basis, whether companies that obtained a license in the past still comply with these conditions.

However, since private companies are still very rare in this area, most investments to increase access to new and renewable electricity in rural areas are currently done by FUNAE. And for this state actor, licenses are not really necessary. Therefore, the official supervising role of the Energy Department is

limited to the follow-up of rural electrification projects implemented by this actor. However, it is doubtful that the supervision of this type of projects, involving the electrification of individual schools, health centers and administrative buildings, receives real priority from the Energy Department. Especially since projects implemented by EdM and Petromoc are strategically and budget-wise more important for the DIPREME. Therefore, field visits to e.g. solar installations are only undertaken in case of reported issues. More often, supervision is reduced to the analysis of reports sent by the project implementers. In any case, a clear methodology (checklists, guidelines, etc.) for supervision of projects in the energy sector, by the Energy Department is currently lacking.

Besides, based on the information received during the field visits, it is not even sure that DIPREME staff has the necessary technical competences to properly supervise, at a technical level, the projects implemented by FUNAE in the field.

Finally, DIPREME also has no real mandate to take corrective measures when issues are discovered during supervision activities. This means that DIPREME staff can only inform FUNAE about observed issues but cannot take specific measures to stop exploitation until a solution is found.

### Sector Monitoring

Another role of the DIPREME is to collect data, at the provincial level, on electricity generation, access, etc. and to communicate this information to the MIREME at the national level. This type of reporting is mostly done through the technical departments that have a direct link with the central level. However, in this area it is not done in a systematic way but rather based on specific demands from the central level.

Despite the fact that the DIPREME does send information to the national level, the MIREME at central level mostly uses data provided directly by both FUNAE and EdM for statistical purposes. This is because this information is considered to be more reliable than the data sent by the DIPREME. In some cases, data sent by the DIPREME is even verified and corrected based on information obtained at the national level from EdM and FUNAE.

### Complaints/mediation

The DIPREME plays a certain role in mediating between EdM and its clients in case of complaints. Most complaints occur in situations where power fluctuations damage electric appliances (fridges) etc.

For the moment, this type of complaints treatment by DIPREME does not exist for FUNAE. However, the DIPREME does mediate between FUNAE and its clients in case of non-payment of monthly fees owed to FUNAE.

### Technical Inspections

Technical inspections, conducted by the Provincial Inspection within the DIPREME are aimed at verifying the compliance of all sector actors (EdM, FUNAE, Petromoc, private actors, etc.) to existing regulation for both the Energy Sector and the Mineral Resources Sector. However, for New and Renewable Energy, no specific legal framework currently exists and so the Provincial Inspection is currently not involved in inspecting electrical installation constructed by FUNAE.

### **c) Main challenges for the DIPREME related to Access to renewable energy in rural areas**

- The role of the DIPREME in a number of functions (sector planning, supervision and monitoring) should be clarified and formalized. Moreover, processes related to these functions should be streamlined in order to contribute to better and faster results for the energy sector. In sector planning, for instance, it should be clarified what the role should be of the DIPREME in the different steps of the process: needs identification, negotiations with the districts, technical validation of proposal, coordination between different actors, etc.

- Specifically for renewable energy in rural areas, a number of processes/procedures already available for conventional energy, are still lacking. The most important ones are the procedures for licensing and supervision of small scale renewable energy generation capacity. However, this challenge should also (and maybe first) be tackled at the national level by supporting the further development of a regulatory framework for new and renewable energy.
- All visited DIPREME struggle to find qualified staff with sufficient experience, especially in the technical departments. This is a major challenge for the functioning of the DIPREME in all its functional areas. These difficulties are related to a number of factors:
  - The fact that wages in the public service are generally lower than in the private sector. Therefore, the most talented graduates often prefer not to work in the public sector.
  - The fact that many people prefer to live and work in Maputo, rather than in a province.
  - The Competitive Recruitment Procedures applied in the public sector take too long. Therefore, the most dynamic candidates have already found another job by the time that the entire procedure is terminated.
  - The age limit for entering the Public Service in Mozambique is 35 years. Only in very exceptional circumstances, exceptions are made on this rule. However, this excludes the recruitment of staff members with ample experience that, at one point in their career would like to switch from the private sector to the public sector.

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• a <b>certain level of capacity</b> available at the DIPREME level and it seems to be <b>well equipped</b> to perform its mandate</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• <b>Sector monitoring and licensing are mainly done at the office</b> based on reports sent by sector actors. Field visits are an exception because of a lack of human et financial resources</li> <li>• DIPREME staff has <b>very limited access to training opportunities</b> organized by the national level</li> <li>• Additional <b>difficulties to recruit and retain</b> sufficient competent staff in the field (compared to Maputo)</li> <li>• DIPREME seen as a <b>“political” actor</b> rather than a (reliable) technical one</li> <li>• <b>Sector planning preparation</b> at the provincial level could be further improved</li> <li>• <b>Internal competition</b> within DIPREME <b>for resources</b> between the Energy Dept and the Mineral resources Dept (single budget)</li> <li>• <b>No workload based staff planning</b> which complicates the monitoring of the implementation of additional (DP) projects</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>•</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• DIPREME in a position of <b>double subordination</b> (MIREME and Province)</li> </ul>

## 1.2.4 Conselho Nacional de Electricidade (CNELEC)

The Electricity Law or Act (Law 21/97, from 1st October 1997) created the Conselho Nacional de Electricidade (CNELEC), acting as the regulator, advisor and arbitrator for the electricity sector. It took almost 10 years to become operational; the first management team was designated in 2001 and the GoM only operationalized it in 2006, with the financial support of the World Bank (2006-2009). Since then, CNELEC has always known difficulties to play its full mandate, being only considered as a consultative, not to say facultative, advisory body with a limited mandate on conventional on grid Electricity.

As far as the regulations aspects are concerned, CNELEC shares regulatory functions with the MIREME. Other actors in the sector (like EDM or FUNAE) also play regulating roles which makes this important function for the development of the sector particularly fragmented and weak.

CNELEC is responsible for carrying out of mediation and arbitration in differences arising from aspects of energy supply, for providing opinions on policies, projects, concession requests and new technologies and supervising tenders. It also provides advice to the Ministry of Energy on EDM performance and tariff applications.

Recently, a new Law reinforcing the role of CNELEC in the sector and updating its mandate and functions has been prepared. It will expand and strengthen its role as regulator for the entire energy sector.

The following sections present the CNELEC as it is today and how it should look like when it will become a fully independent regulator for the energy sector, based on the model of MERA, the Malawi Energy Regulatory Authority, which serves as a benchmark for the development of the future organizational structure. CNELEC also has in mind, while recovering its regulatory mandate, to open provincial representations in Mozambique.

### a) Organigram

CNELEC intends to copy the structure of other regulators in the region (Malawi and Zambia are mentioned, South-Africa too where the regulator works with the municipalities which deliver some services). Benchmarking the MERA and according to the collected information, the future organizational chart of the new Regulatory Authority will possibly look like this:

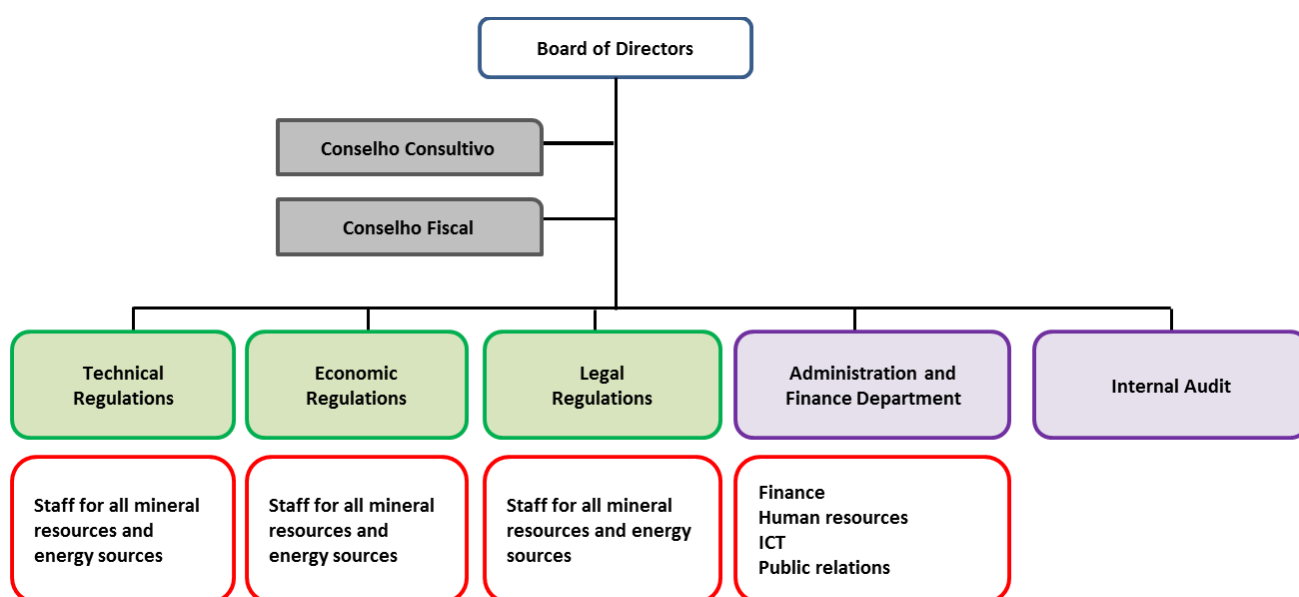


Figure 11 – Tentative organizational chart for the new regulator

## b) Current mandate

According to its current official mandate, the CNELEC duties are to

- promote the implementation of relevant legislation for the electricity sector;
- identify development needs and expansion of service according to the needs of current and future users;
- Listening to public opinion on relevant matters of national electricity policy;
- To monitor the granting of concessions processes and their implementation;
- To exercise the functions of conciliation, mediation and arbitration on disputes concerning issues arising between different dealers or between dealers and their customers. For example, CNELEC tries to solve issues between EDM and consumers.

It is also in charge of:

- monitoring the performance contract between EDM and the GoM
- making recommendations on the quality of the commercial services provided by EDM
- appreciating and making comments on tariffs

Nevertheless, CNELEC is in rather weak position to regulate the actors in the sector, because their mandate has not been reinforced yet and regulation is still in the hands of the GoM and the Ministry of Energy. When the new mandate will be approved, they expect some staff from MIREME (with the "regulatory" profile) to be transferred to reinforce their structure. The problem is that there is no real concentration of regulatory functions within the MIREME, there is no official sub-department in charge of it.

CNELEC has a delegated function of the Ministry. Its budget does not come from the Public budget but from the sector, through a concession tax on HCB activities, which has to be approved by the Ministry and the Ministry of Finances. In the future, CNELEC would like to gain more financial independence by being funded through a fee that would be integrated in electricity bills. Efforts will also be made in terms of appointment of Commissioners within the new structure. Last but not least, there are discussions on the fact that the new regulator would have the final decision or not on a case. The Ministry would not have any more the power to change a decision made by the new regulator, but the Court, which would guarantee some additional independency.

## c) Future mandate

According to CNELEC, the **most important functions** that should be in the new regulator's hands would be: Licensing, Concessions, Tariffs, to continue with the follow up of the indicators of performance of EDM, to continue with the approval of PPAs and their monitoring and to provide arbitrage and mediation between IPPs and consumers (which is the role of DIPREMEs today).

The new Law on ARENE, the future Autoridade Reguladora de Energia, in its Article 7, describes the following powers:

- To prevent the behaviours that threaten the competition and abusive and discriminatory practices, ensuring transparency of commercial relations between actors, in the frame of the applicable legislation;
- To protect the interests of the different actors of the energy sector, according to the applicable legislation and contractual commitments;
- To ensure the existence of conditions that promote an economic and financial balance (...)
- to protect the customers rights and interests, particularly the economically vulnerable final

clients, in the fields of pricing and quality of services, while promoting information and education;

- to contribute to the progressive improvement of economic, qualitative, technical and environmental conditions in the regulated sectors, by stimulating the adoption of energetic efficiency practices (...)
- to promote and ensure the adoption of technologies that are efficient from an energy point of view (...)
- to contribute to the existence of conditions leading to a more efficient use of energy resources.

#### d) Specific findings on CNELEC

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• General consensus among the actors on the need to promote CNELEC's <b>evolution towards ARENE</b> for the entire Energy sector</li> <li>• General safety and general quality standards exist and are used for renewable energy</li> <li>• Legal regulations for renewable energy exist (e.g. law on Competition)</li> <li>•</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• Lack of technical regulations for renewable energy (don't exist today)</li> <li>• Lack of economic regulations for renewable energy (don't exist today)</li> <li>• Need to build their capacities to become independent in the way they make decisions</li> <li>• Lack of HR (CNELEC counts 14 people but should have 33 for electricity only)</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• New Law on ARENE is ready to be voted</li> <li>• Relationships and consultations exist with the Ministry</li> <li>• Financial independence would be provided through a fee included in the Electricity bills.</li> <li>• Direct reporting to the Minister</li> <li>• CNELEC is member of different regional regulatory agencies</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• <b>Regulatory functions</b> are spread over different actors</li> <li>• <b>no presence in the provinces</b> which explains why DIPREMEs have taken over some of their R&amp;R</li> <li>• Difficulty to evaluate the existence of a real political will to support the creation of a new regulator for the sector</li> <li>• Independence of CNELEC is limited due to the fact that its Board is appointed by the GoM</li> <li>• If the new regulator has to cover the entire energy sector, the staff of CNELEC is meant to increase dramatically – given the difficulty to recruit and retain highly qualified staff in the sector, this could become a real difficulty.</li> </ul>

#### Areas where there is a potential for a CB intervention:

Individual, organizational and institutional capacity building of CNELEC in order to anticipate its transformation into a full regulator, development of technical skills related to new and renewable energies, specific in house trainings on tariffs, concessions on renewable, development of the IPP framework,



## 1.2.5 FUNAE

FUNAE is Mozambique's main agency responsible for the dissemination and promotion of alternative energy technologies in rural areas unserved by the grid. It is a public institution with administrative and financial autonomy, under the jurisdiction of the Ministry of Energy.

FUNAE is a public institution which has legal personality and is financially and administratively autonomous. It operates on a national level.

Its main objectives are :

- Development, production and use of different forms of low cost power.
- To promote the conservation, rational and sustainable management of power resources.

Its main activities are:

- To supply financial assistance or financial guarantees, loans to enterprises that have as their objective the production, dissemination of production techniques, distribution and conservation of power in its diverse forms.
- To supply financial assistance for the installation or install systems of production or distribution of power.
- To acquire, finance or supply financial guarantees for the purchase of equipment and machinery destined for the production and distribution of power, with particular attention for the use of new and renewable power sources.
- To promote the installation or to install distribution networks of petroleum products in rural areas.
- Supply of consulting services and technical assistance.
- Publish and finance the preparation of studies and investigative papers on technologies for the production, distribution and conservation of power products or renewable power.
- To promote the development and planting of forests for biomass production.
- To supply financial assistance for the sourcing of transport for petroleum products for the supply of rural areas

FUNAE was historically created as a Fund to finance electrification projects in rural areas with the private sector. But it was "a Fund without funds". By attracting development partners funding and starting to implement the projects by themselves, FUNAE has evolved and is considered today a rural electrification agency rather than a sole financial instrument.

FUNAE Delegations work with DIPREME (the Provincial Directorate for Mineral Resources and Energy) in each province. At the district level, FUNAE works with local government, which assists in identifying locations for projects.

## 1.2.6 Other national stakeholders

<b>Hidroelectrica de Cahora Bassa (HCB)</b>	owner and operator of the Cahora Bassa hydro power plant on the Zambezi (2,075 MW); Independent Power Producer (IPP) – owned by Moçambique Government (92.5%) and REN / Portugal (7.5%)
<b>Moz Transmission Company (MOTRACO)</b>	Third major supplier in MOZ; Joint venture between MOZ, SA and Swaziland, 33.33% each; responsible to supply electricity to MOZAL aluminium smelter in Moz and wheeling of power to EDM in Moz and SEC in Swaz. Regional transport of Energy; manages transmission lines in the 3 countries
<b>Petroleos of Moçambique (PETROMOC)</b>	Distribution of oil products
<b>Private sector</b>	various licensed private enterprises which participate in the grid extension and household connection works of EdM and private enterprises for the provision and installation of PV products

Figure 12 – Other national stakeholders

## 1.3 DP’s interventions in the Electricity sub-sector

### 1.3.1 The Belgian Direct Bilateral Cooperation Programme

#### 1.3.1.1 Ongoing interventions

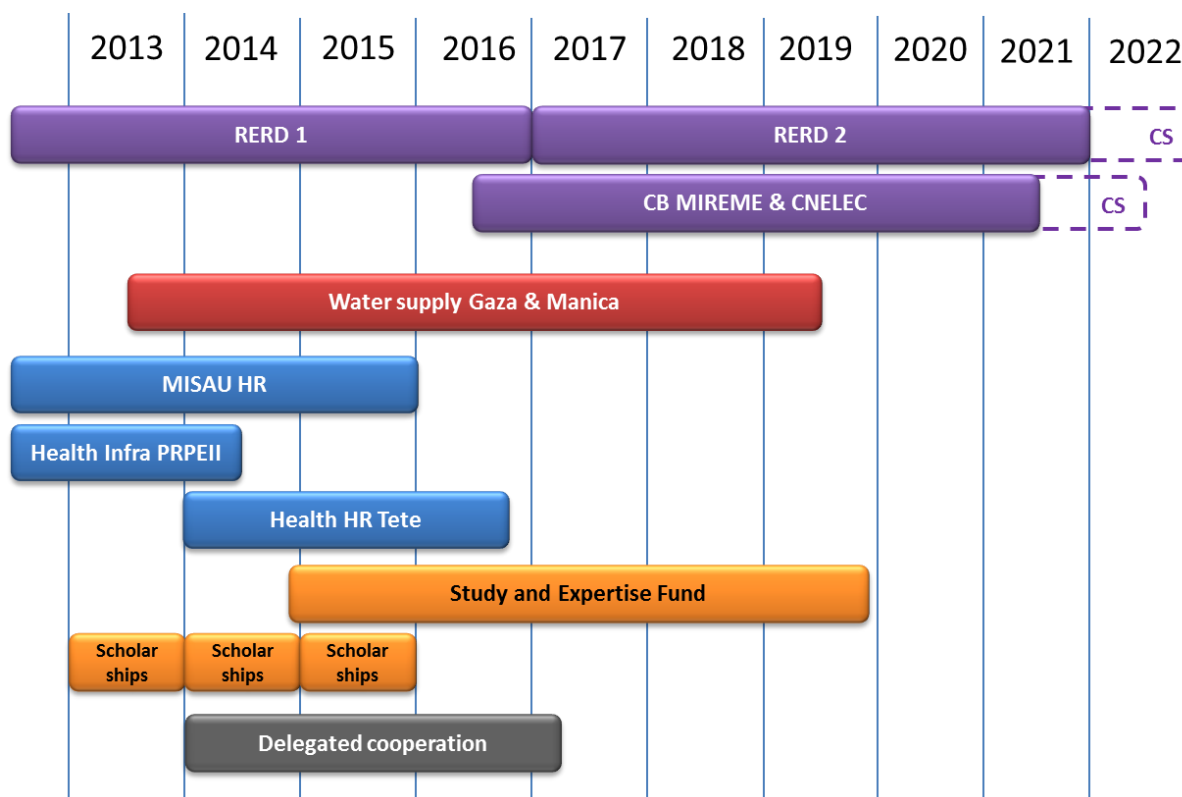


Figure 13 - BTC portfolio in Mozambique

## **Renewable Energy for Rural Electrification (RERD) phase 1**

BTC supports FUNAE, the national energy fund with an on-going project worth € 23.34 million composed of a grant from Belgium (€ 15 million) and from the Netherlands (€ 8.34 million), which includes three long-term technical assistants based at the FUNAE central office in Maputo. The project kicked off in 2010 and will run until 2016. The project focuses on renewable energy for improved social infrastructure and service delivery (including staff housing and administrative posts) in remote areas in the provinces of Manica, Sofala and Zambezia.

The program delivers off-grid energy systems, based on renewable energy resources (hydraulic, solar and wind), in remote rural areas where no grid connection is foreseen within the next five years. The program finances, on grant basis, electrification systems for community infrastructures such as administrative buildings, schools, health centers, water pumping devices and public lighting. In order to increase the sustainability of the renewable energy installations, the program also provides a computerized asset management system and technical assistance focused on capacity building through training initiatives, research and development. Three long-term international experts (two with technical (PV, Solar) and one with a socio-economical profile) have joined and cooperate with the FUNAE staff during the implementation of the project.

### **Support to the Health sector**

BTC support to the Ministry of Health (MISAU) is mainly driven by the 'Training and Management of HR resources in the Mozambican Health Sector' project (2012 – 2015), which is worth € 6 million and is implemented with the support of a long-term international technical assistant who is based within the ministry's HR directorate.

Support to budgetary and financial management processes of MISAU (2011 – 2013) is also provided with an envelope of € 1 million. This intervention focuses on the roll-out of e-SISTAFE within the health sector down to the decentralized level, in a continuum with previous Belgian support to the general SISTAFE Common Fund between 2007 and 2009.

### **Other forms of support**

- In coordination with the Belgian Fund for Food Security (see 1.2.3.3.) BTC is supporting a **Water project** worth € 9 million, which started late 2013.
- **Study and consultancy Fund.** The objective of this 750.000 € Fund is to support institutional and organizational capacity building efforts of Mozambican institutions and organizations at central, provincial and district level that are linked to the priority sectors, cross-cutting themes and geographical areas of concentration of the Belgian-Mozambican Cooperation. Through short- and medium-term consultancies and technical assistance, specific studies and seminars
- A budget of € 2,532,409 for **Scholarships** was provided through the implementation of the 2009-2012 ICP. The programme worked with several local universities in Maputo as well as given the opportunity to scholars to seek specialized training abroad for both short-term and long-term courses (e.g. South Africa, Belgium, Brazil) to respond to capacity building needs in the priority sectors of the ICP.

### **1.3.1.2 The new Indicative Cooperation programme (2013-2017)**

On 19<sup>th</sup> December 2012 a new Indicative Cooperation Programme (ICP) was signed between the Republic of Mozambique and the Kingdom of Belgium, covering the period 2013 – 2017.

### 1.3.1.3 Other channels of support by Belgian actors

#### Flanders Department of Foreign Affairs

As a result of the division of labour among Belgian government actors in Mozambique, the second strategic document of the Flanders Development Cooperation in Mozambique for the period 2011 – 2015 foresaw continued support to the health sector while the Belgian Cooperation at federal level is phasing out of the same sector. Through its support, the government of Flanders is contributing to the PROSAUDE basket fund, human resources for health, sexual and reproductive health and nutrition for a total value of € 25 million. In addition, technical Assistance in PFM in the health sector is provided through a cooperation agreement with BTC as of November 2013.

#### Belgian Fund for Food Security

An envelope of € 11.3 million has been made available through the Belgian Fund for Food Security, which is an initiative of the Belgian Parliament. The support is better known as the “Food Security and Nutrition Programme (FSNP)” and aims at tackling the issue of food security in 6 districts of the province of Gaza. The programme is implemented through various UN agencies and Belgian NGO’s. In addition to the water project financed on the ongoing ICP, BTC has recently started providing technical expertise to support SETSAN with the coordination of the FSNP.

## 1.3.2 Other bilateral and multilateral donors

### 1.3.2.1 World Bank

The **World Bank** is one of the main donors in the energy sector in Mozambique and it is currently active with 3 main programs:

a) With Norway, the World Bank is co-financing the Mozambique- Malawi Transmission Interconnection Project (cancelled mid 2010) and the Mozambique Regional Transmission Backbone Project

b) An Energy Development & Access Program (**EDAP**), which is the second phase of the Energy Reform and Access Project (ERAP), co-financed by AFD, EIB and OFID. This programme with an initial WB budget of 80MUSD was started in 2010 and has been extended to December 2016. The program has 3 components:

- A support to EDM (+/- 50MUSD): Information Systems, substations,...
- A support to FUNAE (18MUSD): mainly on Solar PV development in 250 schools, 250 hospitals and 35 villages. The implementation provinces are Inhambane, Cabo Delgado, Niassa and Manica. It also encompasses a small biomass component. The World Bank has currently 2 technical assistants at FUNAE in Maputo.
- A support to the former Ministry of Energy (initially for an amount of 10MUSD but reduced to 5MUSD because of exchange rates fluctuations on the general envelope ). As this component of the program was signed later, it has less chance to be implemented). It was supposed to cover Solar Water Heaters in hospitals, Capacity building & consultancies, including instruments linked to the REFIT mechanism, legal advisers for negotiation of large infrastructure projects, rural access strategy, etc

EDAP will help establish the necessary operational framework for increasing electricity access to un-electrified areas nationally in a sustainable and programmatic manner, aiming at mainstreaming a sector-wide approach (SWAp) by establishing a comprehensive donor partnership framework for coordinated and sustained financing of investment and capacity strengthening aligned with national priorities and procedures (WB, ADB, ADF, OFID, BADEA, IsDB, Kuwait Fund)

c) **Sustainable Energy for All (SE4All) program** including a grant to finance EDM and the former Ministry of Energy with least cost development plan, support in strategy, etc...

### 1.3.2.2 Norway

Despite a recent reduction of their contribution in absolute terms, the energy sector remains the most important sector for Norway in Mozambique, with an annual budget around 50 M NOK. The last years Norway has supported rural electrification in Cabo Delgado and grid extension in Gurue - Cuamba – Lichinga and Namacurra – Pebane. Today Norway focusses more on larger infrastructure projects and urban projects.

Technical assistance (TA) and capacity development are provided to EdM as well as to the Ministry of Energy. There are plans to invest in the Mozambique-Malawi interconnection project and in the STIP (Short Term Investment Programme) from EDM.

Norway and Mozambique have a program for **institutional cooperation** between NVE (Norwegian Water Resources and Energy Directorate and the Ministry of Energy in Mozambique (now MIREME). It is a 5M NOK/year program providing fly in – fly out consultancy. This program will support the Ministry of Energy in the following areas: Integrated planning, Legal & regulatory framework, ICT, Use of natural gas, etc

In parallel, a **capacity building program** (around 4M € over 3 years) currently under development by Norway will have the following characteristics:

- There will be no distinction between renewable or non-renewable energy in the capacity building component. Norway will deal with both on grid and off grid in planning,
- This programme will work with MIREME on improving energy sector planning and policy making on a very pragmatic level. Some punctual training activities in support of the HR department will also be included but Norway does not foresee a general interaction.
- It will not encompass activities directly targeting the DIPREMEs, nor FUNAE but it will remain important to involve them in certain tasks
- There will be a component in support of CNELEC with the intention to work on developing the capacity of the regulator, including their capacity to handle licensing applications.

Norway supports another program within the MoE on **Gender Mainstreaming in Energy development** which also works with different institutions (EDM, FUNAE,...). The objective is to identify and implement how to work on gender within the Energy Sector. In Districts, they train women to the use of energy,... This is a 2-year program with a budget of 10MNOK.

Norway financed 2 studies for **FUNAE** :

- Strategy for Maintenance of Solar PV systems (Estratégia da manutenção dos sistemas fotovoltaicos)
- Strategy on Private Sector Involvement in the Renewable Energy sector (Estratégia para o envolvimento do sector privado na electrificação rural e acesso à energia renovável em Moçambique). The study was completed by a local Consultancy Company (Intellica). The results did not give concrete indications on how to take next steps to involve the private sector.

### 1.3.2.3 The European Commission (EC)

The **European Commission (EC)** is financing rural electrification in Cabo Delgado, Tete and Sofala with EdM, PV electrification in rural areas with FUNAE and capacity building in energy planning and management for the Ministry of Energy.

The European Union has previously worked with both EdM and FUNAE. The external evaluation showed that the results of the support to EdM were generally satisfactory. However, results of the support to FUNAE were mixed: the costs of the investments made were too high and there was poor planning of investments:

Under the 11th FED, the EU will provide 750M€ of support to Mozambique. Half of that will go into general budget support and the other half (300 M€-350M€) will be invested in Rural Development. Roughly 1/3 that envelope will be invested in rural roads, 1/3 will go into the agricultural sector and **1/3 of that envelope (around 100 M€) will go in the Energy Sector.**

For the moment the EU is in the process of formulating its new programme. A long list of projects has been established. This long list contains propositions from different potential beneficiaries but the overall quality/maturity of these propositions is relatively low..

Although not validated yet, the **support of the European Union will probably be targeting all important sector actors: EdM, FUNAE, MIREME and the civil society**

The EU will offer two general types of support:

- Investments in infrastructure requiring a lot of studies: feasibility, environmental and social impact, etc. For all investments, Technical Assistance will also be provided to follow up on the quality and to verify eligibility of costs made.
- Technical assistance to coach partners or to conduct specific studies, usually provided through public tendering and consultancy firms.

The European Union has the intention to focus its support in a number of provinces: **Zambezia, Nampula and possibly also the North of Sofala.** These provinces have been identified through a study taking into account the investments already made and the potential of these provinces.

The EU aims to work on the development of provincial energy plans in order to contribute to the national energy planning. However, it would conduct this planning/studies through consultancies, seemingly without the involvement of provincial DIPREME/EdM/FUNAE staff.

#### **1.3.2.4 The Netherlands**

**The Netherlands** government has joined the Belgian BTC/FUNAE activity in 2011, with an additional amount of 8,340,000 EUR. Considering the large area of the country and the dispersed population in the rural areas, a geographical concentration and/or clustering of the activities will be essential for the follow-up and the cost-effectiveness of the activities. As the provinces of Manica, Tete, Zambezia and Niassa have a high potential for small hydropower, the possibility of concentrating activities in these four provinces are investigated

#### **1.3.2.5 Sweden**

**Sweden** is engaged together with co-financing of Norway and Denmark in rural electrification (grid extension and household connections) in Sofala, Manica, Tete and Niassa Provinces. Sweden also is embarking on the rehabilitation of the hydro power stations in Mavuzi and Chicamba.

#### **1.3.2.6 AFD**

AFD is supporting Mozambique in the fields of energy, water, peri-urban, transport and health. The main AFD partner in the energy sector is EDM and the MOTRACO electric transmission company.

Through its financing, AFD contributes to provide additional 36 GWh per year of renewable energy at low cost: AFD financed the renovation of two hydroelectric dams (located Mavuzi and Chicamba, 50M €) AFD is also a major contributor to the EDAP project (€ 20 million) which helps improve access to this basic service for the majority of the population that is not connected to network.

### **1.3.3 Energy Sector Working Group**

In an effort to strengthen aid coordination and effectiveness, the development partners active in the sector of Energy in Mozambique, have established an informal group called Energy Sector Working Group (ESWG) focusing on all aspects of energy (incl. oil, gas, renewables, hydro, wind ; on- and off-grid). The

list of participants to the E-SWG usually covers AFD, Belgian Diplomatic Office, BTC, EU, GIZ , Japanese Embassy, JICA, Ministry of Energy, MoE, Norwegian Embassy, Portuguese Embassy, Swedish Embassy, UNIDO, KFW, World Bank and FUNAE.

The main objective of the E-SWG is to ensure convergence, coordination and alignment of development partners' assistance and approaches. Furthermore, the group shall promote dialogue with the Government of Mozambique and relevant energy sector institutions.

## 1.4 Summary of main challenges in the electricity sub-sector

- Ongoing **changes in the institutional context**: new Minister, creation of MIREME, creation of ARENE, etc
- Institutional challenges within the sector especially on roles, responsibilities and mandates (**mission creep**): FUNAE working as an off-grid electricity utility, MIREME and EDM assuming certain regulatory roles, etc
- Existing Policy and regulatory framework to be completed (e.g.: energy efficiency, mini-grid, ...)
- **Institutional communication between actors** exists but could be improved both vertically (reporting, feedback loop, ...) and horizontally
- Challenges of **coordination** between the different actors in the field / fragmentation (MIREME, EDM, FUNAE and others)
- **Sector Planning** and especially its effective implementation by the different actors could be further improved
- **Lack of incentives for the private sector** to involve itself in rural electrification. However, one has to keep in mind the lesson learned from the last ERAP (World Bank intervention), did 2012, that states that: *“One strong lesson emerging (...) is the need to avoid overestimating the likely private sector interest in the opportunities that the project offered. On paper, the project offered clear financial incentives to participate in rural electrification, either as private sector concessionaires (...) or by taking advantage of the performance-based co-financing grant facility (...). However, in practice, financial incentives alone were insufficient to attract private sector investors, either international or local, to commit capital and capacity to an untested operating environment. The perceived riskiness of the broader investment environment needs to be factored in to an assessment of likely private sector response to financial incentives. These risks encompass, inter alia, the legal framework in the event of contract dispute, business licensing requirements and the capacity of Government to award and regulate concessions in a transparent and even-handed fashion. These risks are particularly to the fore in smaller distribution activities in rural areas with a widely-dispersed customer base (and, conversely, apply less to larger, single-site generation projects where Government has had more success).*
- **High level of donors’ interest** for the sector, however **uncertainty on priorities** at the moment
- Division of Labour between sector actors not necessarily based on **economic analysis** of available options (on-grid or off-grid solutions)
- All sector actors have the same **difficulty to recruit sufficient qualified staff members** : The axe 5 of the Energy Strategy mentions the necessity for the sector development to invest massively in qualified human resources especially for contracting and negotiating purposes as well as for regulating, implementation of activities, operations and maintenance. It is essential that Mozambique can rely on specialized staff (managers and technicians) with adequate training and experience. Investing in the education sector, in trainings, in attracting the right profiles and in contracting the adequate technical assistance are recognized as key success factors for the development of the

sector. In terms of individual capacity building, it is also foreseen in the Energy Strategy to implement an HR Management System in the Ministry and in all the public structures of the sector, in order to attract and retain the best resources available on the labour market, in order to train and improve the competences of the existing staff, to develop efficient incentives to reinforce the structures from a knowledge and experience point of view.

- In the Energy Strategy, the GoM also wants to reformulate the role of the State in the regulatory functions, **creating a regulating entity for the energy sector**, including electricity, transport and distribution of gas and combustibles, with the necessary autonomy and independence and adequate to the structure of the sector. This specific point refers to the transformation of the **Conselho Nacional de Electricidade (CNELEC)** into an **Autoridade Reguladora de Energia (ARENE)** that this intervention will support.



## 2 STRATEGIC ORIENTATIONS

### 2.1 Intervention principles

The following general principles will guide the implementation of the intervention:

1. **Alignment** with national priorities
2. **Coherence** in a program
3. **Harmonization** with other partners
4. **Facilitating change**
5. **Achieving tangible impact**
6. Integrating **cross-cutting themes**

#### 1. **Alignment to national objectives on Poverty Reduction and Energy Sector Development while respecting the institutional mandate of the different actors in the sector**

All the Belgium funded capacity building interventions will be aligned to the national priorities and programs and will be coordinated at the level of the Ministry of Energy.

In chapter 1, the link between Poverty Reduction and Energy in national documents has been analysed and explained. The intervention will aim at contributing to the development of the Energy Sector strategy and this will in turn have a positive influence on poverty reduction as stated in national strategies for poverty reduction.

The intervention fits within the **Poverty Reduction Action Plan (PARP) 2011-2014** which is the most recent medium-term strategy document of the Government of Mozambique for Poverty Reduction where the Electricity subsector has been identified as a facilitator for human and economic development but also as a direct contributor to national economic growth.

The intervention will be aligned with and be supportive to the implementation of the **Energy Sector Strategy 2015-2024** with a specific focus on the **two following axes**:

- **Axe 3** : Distribution and Access to electricity and combustibles

This axe includes the different objectives and targets of the Government of Mozambique (GoM) on Access to electricity and combustibles in the country. The current target is to provide access to electricity to 50% of the population by 2024.

This axe also contains the **sector objectives for the generation of Renewable Energy**.

- **Axe 5** : Organizational and Institutional Capacity

This axe includes the goals set by the GoM for the period 2015-2024:

- a) Strengthen the role of state-owned enterprises to ensure their participation in major investment projects in production infrastructure, power transmission and distribution, improving (...) their relationship with foreign investors;
- b) To approve a new basic law for the electricity sector by the end of 2016;
- c) To train and accredit professional staff and Mozambican technicians;
- d) Redesigning the State's role in the regulatory functions of the sector, creating a regulator for the energy sector, including electricity, natural gas and fuels, with the autonomy and independence necessary and appropriate given the structure of the sector.

To achieve the above objectives, different measures have been identified. The most important for the

orientations of the intervention are presented here below :

#### **Axe 5 measures related to the institutional framework**

- Review the **Electricity Law** in order to create two sectors: the public sector and the Export Sector. (...); As far as the legal framework is concerned, the Energy strategy foresees a new Law for the Electricity Sector by the end of 2016. Efforts will be made (in the new Law) “to separate clearly and avoid conflicts between the regulatory, supervision and inspection functions of the State and the activities of public enterprises”.

#### **Axe 5 measures related to monitoring, supervision and inspection**

- Transform CNELEC into an independent Regulatory Authority of the energy sector, integrating within its scope electricity sectors, transport and distribution of gas and liquid fuels;
- At the level of existing production facilities and transportation of electricity (...), regulate and supervise the application of appropriate standards and practices to safeguard the security and integrity of the sector's main facilities;
- To promote the planning and development of the sectors of electricity (...) in order to ensure adequate security of supply levels;
- Create a specialized unit of the collection, processing and dissemination of statistical information of public interest in the energy sector;

#### **Axe 5 measures related to Capacity building**

- Implement a Human Resources Management system in all public sector entities and in the Ministry, to attract and retain the best available resources in the market, to train and improve the skills of existing staff, and to establish effective incentive mechanisms, enhancing the development of strong and robust actors from a knowledge and experience point of view;
- Focus on education, both at the level of the national education system and of external complementary education, allocating a percentage of gas royalties for this purpose, in order to educate and train national human resources. (...);
- Focusing on priority to women in access to jobs and training activities in the energy sector as well as the equal treatment.

The alignment of the intervention to the **EDENR / New and Renewables Strategy** will be less explicit at this stage given the scope of this intervention in support of the Ministry and of the regulator.

The intervention will make sure that it supports the different actors within the frame and the boundaries of their official mandate.

## **2. Search for coherence with other interventions funded by Belgium in the energy sector**

The long term vision of the 2013-2017 Cooperation Program between Mozambique and Belgium is “to contribute to an improved access to modern energy sources at affordable costs in order to promote social and economic development”. This vision is then refined in a long-term goal where the different interventions will “contribute to the economic productivity and social service delivery **in rural Mozambique** through the **provision of access to sustainable, affordable and environment-friendly energy** for the social integration of all population groups”. A set of specific objectives and thematics gives then coherence to the current and future interventions in the Energy Sector in Mozambique.

The choice for “**renewable energy for rural development**” also fits with the Belgian focusses on “fight against poverty” and “basic infrastructure for rural development”.

The sector context is the same for the two main interventions (FUNAE Investments and CB MIREME), the involved agencies are the same or at least very closely linked from an institutional and/or operational point of view, the beneficiaries of trainings and other capacity building efforts are usually the same and many donors are involved at the different levels.

The merging of all capacity building initiatives funded by Belgium within the energy sector into one “Capacity Building for the Energy Sector” program has been considered. This would have allowed for a fully integrated approach, scale advantages, higher efficiency, smoother implementation, improved accessibility for partners, easier sharing of new concepts, better use of tools and provided assistance, facilitated reporting, and for sure better and more durable results.

After discussions in Maputo, it has been decided to keep distinct CB components. Nevertheless, given the fact that all interventions supported by the Belgian government constitute a coherent whole, with explicit synergies and one common objective to reinforce the Energy sector, it has to be envisaged to consolidate them into a sector programme. This approach is detailed in 2.4 and in the Chapter 5.

### 3. Harmonization with initiatives of other DPs by creating complementarity and/or synergies

Currently a significant number of development partners is supporting the energy sector in Mozambique. There are multiple ongoing identification and formulation processes: EU, Norway, WB, Belgium, etc. Similar observations on the challenges in the sector and on the capacity building needs of its key actors create a risk of overlap, in terms of partners: MIREME, CNELEC, EDM and FUNAE, but also in terms of thematic: sector planning, sector policy making, sector regulation, etc which are intimately linked to the mandates of these different actors.

However, possibilities for complementarity, harmonization and synergy exist.

The intervention will contribute to this harmonization by:

- proposing **an approach** (long-term technical assistance supporting change) which is recognized as being **complementary** to the type of support offered by the other DP's
- communicating and informing the partners on the scope, objectives, means and activities,
- informing the partners on the **planned geographical areas of concentration** (see 2.2.3) ,
- trying to work on different functions supporting the same actors with a **maintained focus on rural, renewable and off-grid energy**
- attending and contributing actively to the different platforms and working groups of the sector (e.g.: energy Sector Working Group).

As mentioned before, **synergies** will be developed through the delivery of **different approaches to capacity building** in supporting the same actors ( EU is mainly focusing on a fly-in fly-out consultant-based approach, Norway on institutional cooperation (See. Chapter 1), World Bank on large investments.

It will be of utmost importance to regularly coordinate and discuss with other technical and financial partners that are implementing energy interventions in Mozambique.

### 4. Facilitating change

Capacity Development (CD) entails a **change process** within people or organizations. This means that activities of the present intervention will aim at **facilitating** change and stimulating this change process. However, since **change cannot be forced**, stimulating and facilitating change is not a simple and straightforward process. Indeed, even for change process experts, it is very difficult to predict where and how either support for/and or resistance against change might emerge and become apparent.

Therefore, the intervention will remain flexible when it comes to the definition of CD activities and the use of CD approaches. In chapter 3, indications are given as to what approaches and activities could be used

during the intervention as to make best use of emerging opportunities for change and cope with resistance and other impediments for change. However, the intervention team has the **obligation to review the proposed approaches** and evaluate their appropriateness while taking into account evolutions in the institutional context or operational experiences. The M&E approach of the intervention, described in detail in 2.4, will provide the necessary information on the quality of the implemented CD activities but especially on their outcomes with respect to the functioning and performance of the organization and to the behaviour of individual staff members.

The revision of activities and approaches is a **continuous process** that can be done at any given moment during the implementation period of the intervention. This also implies that the intervention team should invest time and energy in testing new approaches to CD and take into account the lessons learned from these pilot experiences for future CD strategies and activities.

The intervention will not only be accountable for the quality and quantity of the delivered outputs of the intervention but also for **demonstrating the learning process** that the intervention went through in order to make sure that the delivered outputs actually contribute to the achievement of the Specific Objective / outcome.

The Capacity Building framework along with different tools usually implemented in the course of this kind of intervention by BTC is presented in 2.3.

## 5. Achieving tangible impact

Accompanying change is a labour-intensive process. Given the limited means at the scale of the country and the sector challenges, the intervention will need to avoid scattering of available resources in order to achieve a tangible impact. Therefore the intervention is designed to focus on:

- **a specific thematic:** a reliable and affordable access to renewable off-grid energy for rural development, in link with the programmed interventions in support of FUNAE;
- **a limited number of primary partners:** the Ministry of Mineral Resources and Energy of Mozambique (**MIREME**). The Directorates of Electrical Energy and the National Directorate of Fuels are considered as out of scope, given the nature of their technical core business. The § 2.2.2 provides more information on the departments and directorates that will benefit from the intervention. The second partner proposed by this intervention is the **CNELEC** where limited support will be provided to specific structures and sub-structures in charge of regulating new and renewable sources of energy.
- **a limited number of (core, management and/or support) functions** which will be supported within MIREME **with different intensity** depending on the opportunities and constraints that could arise in the course of implementation, the readiness for change of the relevant actors, the presence of other donors, the priorities given by the partners, the availability of specific expertise, etc. as further explained in 2.2.2.
- **a limited number of selected provinces** and partners at provincial level, as further explained in 2.2.3.

## 6. Integrating cross-cutting themes

Two transversal themes, gender and environment, will be integrated in the activities, priorities and approaches promoted and proposed by the intervention. They are common to the different interventions that Belgium is funding in the Energy sector. The strategies for the transversal themes are further elaborated in chapter 6.

In the national framework (Energy Strategy), gender is considered as a key cross-cutting theme and it encompasses two dimensions: the link between the expansion of rural electrification and access of

women to modern sources of energy for cooking and the job opportunities created by the development of the sector especially in management positions.

In the same strategy, the promotion of renewable energies and the approval of an Action Plan for Energy Efficiency are proposed in order to limit the impact of greenhouse gas emissions. Strategic Environmental Assessments are foreseen to support the selection of hydro-project proposals and mechanisms to fund renewable energies, including carbon credits, are thought to represent an extra source of revenue for the development of projects in this area.

## 2.2 Intervention strategy

### 2.2.1 Support to the electric sub-sector development

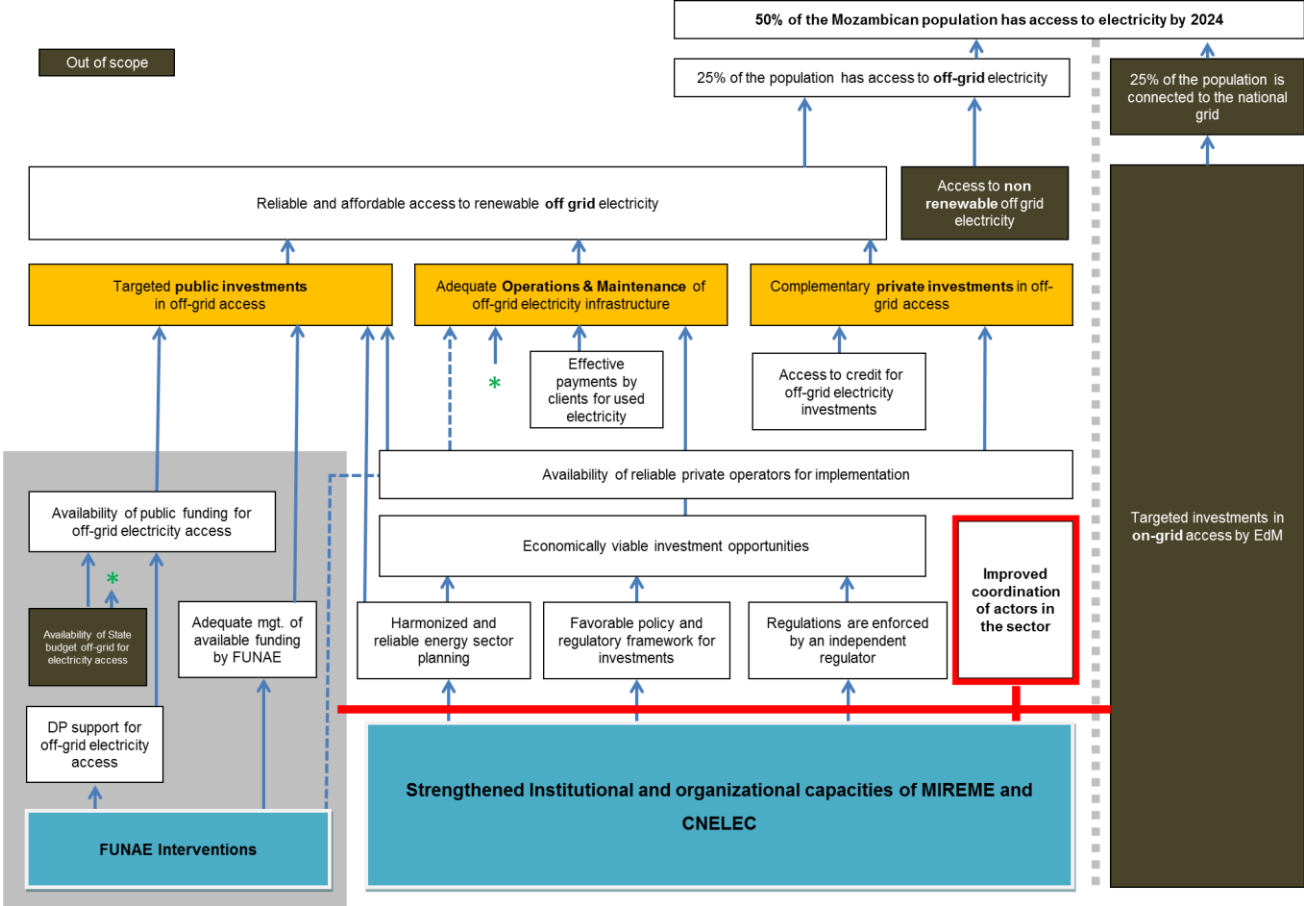


Figure 14 – Proposed Theory of change for the sector

The Theory of Change figure above represents in a schematic way how the three Belgian-Mozambican interventions in the electricity sub-sector (in blue at the bottom of the figure) potentially can contribute to the achievement of the national objectives for the sector (Energy Strategy 2015-2024), which are represented at the top of the page:

- Provide access to **50%** of the Mozambican population to electricity by 2024
- Provide **off-grid access to 25%** of Mozambicans to electricity by 2024

The Theory of Change explains the hypothetical process of change on which the intervention is built by outlining potential causal linkages in an initiative, i.e., its shorter-term, intermediate, and longer-term outcomes. The possible identified changes are mapped showing each outcome in logical relationship to

all the others, as well as chronological flow. The links between the different levels are explained by statements of why one outcome is thought to be a prerequisite for another. At the lower levels, the different factors believed to contribute to the achievement of these objectives are made explicit.

Some elements are mentioned in the scheme but are considered as being “**out of scope**” for the Belgian support to the Mozambican electricity sub-sector (they are marked in **dark grey**).

The elements in **light grey** are related to the FUNAE and will be further developed in the appropriate Technical and Financial Files. It is important however to note that those interventions fit within the general Theory of Change for the energy sector presented here. All interventions funded by Belgium under this Cooperation Program in the energy sector will contribute to a reliable and affordable access to off-grid electricity in rural areas of Mozambique.

It has been made clear in the previous pages that the Belgian support to the energy sector is concentrated on **off-grid electricity**. As a result, the EDM’s contribution through on-grid electricity to the national objective of electrifying 25% of the population is out of scope. Moreover, the focus is on **new and renewable sources of energies** which leaves non-renewable sources of off-grid electricity also out of scope.

For the elements that are “on scope”, the arrows between the different elements represent (semi-) causal relationships between them and they can be “read” as follows, starting from the bottom of the scheme:

*By supporting the development of individual, organizational and institutional capacities within the MIREME, the intervention will contribute to the improvement of performance of this actor in its mandate. Reinforced individuals but also departments (or Directorates) will be able to improve the quality and the reliability of sector planning and to maintain, develop and promote an attractive policy and regulatory framework for investors. A third element is also thought to be mandatory for the development of the sector: an independent regulator must exist and be in a position to enforce the sector regulations. Combined with an harmonized sector planning between the main actors, under the lead of MIREME and the availability of a clear legal framework, it will contribute to the emergence of economically viable investment opportunities.*

*The aspect of sector coordination is not linked to a specific function of the MIREME (sector planning or policy making) or CNELEC (regulating) but is rather seen as a means to facilitate them. It is of utmost importance to achieving the sector objectives and is therefore explicitly mentioned (in red) in the scheme. Without improving the relationships and the coordination between the different actors in the sector, it is very unlikely that the efforts of the supported institutions would automatically lead to quality outputs and an enhanced economically viable environment for investors.*

When combining a favourable environment with the availability of State budget, the availability of reliable private operators for implementation, the effective payments by clients for used electricity and an access to credit for off-grid electricity investments, it is believed that these elements will effectively contribute to 1) *targeted public investments in off-grid access*, 2) *additional private investments to complement the necessary infrastructure and once the infrastructure is delivered*, 3) *the adequate management of installations including operations and maintenance*. Those three main elements are thought to be necessary to provide reliable and affordable access to renewable off-grid electricity to Mozambicans.

*Sector planning, policy making and regulating are seen as the three main functions that should be improved in the electricity sub-sector in order to contribute to the national objectives for the energy sector.*

**Through the different interventions in the Electricity sub-sector in Mozambique, the Belgian-Mozambican cooperation would like to support these specific functions through the national actors responsible for them.**

The present intervention will focus on some core, management and support functions within the MIREME at central and deconcentrated level. It will also support efforts of transforming CNELEC into a

fully capable and independent regulator for the sector. While the future interventions on FUNAE focus on management and support functions at central level and core functions within the FUNAE Delegations. At deconcentrated (provincial) level, synergies will be elaborated between the supports provided to the Provincial Directorates of Mineral Resources and Energy, called DIPREME and the FUNAE Delegations.

Below, the attention is focused on the CB MIREME / CNELEC intervention and the strategic areas in which this intervention will provide support.

**2.2.2 Strategic Areas for the intervention**

The paragraphs here below describe actor by actor, level by level, which specific structures or sub-structures will be / will not be supported by the intervention. It also clarifies which core, management and support functions have been identified as “entry doors” for the provided support. This can be complemented by the project team while conducting their initial assessments with the partners during the comprehensive baseline exercise.

**2.2.2.1 Area 1: Support to Core, Management and Support functions at MIREME, central level**

The idea here is to strengthen the MIREME at central level in order to resolve existing bottlenecks or weaknesses but also to prepare the organization for the future development of the sector. Important functions that need strengthening are: sector planning, policy making, communication and reporting.

Within the main partner of the intervention,

- specific technical directorates related to Mineral Resources will not be supported by the intervention (National Directorate of Geology and Mines, National Directorate of Hydrocarbons and Fuels);
- moreover, within the National Directorate of Energy, specific technical sub structures not related to renewable off-grid electricity will be considered as out of scope (substructures in charge of Electric Energy and Atomic Energy);
- Cross-cutting departments will be included in the intervention albeit with a focus on services provided for renewable off-grid electricity.

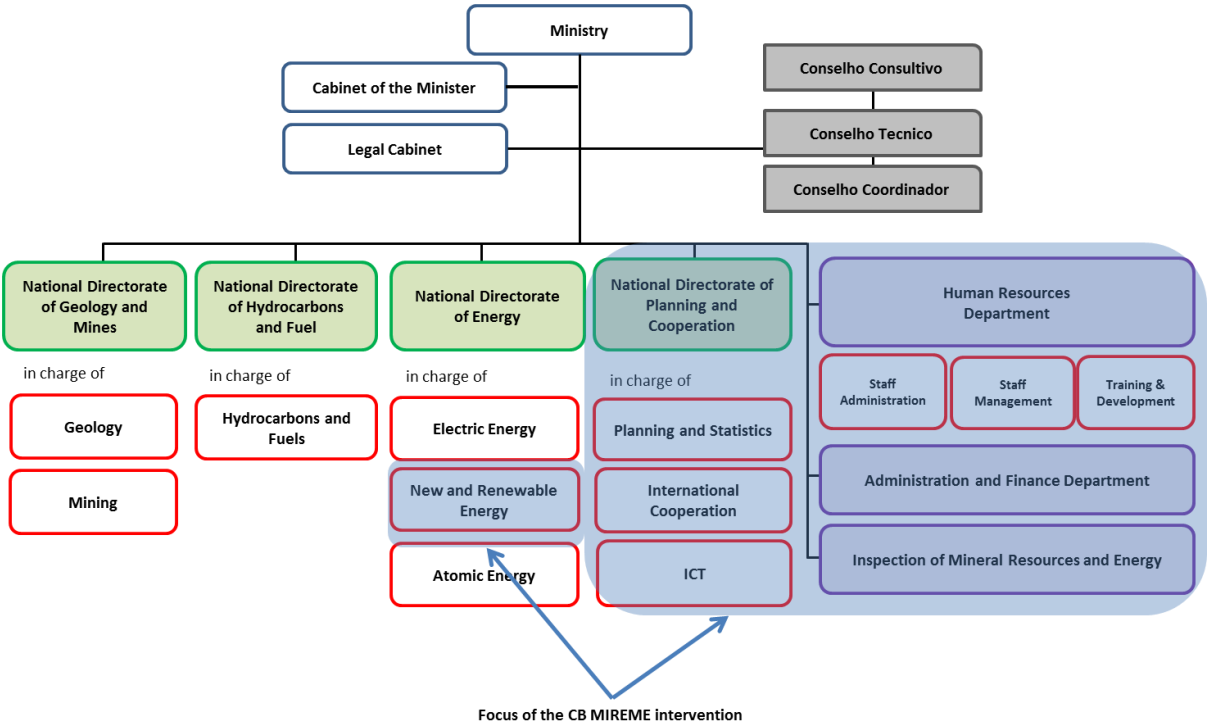


Figure 15 - Targeted structures within the MIREME

In principle, all remaining sub-structures will be supported by the intervention. However, because of the importance of some specific substructures for the functioning of the sector and/or the challenges it has to face, intensity of support will vary between them.

The following Directorates and Departments will be supported:

1. **National Directorate of Planning and Cooperation** which is the transversal directorate in charge of the core function of **sector planning**, a key challenge for the development of the sector. An important link exists with the provincial level (DIPREMEs) for collection and dissemination of data. The Planning and Statistics substructure will also be specifically targeted by the intervention.
2. **Human Resources Department**: another transversal department, in charge of several **support functions** facing major challenges in terms of staff recruitment, development and retention (also at provincial level).
3. **The structure, within the National Directorate of Energy, in charge of new and renewable Energy**, which is responsible for **policy making** on new and renewable energy.

The other sub-structures of the MIREME at central level will also receive direct and indirect support from the intervention but in a less intensive way: **Administration and Finance Department, Inspection of Mineral Resources and Energy**.

The main challenges of these structures are described in Chapter 1 and propositions of activities are listed in Chapter 3.

#### **2.2.2.2 Area 2: Support to core, management and support functions of DIPREME**

The idea is to strengthen in a first phase a range of selected DIPREMEs, at provincial level, in order to resolve existing bottlenecks or weaknesses but also to prepare the organization for the future development of the sector. Important functions that need strengthening are: sector planning, data collection and analysis, communication and reporting.

The intervention will aim at identifying and sharing common problems among the different DIPREMEs, supporting the partners in developing adequate solutions, testing them in the field and proposing and supporting replication in other provinces if found appropriate. The intervention intends to work at both levels, central and provincial, in order to provide support both at the national policy level and the provincial operational level. Development is seen as a dynamic process of change, the results of which cannot be predicted but are determined by a cycle of continuous learning shared by a variety of stakeholders who are operating at different levels.



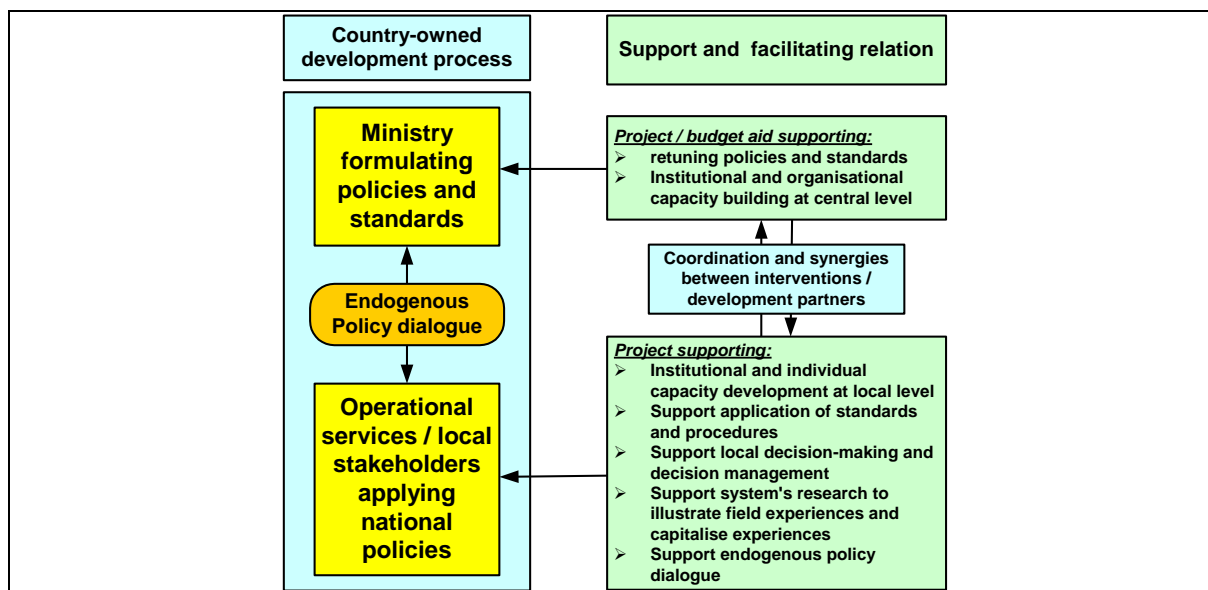


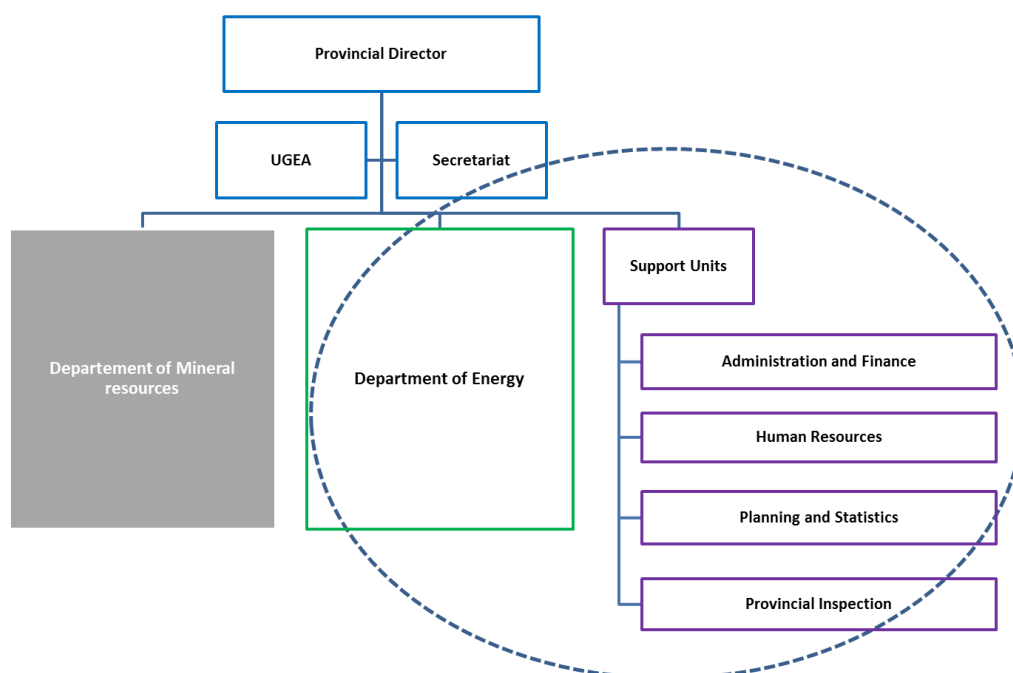
Figure 16 – The double anchorage principle

Activities at both the central policy level and at the provincial operational level are not only complementary but key for assuring and maintaining the continuous cycle of trickle-down and capitalization in view of strengthening the endogenous policy dialogue within the MIREME. Both levels of the intervention have to invest actively in facilitating the two-way communication between central and operational levels.

The “double anchorage” principle is aimed at ensuring a continuous feeding of a constructive dialogue between different stakeholders at both the normative and regulating level and the operational level. At the normative and the regulating level (i.e.; at the level of the central Ministry) the supports are basically aimed at reviewing national policies and standards and strengthening the capacity of national directorates/departments and individuals. At the operational level (DIPREME), the activities are aimed at strengthening the capacity of local institutions and actors, supporting the implementation of national policies and standards, supporting local decision making processes and capitalizing field experiences in view of supporting the endogenous policy dialogue.

Within the DIPREME,

- specific technical departments/units related to Mineral Resources are not supported (Mineral Resources Department);
- specific technical directorates/units not related to renewable off-grid electricity are excluded;
- Cross-cutting departments/units are included in the intervention albeit with a focus on services provided for renewable off-grid electricity.



**Figure 17 - Targeted structures within the DIPREME**

The following Departments and Units will be supported:

1. **Planning and Statistics**, *the transversal directorate in charge of the core function of **sector planning**, a key challenge for the development of the sector. Existence of an important link with provincial level (DIPREMEs) for collection and dissemination of data. Main challenges are described in Chapter 1 and propositions of activities in Chap 3. Focus: Planning and Statistics Department (DSP)*
2. **Human Resources Department**: *another transversal department, in charge of several **support functions** facing major challenges in terms of staff recruitment, development and retention. Also a major challenge at provincial level. Main difficulties are described in Chapter 1 and propositions of activities in Chap 3.*
3. **Department of Energy**: *responsible for sector planning, supervision and monitoring in the Energy sector at provincial level.*

The other sub-structures of the DIPREME will also receive direct and indirect support from the intervention but in a less intensive way: **Administration and Finance and Provincial Inspection**. Main challenges are described in Chapter 1 and propositions of activities in Chap 3.

### **2.2.2.3 Area 3: Support to core, management and support functions of CNELEC**

In line with the intention of the Energy Strategy to transform CNELEC into an independent regulating Authority for the Energy Sector, integrating the sectors of electricity, gas and combustibles, the intervention will aim at supporting specific efforts, individuals and (sub)structures involved in regulating off-grid new and renewable energy in rural areas.

### 2.2.3 Geographical orientations

The geographical orientations of the CB MIREME intervention are based on the following assumptions, shared with the partners:

- Geographical concentration in a limited number of provinces is necessary for the CB interventions in order to accompany change. Accompanying change is a labour-intensive process. Given the limited means at the scale of the country and the sector challenges, the intervention will need to avoid scattering of available resources in order to achieve a tangible impact.
- FUNAE support might contribute to the sustainability of RERD 1 & 2 investments in the provinces of Manica, Sofala, Zambezia, Niassa and Nampula.
- Geographical synergies should be sought between FUNAE interventions and CB MIREME, in support of their provincial level representations (DIPREMEs and Delegations)

The proposition that was made to the MIREME is an **incremental approach**, where the intervention will start supporting DIPREMEs in a number of provinces (3) and enlarge the scope if possible during the implementation.

- In Phase 1, the DIPREMEs in the provinces of Manica, Sofala, Zambezia will be supported by the intervention: They are the current focal provinces of the RERD 1 intervention.
- In Phase 2, the province of Niassa could be included in the list of supported DIPREMEs
- In Phase 3, Nampula could be added.

This approach will allow the intervention to develop the capacities of MIREME at provincial level where the Belgian investments have mainly taken place until now and to contribute to their sustainability. And it offers **flexibility to adapt** to the geographical scope of other future interventions.



## 2.3 Capacity Development support by the intervention

### 2.3.1 Use of the CD Framework

The present intervention will refer to Capacity Development as “an endogenous process which entails change of knowledge, skills, work processes, tools, systems, authority patterns, management style, etc. It is a process that takes place in people or organizations, and cannot be forced. People and organizations can have strong or weak incentives to change, develop, and learn, coming from the environment and/or from internal factors. However, eventually the change is an internal process that has to happen in the people or organizations changing”.

When assessing capacity needs in the present intervention, the Capacity Building Framework, will be used.

CAPACITY	Capacity CREATION	Capacity UTILIZATION	MAINTAIN Capacity / ADAPTATION
<b>FOR WHAT ? &gt; Policy instruments which promote development and relationships between Energy sector actors which contribute to development goals of Mozambique</b>			
Institutional Level	<i>Policies, laws and appropriate regulations are elaborated</i>	<i>Laws and policies are implemented</i>	<i>Laws and policies are regularly adapted</i>
	<i>Relationships between state level, dialogue between service providers and users</i>	<i>Partnerships and dialogues reinforce quality of services</i>	<i>Adaptation, monitoring, inclusion of new partnerships etc..</i>
<b>FOR WHAT ? &gt; Performant organizations (effective, stable, adaptable) which deliver their services</b>			
Organizational Level	<i>Appropriate structures, processes, leadership, communication channels are established</i>	<i>New structures, processes, communication channels are integrated into the workflow</i>	<i>Structures, processes, leadership styles are constantly adapted, based on feedback</i>
<b>FOR WHAT ? &gt; Performant individuals &amp; teams, agents of change in their environment</b>			
Individual Level	<i>Development of appropriate knowledge, skills and attitudes</i>	<i>New knowledge, skills and attitudes are applied in the daily work</i>	<i>Transfer of competences, competency management is promoted at organizational level</i>

Figure 18 - Capacity Development Framework

The intervention wishes to **strengthen the individual, organizational and institutional capacities of the MIREME** as a means towards a more efficient and effective delivery of its mandate. Therefore, the support provided by the intervention will be described in terms of support to specific organizational functions in specific parts of the Ministry (see above). However, the focus on organizational strengthening will also be complemented with innovative support strategies at the individual and institutional level.

### 2.3.2 Flexibility to define and adapt the focus

In chapter 1, a SWOT analysis has been conducted to identify functions that need strengthening within

the Ministry. At the start of the implementation of the intervention, the information in this SWOT analysis will be complemented with a more in-depth capacity analysis of the supported functions. This analysis, also called a **functional review**<sup>8</sup>, will help to **refine the existing focus of the intervention**, based on **changes in the institutional context** or in the **functioning** of the Ministry. This refining exercise can include prioritizing support to certain functions while (temporarily) reducing the focus on other functions. Based on the initial functional review, the project can even propose to add specific functions or specific geographical areas to the scope of the intervention.

Each year, prior to the operational and financial planning of the intervention, the initial **functional review will be updated**. The output of the updated functional review, complemented with other monitoring and assessment tools, will help to **(re)define the intervention focus** and, as a consequence, provide guidance to the operational and financial planning for the following year.

This process of updating and refining the functional review will provide the intervention with the necessary flexibility to **adapt to the rapidly changing institutional environment** in the Energy sector in Mozambique. Therefore, this flexibility is very important for the intervention to maintain its relevance throughout the entire duration of implementation.

### 2.3.3 Proposed Capacity Development tools

#### 2.3.3.1 Providing Technical Assistance for change facilitation

Technical assistance can take different forms and can assume different roles in the present intervention. However, each type of technical assistance shall contribute to some extent to a change process facilitated by the intervention; this comprises working on individual and organizational capacity enhancement.

A **Technical Assistant, in charge of Change Facilitation** will be responsible for the coordination of the activities supported by the intervention. This type of technical assistance is generally long term assistance since the change process should be supported during the entire implementation period of the intervention. This person will be responsible for **assuring coherence** between different types of assistance, foreseen in the intervention but also for assuring that the different activities of the intervention contribute to the achievement of the Specific Objective. Moreover, this TA is responsible for **generating support** within the Ministry for the **change process** through internal communication, negotiation, networking with key change agents, coaching etc.

A **Specialized Technical Assistant (TA)**, responsible for providing long or medium term support can also be recruited during the intervention. This type of TA will concentrate his/her efforts on one or more functions, assumed within DIPREME while working with staff members in existing teams. The TA will work on **organizational capacity** (instruments, procedures) in the teams he or she is working with as well as on **individual capacity** of the team members through on-the-job coaching.

Finally, additional expertise in the present intervention can also take the form of **targeted consultancies**. In this case, the added value of the consultants is purely technical and so they are recruited for specific expertise and skills rather than for their broad knowledge on the sector. The primary objective of this type of expertise is to **develop a specific product** (such as a tool, a system, a solution to a technical problem,...) in a limited timeframe. However, the work of a consultant will always be accompanied by a technical assistant, already active in the intervention. The Technical Assistant will remain responsible of quality assurance for the delivered product. Moreover, he or she will also support the MIREME Change manager in introducing the developed product(s) in MIREME and assuring that the organization (and individual staff members) are able

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<sup>8</sup> See §3.3.1

to use the developed product(s).

### 2.3.3.2 Activities to strengthen individual capacity

Activities for individual capacity development can take different shapes in the present intervention and each shape has its specific characteristics. However, these activities should always be linked to the tasks that the individual has to perform within his/her team. Learning objectives should always be linked to an envisaged improvement in the functioning or the performance of the team. Possible activities for individual capacity development are described below:

- **Short term trainings and workshops** will be primarily used as a way to **introduce new concepts**, especially for new staff members in the MIREME. This type of activities can also be used to **inform and sensitize** the people that participate in them. The direct impact of this type of activities in term of visible changes on the workplace is usually rather limited. However, this type of group activities do play an important part in assuring that staff members receive basic information that can be built upon through on-the-job training. Also, organizing workshops is a good way to keep staff members updated on on-going changes in the organization. As such, short term trainings and workshop must be treated as a first step in a multi-phased learning or change process.
- The intervention will finance, only in a very limited number of cases, **long term training (master programme)** for beneficiaries in the intervention. In fact, the advantages of sending someone on a long term training (abroad) must be weighed against the **disadvantages of disconnecting that person** from his work context and possibly losing this person in the process. Before financing this type of activities, a retention strategy will have to be developed and implemented in the beneficiary organization (Result Area 1).
- The intervention will favour **on-the-job training and coaching** since evidence shows that on the job training and coaching produce the best results in terms of changes in individual performance. Technical assistants play an important role in this type of activities but on-the-job training can also be done by external trainers/coaches, supervisors (line managers) or even by peers.
- **Industrial attachment** can be considered as a hybrid between long term training and on the job coaching. This approach is very useful when specific (technical) expertise is not available in the organization while at the same time, partner organizations can be identified that have the same mandate and the same operational processes (in country or in the region). In this case, the intervention can finance **an internship** that allows selected staff members to learn a specific job by working in the partner organization for a limited period of time. Although this approach has considerable benefits, the advantages of the industrial attachment approach must be weighed against the **disadvantages of disconnecting that person** from his work context and possibly losing this person in the process.
- In some cases **field visits and study tours** can be a good approach to bring new ideas into an existing team or to confront people with alternative approaches. The impact of this type of activities is mainly on the level of new insights. However, afterwards, participants still have to be accompanied in order to translate these new insights into practice.
- Finally, other types of learning like **self-study and e-learning** are well suited to increase knowledge of staff members on specific topics.

### 2.3.3.3 Activities to strengthen organizational and institutional capacities

Organizational level capacity building activities improve the ability of organizations to finance, plan, manage, implement and monitor projects, both in the immediate and longer term, through the strengthening of internal organizational structures, administrative systems and processes, quality assurance systems, program/project management, leadership, governance, resource mobilization and

overall staff capacity. Activities to strengthen organizational and institutional capacities within the MIREME, the DIPREMEs and CNELEC can take different shapes in the present intervention and each shape has its specific characteristics. Possible activities are described below:

- **Technical assistance** (inter)national, short, medium or long-term
- Punctual **consultancies**
- Support and advice for the **development and implementation of pilot projects**
- Support and advice for conducting **studies and sector strategic analyses**
- **Networking**
- **Study tours, seminars, national and regional workshops**
- Support for organizing events
- Support and advice for developing **partnerships** with peer institutions and organizations

#### 2.3.3.4 Logistical support

To complement the support to Capacity Development, the intervention will also provide a specific budget for logistical support to MIREME. The use of this budget will always be linked to activities on capacity development and will allow MIREME and DIPREME staff members to put into practice the newly acquired individual competencies or organizational procedures/processes. Logistical support in this intervention will be limited to the purchase of small equipment, tools or minor infrastructural investments.

## 2.4 From individual interventions to Programme Approach

### 2.4.1 Rationale for a programme approach

**A programme can be defined as a set of interventions (also called projects) that constitute a coherent whole, with explicit synergies and one common objective to reinforce a sector (or national programme).**

A programme approach is meant to **increase overall impact** of its components through

- Definition of a **common vision** for all interventions (i.e. common global objective).
- Development of **strategic and operational synergies** between interventions, They mutually reinforce their contributions to a common global objective.
- Formalization of the need for proper **change management** within partner structures to sustainably anchor ambitious changes.

And also **optimize resources** through

- **Pooling** and sharing of **human and financial resources** between the interventions in a flexible way.
- **Valorisation of staff expertise** at the level of interventions by transferring some financial, administrative, procurement, logistics burden to the programme support teams. A larger structure allows more diversity and complementarity of expertise in line with the complexity of sector dynamics.
- Reduction of **transaction costs** for the partners and BTC (i.e. less counterparts, less committees, merged reporting, etc.)

In the case at hand, the Mozambique - Belgium cooperation sees its number of interventions in the

energy sector growing. Three interventions have been identified to contribute to a common global objective :

- Institutional and organizational strengthening and capacity development at the Ministry of Energy (CB MoE, 4M€)
- Direct investments channelled through FUNAE (RERD 2, 12 M€)

The configuration is not that of a fully integrated programme, nor of isolated interventions. Some characteristics of the interventions advocate for a programme approach, some appears as challenges.

Opportunities	Challenges
<ul style="list-style-type: none"> <li>• Same sector and same global objective</li> <li>• Same theory of change</li> <li>• Same involved partners and, or at least very closely linked from an institutional and/or operational point of view</li> <li>• Same donors and network</li> <li>• Need for similar technical assistance</li> <li>• Same capacity building approach</li> <li>• Similar strategic principles</li> <li>• Geographical coherence</li> </ul>	<ul style="list-style-type: none"> <li>• Distinct identifications &amp; formulations</li> <li>• Distinct legal frameworks (i.e. specific agreements, TFFs, etc)</li> <li>• Distinct budgets</li> <li>• Possibly different timings</li> </ul>

There is a real opportunity to benefit from a programme approach if consciously promoted. Synergies hardly appear spontaneously, but are the result of the active – and proactive – use of tools, structures and mechanisms that have been put in place in order to facilitate their identification and their exploitation in the most optimal way.

Taking into account the above challenges, chapter 4 and 5 will shape the foundation of a future programme approach. It will be scalable in order to properly accompany the upcoming interventions at their own pace.

**2.4.2 Principles**

An intervention must have **defined and agreed roles and responsibilities**. An intervention is cross-functional, it involves several organizations that make a mix of part-time and full time resources available. To be successful, interventions must have an **explicit organizational structure** including a set of key roles. According to the context (scope of the intervention, HR budget, partner structure, BTC representation structure, etc.), some roles can be combined together in a same function. A successful programme structure enables appropriate delegation to the more operational levels. It is important to define the limits of delegated authority. By making decision at the right level of the structure, delays are reduced and operational teams are empowered

The implementation of **management by exception** provides for an efficient use of hierarchical authority time without removing their control.

At each level, superiors are encouraged to give an **autonomy** to their team by defining tolerances in terms of time, cost, quality, scope and risk.

This section presents some additional principles that will then be operationalized in chapter 4 and 5

A generic programme structure has **3 levels**, each one playing a specific role :



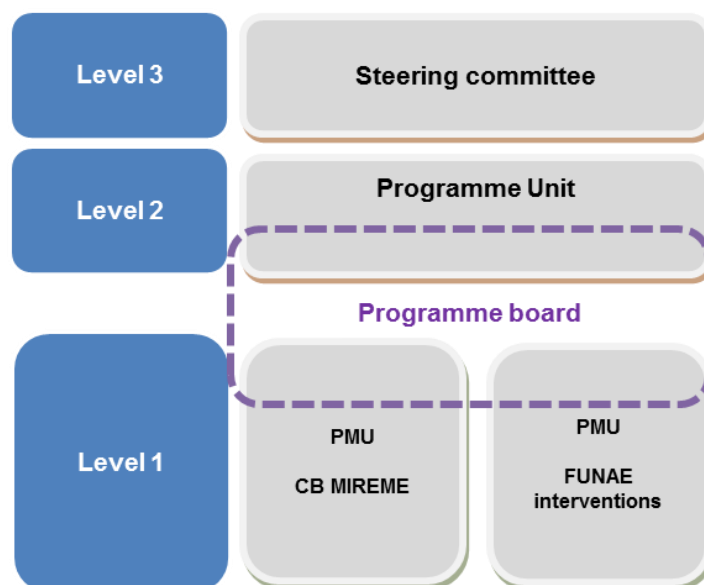


Figure 19 – Three levels in a programme structure

- **Level 3** - The **Steering Committee** steers the project/programme by defining a common vision, providing strategic guidance and follows the project/programme, essentially at the level of **Specific Objective and Results**. It is composed of representatives of the main stakeholders. Among them, two main 'sponsors' (MIREME Permanent Secretary and Res Rep) are identified to steer the project/programme between two plenary sessions.
- **Level 2** - The **Programme Unit** gives support to the interventions and prepares the decisions to be taken by the Programme Board. It is usually headed by a duo composed of a **Programme Change manager** and **Programme manager**. It also **hosts shared resources** like Administrative and Financial responsible (RAFi), pooled technical experts, M&E expert, procurement officer, etc.
- The **Programme board** is the coordination body in charge of taking common decisions for the programme (arbitrage on resources, planning integration, etc.). It follows the programme and projects, essentially at the level of **Results and Outputs**. It is composed of the Programme Unit Heads and the Project Unit Heads. The Programme Board guarantees the coherence between interventions. It ensures that synergies are enhanced and that all products delivered by the interventions are going to enable the ambitious changes targeted by the programme (i.e. specific objective). Decisions are taken by consensus. If consensus cannot be reached, decision belongs to the Programme (Change) Manager
- **Level 1** - Each **Project Management Unit** manages its intervention by implementing activities and delivering products that will contribute to the results. It is usually headed by a duo composed of a Change Manager and a Project Manager. It is also composed of other TAs and support staff (accountant, driver, etc.).

#### Lessons learned from a previous intervention in the energy sector in Mozambique

- With all due respect to the hierarchical order of the partner organization, issues to be escalated from the intervention to the Level 3 should be more limited and agreed upstream. Same for the no-objection asked to BTC.
- The partner side should be represented within the Project Management Unit

- Decisions taken by CEO and Res Rep should be based on proposals prepared by a group of staff headed by the project manager including BTC Technical Assistants. The aim is also to limit parallel circuits between the Technical Assistants and the Res Rep.
- Ministries identified as main stakeholders should be represented in the Steering Committee by staff with sufficient power to ensure proper decision making and implementation in their ministries.

In the case at hand, there will be a smooth and progressive installation of a programme in the energy sector. Starting with only one intervention (CB MIREME), the above roles of level 1 and 2 can perfectly be combined in one, during the first phase. When new interventions start (Investments FUNAE, etc), the need for coordination, for synergies, for joint planning, for integration, etc (level 2) and the opportunities for sharing resources will rise. Adjustments to the structure will therefore become necessary. Chapter 5 will come back on this in details.

## 2.5 Monitoring & Evaluation

### 2.5.1 Monitoring and Evaluation to support change

As explained above, a certain amount of flexibility is necessary for the intervention to be able to achieve the envisaged outputs and contribute to the envisaged outcome and impact. However, flexibility can only be justified if, at the same time, mutual accountability between the partners and towards the donor is guaranteed. On the other hand, flexibility does not imply that changes to the intervention strategy may be made in a chaotic and/or arbitrary way. On the contrary, changes in the intervention strategy should be based on a sound system of systematic learning that leads to well justified and defensible strategic decision making.

In order to respond to the need for clear accountability, systematic learning and strategic steering, the intervention will elaborate and document the pathways of change comprised in its (evolving) intervention strategy. To do this, a solid Monitoring and Evaluation (M&E) approach that allows to assess to what extent the envisaged change and CD process did or did not materialize, will be developed.

Key elements of the envisaged M&E approach are explained below.

### 2.5.2 M&E: Cyclic M&E to support a change process

By looking at an M&E system in terms of **systematic learning and strategic steering**, it is clear that M&E cannot be treated as a one shot activity at the end of an intervention. In fact, M&E must contribute to a **process of continuous improvement** of the intervention strategy. Therefore, M&E must accompany the change process, facilitated by the intervention, by performing continuously repeating Plan-Do-Check-Act cycles.



Figure 20 - Deming Circle (PDCA)

In the present intervention, M&E will be treated as an integral part of project management that has an important role in guiding the intervention strategy and thus the strategic and operational planning.

The present TFF will propose specific indicators on different result levels in chapter 3. However, given the cyclic nature of M&E, these indicators will have to be refined and complemented on a regular basis in order to reflect the change process the intervention is facilitating.

### 2.5.2.1 Different types of indicators

One of the central elements of any M&E system is the monitoring of different sets of indicators. In order to measure these indicators, the M&E system of this intervention will, to the extent possible, rely on and make use of existing M&E frameworks, systems and tools, including:

- PARPA, Energy Strategy, EDENR and other national indicators
- Existing monitoring systems of MIREME / CNELEC
- BTC's tools for monitoring Capacity Development

A classic Logical Framework usually contains 3 types of indicators:

**Output indicators:** These indicators measure the delivery of outputs and the quality of these outputs on the basis of project management indicators. These indicators will **mainly serve accountability purposes** although a link with learning and steering also exists.

**Outcome indicators:** These indicators measure the level of achievement of the Specific Objective. While accountability is still important regarding this type of indicators, the main focus here is on learning and strategic steering. Tracking these indicators can give the intervention an idea on whether the activities are well targeted and whether they contribute to real change. These indicators will draw from existing monitoring frameworks (to the extent possible) and will relate to improved performance of MIREME and CNELEC.

**Impact indicators:** These indicators measure the level of achievement of the General Objective. The intervention is not accountable for the final impact; it can only aim to contribute to the achievement of this objective. For this level, country/sector indicators will be monitored. This level will fully rely on existing Mozambican M&E systems.

Although the above mentioned traditional indicator levels are **essential and useful**, unfortunately, they do **not always capture the progress in the actual change process** that the intervention is facilitating. In fact, changes in people and organizations are often subtle and, if only measured by means of classical outputs and outcome indicators, almost invisible. On the other hand, changes in individual or group behaviour or use of new instruments and methodologies provided by the intervention (outputs) are good indicators that the intervention is on the right track, long before the achievements of the intervention become visible in the outcome indicators. In an unpredictable and highly volatile environment of a Capacity Development intervention, picking up these **early signs of change** and acting upon them is crucial for the success of the intervention.

To counter this lack of indicators on change, the so-called **missing middle**, the intervention will go well beyond the classical indicators framework and will try to actively monitor the **change process**. This implies that the intervention will try to monitor **changes in behaviour** (linked to skills transfer) and look for **early signs of increased performance** that help the intervention in learning from experience and steering the intervention towards the achievement of its development goal.

The figure below shows the different types of indicators that will be used in the intervention.

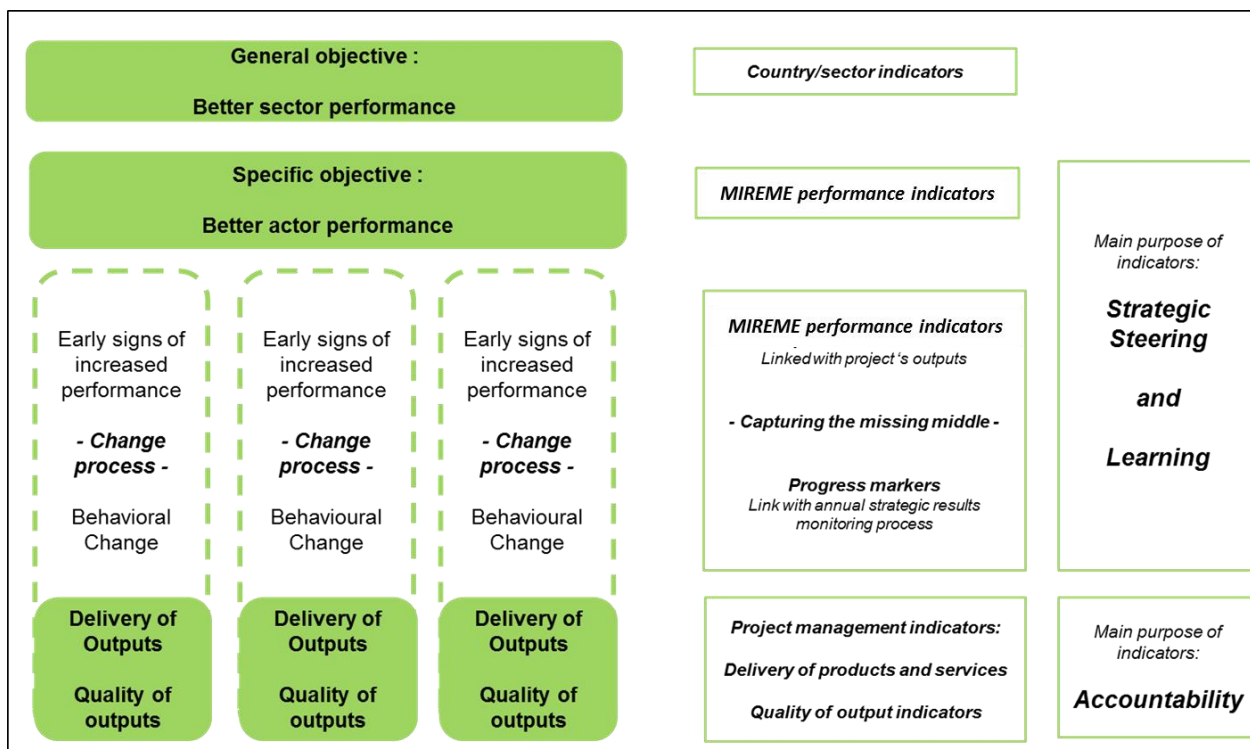


Figure 21 - Types of indicators for the intervention

Since change is unpredictable and highly dependent on the context, the TFF will only make suggestions for this type of intermediate level indicators. The actual development of such indicators will be done during the comprehensive baseline and, from then on, at regular intervals during implementation in order to reflect changes in the intervention strategies and corresponding envisaged pathways of change and CD.

## 3 INTERVENTION FRAMEWORK

### 3.1 General objective

The General Objective (GO) for the intervention is:

**The development of the energy sector is enhanced in order to power the socioeconomic development of the country and to contribute to the welfare of its people**

### 3.2 Specific objective

The Specific Objective (SO) for the intervention is:

**The performance of MIREME and CNELEC in advancing access to renewable electricity in rural areas is enhanced.**

### 3.3 Expected outputs

The intervention has 3 strategic areas:

**Result Area 1:** the capacities of the MIREME at central level are strengthened in order to improve the energy sector planning and policy-making

**Result Area 2:** The capacities of the DIPREME are strengthened in order to improve energy sector planning, coordination and M&E in selected provinces

**Result Area 3:** Efforts of transforming CNELEC into an independent and capable regulator for the new and renewable electricity sub-sector are supported

Each of these three areas will be described in further detail below. As already explained, the activities mentioned in this TFF only serve as an indication as to where the intervention should be heading. However, these activities can (and must) be adapted according to the evolution of the context, strategic reflections and choices during implementation.

#### 3.3.1 Result Area 1: the capacities of the MIREME at central level are strengthened in order to improve the energy sector planning and policy-making

Work on the capacities of MIREME will start with in-depth analyses (functional reviews) of existing core, management and support processes at MIREME central level in relevant Directorates and Departments (see above). Important functions that need to be analysed are: strategic planning, policy-making, communication and reporting, monitoring and evaluation and project management. HR processes, especially the ones related to competence development, staff retention and staffing will also be analysed during these functional reviews.

The goal of this exercise is to identify areas where existing individual, organizational and institutional capacity should be strengthened in order to increase core, management and support functions and their performance within the MIREME.

Based on the above mentioned analysis, the intervention will develop and implement specific activities to accompany the necessary changes in the functioning of the Ministry's central services. For most functions, this exercise will include a support to the process of enhancing or redefining working procedures and implementing them.

#### Main beneficiaries:

- **National Directorate of Planning and Cooperation**
- **Human Resources Department**

- **(Sub)structure, within the National Directorate of Energy, in charge of new and renewable Energy**

The other sub-structures will also receive direct and indirect support from the intervention but in a less intensive way: **Administration and Finance Department, Inspection of Mineral Resources and Energy.**

#### **Components:**

##### **3.3.1.1 Long and medium-term technical assistance**

In order to ease the budget follow-up of the intervention, a specific budget line has been created to host the different long-term technical assistance profiles.

##### **3.3.1.2 Sector Planning within MIREME**

***The capacities of MIREME at central level to conduct, deliver and keep updated an harmonized and reliable sector planning are improved.***

This first component is about clarifying, enhancing and formalizing the **sector planning process at national level** together with DIPREME and other actors (EDM, FUNAE, etc.). The intervention will then accompany the implementation of improvements in sector planning at central level and in selected provinces (synergy with RA 2).

##### **Example of activities under this component:**

- Capacity needs assessment, based on the new structure, the new organic framework and the designated / recruited staff
- Functional review of key processes related to sector planning at central level (existing reporting lines, bottlenecks, etc.)
- Identification of key stakeholders in the process in order to take their stakes and specificities into account
- Development of enhanced and clarified working procedures, templates, tools and processes together with DSP' staff
- Testing and implementation of developed tools, processes and templates at central and provincial level (selected provinces, see R.A 2)
- Roll out at larger scale involving relevant stakeholders
- Building of individual and organizational capacities related to sector planning through Technical assistance, consultancies, trainings, workshops; field visits, study tours, mentoring, coaching, equipment, etc
- Dissemination of developed tools and outputs

##### **3.3.1.3 Quality data and information within MIREME**

***The capacities of MIREME at central level to produce quality data, statistics and information on the electricity sub-sector and to report regularly and accurately on KPIs for operational management, strategic management and policy making are improved***

The intervention wants to support the MIREME in order to improve **reporting and exchange of quality data / statistics and information** on the electricity sub-sector (focus on new and renewable energy sources) between the national/provincial levels and between MIREME and FUNAE. The SWOT in chapter 1 shows that communication and reporting are mainly centralized and that some bottlenecks exist. Moreover, some challenges were identified regarding M&E for strategic management and policy-making.

Working on this component will be strongly linked to the development of the foreseen M&E system. In general, activities under this component include the identification of Key Performance Indicators (KPI) as required for strategic management within the MIREME and the development of a Planning, Monitoring & Evaluation system to monitor them. This also involves setting up or refining processes and systems for data collection and reporting and the development of a specific approach for processing and preparing information for policy making purposes. In the process, individual capacity of staff members should also be strengthened.

Work under this component does not only involve MIREME.

- FUNAE and other relevant actors will be involved in the identification of KPIs in order to make sure that these KPIs respond to Ministry's needs for strategic and policy making information
- The data collection and reporting systems will be developed together with ICT staff in order to make sure that they are compatible with existing and future systems
- MIREME staff, involved in M&E will receive the same individual capacity development support as the staff responsible for strategic M&E within FUNAE

**Example of activities under this component:**

- Capacity needs assessment, based on the new structure, the new organic framework and the designated / recruited staff
- Functional review of related key processes at central level
- Identification of key stakeholders and sources of information
- Identification of information needs within the MIREME at central level and provincial level, but also among the other key actors of the sector (FUNAE, CNELEC, EDM, etc)
- Identification of operational and strategic KPIs in/for MIREME
- Development of a Planning, Monitoring & Evaluation system to monitor KPI's
- Refining of existing analysis and reporting processes and tools on KPIs for operational management, strategic management and policy-making purposes
- Testing and implementation of developed tools, processes and templates at central and provincial level (selected provinces, see R.A 2)
- Roll out at larger scale
- Building of related individual and organizational capacities through Technical assistance, consultancies, trainings, workshops; field visits, study tours, mentoring, coaching, equipment, etc
- Dissemination of developed tools and outputs

**3.3.1.4 Human Resources management**

***The capacities of MIREME in staff planning, recruitment, development and retention are improved***

This component will support improvements in **staff recruitment, development and retention** (with methodological synergies with RA 2). The idea here is to make sure that the MIREME always has sufficient qualified staff at its disposal at any given time in the future. In order to achieve this, MIREME needs to develop a methodology for staff forecasting and a structured approach for individual capacity development for its staff. Moreover, MIREME also needs to develop an approach for retention of qualified staff, while at the same time taking into account the specific nature of the public sector in terms of remuneration etc. Therefore, the intervention will support the improvement/development of (new) HR instruments for MIREME and test them within the new and renewable energy part of it. As experiences

within the New and renewable (N&R) Energy will be used to improve the developed HR instruments, the support to the HR function will not only benefit the N&R area of business but also the other directorates within MIREME, including HR staff itself

**Example of activities under this component:**

- Capacity needs assessment, based on the new structure, the new organic framework and the designated / recruited staff
- In the context of the recent merger and reorganization of directorates and departments within MIREME, a **functional review of key HR processes** will be conducted to analyse, at central level, existing HR processes, especially the ones related to competence development, staff retention and staffing (from Both Mineral Resources and Energy origins). The intervention will pay special attention to the identification of HR challenges following the merger and based on the new organizational structure. In other words, the intervention will work on adapting existing working procedures and installing new ones within the MIREME.
- Refine, together with HR staff in the MIREME, the existing **approach for workload calculation and staffing**. Also, the development of this newer approach will be combined with the development of a specific instrument for **workload simulation and forecasting**. This instrument will allow MIREME HR staff to improve medium- and long-term recruitment planning of MIREME staff. The new approach will first be tested in the N&R directorate and in the HR Department and, based on this experience, it can then be further refined to maximize its usefulness for the rest of MIREME.
- The intervention will develop, together with MIREME HR staff, **standardized job descriptions** (with competence profiles) for the most common function types within the Ministry.
- Refine, together with HR staff in the MIREME, the existing **approach for identifying individual capacity development** needs for MIREME staff, based on required competencies within the organization.
- Enhance, together with MIREME HR staff, the **MIREME training strategy**
- Develop, together with MIREME HR staff and existing training institutions in Mozambique, appropriate **training curricula for induction and advanced training**. This activity includes the development of training materials and the financing of trainings, workshops, seminars, etc.
- Develop, together with MIREME HR staff, a **database** where, for each staff member, all activities for individual capacity development can be registered. The use of the database will be tested for MIREME (Electricity) staff. The importance of this database is to **avoid duplication of investments in individual CD** for specific staff members but this database could also serve as an instrument to identify competent staff in the context of **career development**.
- Develop, together with MIREME HR staff, a specific approach for **M&E of individual capacity development activities** within the Ministry. The focus of this M&E approach will be on demonstrating the use of acquired knowledge, skills and attitudes in the workplace. This M&E system will also provide important information on the usefulness of specific CD approaches for the development of specific competencies and their contribution to enhance job performance.
- Development, together with MIREME HR staff, a **retention policy** that includes both monetary and non-monetary incentives for MIREME staff to maintain and increase its performance. In this context, special attention will be given to gender aspects.
- Development of Project analysis and contract management skills: This component will bring an answer to MIREME's requests to increase the capacities of its staff members to analyse



and negotiate project proposals in the areas of new and renewable energy.

- Support MIREME HR staff in the **implementation of these new instruments, approaches and policies** through targeted trainings, on-the-job training, workshops, coaching and mentoring.

### **3.3.1.5 Support the development of technical, economical and Health & Safety regulations for off-grid new and renewable electricity together with CNELEC**

The intervention wants to support the MIREME in order to improve the contribution of its new and renewable (sub)structure to the elaboration of technical, economical and Health & Safety regulations for off-grid new and renewable electricity

#### **Example of activities under this component:**

- Capacity needs assessment, based on the new structure, the new organic framework and the designated / recruited staff
- Functional review of key processes related to sector planning at central level (bottlenecks,...)
- Identification of key stakeholders in the process in order to take their stakes and specificities into account
- Development of enhanced and clarified working procedures, templates, tools and processes together with relevant staff
- Dissemination of developed tools and outputs

### **3.3.1.6 Medium-term additional consultancies**

In order to ease the budget follow-up of the intervention, a specific budget line has been created to host the different medium-term additional consultancies.

## **3.3.2 Result Area 2: The capacities of the DIPREME are strengthened in order to improve energy sector planning, coordination and M&E in selected provinces**

Work on the capacities of MIREME also means working on the development of its capacities at provincial level, through a specific support to the DIPREMEs. This will start with in-depth analyses (functional reviews) of existing core, management and support processes at provincial level in relevant Departments and Units (see above). Important functions that need to be analysed are strategic planning, communication and reporting, monitoring and evaluation and HR processes.

The goal of this exercise is to identify areas where existing individual, organizational and institutional capacity should be strengthened at provincial level.

Based on the above mentioned analysis, the intervention will develop and implement specific activities to accompany the necessary changes in the functioning of the DIPREMEs. For most functions, this exercise will include a support to the process of enhancing or redefining working procedures and implementing them.

#### **Main beneficiaries:**

- Planning and Statistics Unit
- HR Unit
- Energy Department

The other sub-structures will also receive direct and indirect support from the intervention but in a less intensive way: Administration and Finance Unit and Provincial Inspection

## Components:

### 3.3.2.1 Long term technical assistance

In order to ease the budget follow-up of the intervention, a specific budget line (in BTC management) has been created to host the different long-term technical assistance profiles.

### 3.3.2.2 Sector Planning within selected DIPREME

This first component is about clarifying, enhancing and formalizing the **sector planning process at provincial level** together with MIREME, provincial actors (including FUNAE Delegations and EDM representations) and local authorities (Provincial Government and relevant deconcentrated actors, in synergy with 3.3.1.1). The intervention will also accompany the implementation of improvements in sector planning at provincial level)

#### Example of activities under this component:

- Capacity needs assessment, based on the new structure, the new organic framework and the designated / recruited staff
- Functional review of key processes related to sector planning at provincial level (existing reporting lines, bottlenecks,...)
- Identification of key stakeholders in the process in order to take their stakes and specificities into account
- Development of enhanced and clarified working procedures, templates, tools and processes together with DSP' staff at central level
- Testing and implementation of developed tools, processes and templates at central and provincial level (selected provinces, see R.A 1)
- Roll out at larger scale involving relevant stakeholders
- Building of individual and organizational capacities related to sector planning at provincial level through Technical assistance, peer-to-peer coaching, consultancies, trainings, workshops, field visits like inter-provincial study tours, mentoring, coaching, basic ICT equipment, etc
- Dissemination of developed tools and outputs

### 3.3.2.3 Quality data and information between MIREME at central level and DIPREME

The intervention wants to improve the collection of quality data, statistics and information (especially on new and renewable electricity) to the national level, for reporting and decision-making purposes.

#### Example of activities under this component:

- Capacity needs assessment, based on the new structure, the new organic framework and the designated / recruited staff
- Functional review of related key processes at provincial level
- Identification of key stakeholders and sources of information
- Identification of information needs within the MIREME at central level and provincial level, but also among the other key actors of the sector (FUNAE, CNELEC, EDM, etc)
- Testing and implementation of developed tools, processes and templates at central and provincial level (including KPIs, in selected provinces, see R.A 2)
- Roll out at larger scale
- Building of related individual and organizational capacities through Technical assistance, peer-

to-peer coaching, consultancies, trainings, workshops, field visits like inter-provincial study tours, mentoring, coaching, basic ICT equipment, etc

- Dissemination of developed tools and outputs

#### 3.3.2.4 Human resources Management

Finding qualified staff with sufficient experience, especially in the technical departments is a major challenge for the functioning of the DIPREME in all its functional areas. This component will support improvements in **staff recruitment, development and retention** (with methodological synergies and coherence with RA 1).

##### Example of activities under this component:

- Capacity needs assessment, based on the new structure, the new organic framework and the designated / recruited staff
- a **functional review of key HR processes** at provincial level will be conducted to analyse competence development, staff retention and staffing issues. The intervention will pay special attention to the identification of HR challenges following the merger and based on the new organizational structure.
- The intervention will develop, together with DIPREME HR staff, **standardized job descriptions** (with competence profiles) for the most common function types.
- Refine, together with HR staff in the DIPREME, the existing **approach for identifying individual capacity development** needs for provincial staff, based on required competencies within the organization.
- Enhance, together with MIREME HR staff, the **MIREME training strategy**
- Building of related individual and organizational capacities through Technical assistance, peer-to-peer coaching, consultancies, trainings, workshops, field visits like inter-provincial study tours, mentoring, coaching, basic ICT equipment, etc
- Development of Project supervision skills: This component will support the DIPREME in increasing their capacities to supervise projects in new and renewable energy in synergy with CNELEC (to be defined and confirmed).
- Support MIREME HR staff in the **implementation of the new instruments, approaches and policies** through targeted trainings, on-the-job training, workshops, coaching and mentoring.

#### 3.3.2.5 Medium-term additional consultancies

In order to ease the budget follow-up of the intervention, a specific budget line has been created to host the different medium-term additional consultancies.

### 3.3.3 Result Area 3: Efforts of transforming CNELEC into an independent and capable regulator for the new and renewable electricity sub-sector are supported

The role of a regulator is key in the development and the performance of a sector. Currently regulating functions are spread over different actors like MIREME and EDM for example and CNELEC is only used as a consultative body. The intervention wants to support the efforts of transforming CNELEC into a fully capable and independent regulator and will specifically target its structures, substructures and staff in charge of new and renewable energy. At the time of writing this TFF, the Law creating ARENE is still about to be voted.

### Main beneficiaries:

Any future sub-structures of CNELEC involved in regulating off-grid new and renewable energy in rural areas

### Means:

Technical assistance, consultancies, trainings, workshops, field visits, mentoring, coaching, equipment, etc.

### Components:

#### 3.3.3.1 Long term technical assistance

In order to ease the budget follow-up of the intervention, a specific budget line (in BTC management) has been created to host the different long-term technical assistance profiles.

#### 3.3.3.2 Support the development of technical, economical and Health & Safety regulations for off-grid new and renewable electricity together with MIREME

The intervention wants to support the development of technical, economic and health & safety regulations on off-grid new and renewable energy in rural areas in collaboration with MIREME

#### Example of activities under this component:

- Capacity needs assessment, based on the new structure, the new organic framework and the designated / recruited staff
- Functional review
- Support the development of technical standards and licensing
- Promote the elaboration of cost reflective and attractive Tariffs for off-grid electricity
- Participate to the promotion of Customers protection regulations
- Support the development of Health and safety regulations
- Support CNELEC in the application and supervision of developed regulations
- Accompany the transfer of regulatory functions from other actors
- Support the participation of CNELEC to Regional Electricity Regulators Association of Southern Africa (RERA) and other regional and international platforms

## 3.4 Indicators and means of verification

As described in chapter 2, the intervention will establish an M&E framework that can be used for **accountability**, for **systematic learning** and for **strategic steering purposes**. Given the cyclic nature of M&E, the intervention will go through different M&E processes during the intervention. These processes will include a number of key moments for strategic reflection and reporting.

A result oriented monitoring framework has been set up for this intervention. This framework is based on the intervention strategy. The indicators reflect the delivery of main outputs (and their quality), intermediary changes (i.e. the change processes, skills transfer), outcome and impact. Additional indicators will need to be developed during implementation for those indicators looking at the intermediary changes, i.e. the change processes. Indicators at this level are progress markers (milestones) and performance indicators that give early signs of change. The results framework can be found in **annex 7.1**.

## 3.5 Beneficiaries

### 3.5.1 Direct beneficiaries

- The Ministry of Mineral Resources and Energy (MIREME) in Maputo, with a special emphasis on the following structures which are the main beneficiaries at central level:
  - **The National Directorate of Planning and Cooperation**
  - **The Human Resources Department**
  - **The structure, within the National Directorate of Energy, in charge of new and renewable Energy**

The other sub-structures will also receive direct and indirect support from the intervention but in a less intensive way: **Administration and Finance Department, Inspection of Mineral Resources and Energy**

- The Provincial Directorate of Mineral Resources and Energy (DIPREME) in the provinces of **Manica, Sofala, Zambezia** (phase 1), **Niassa** (phase 2) and **Nampula** (phase 3), with a special emphasis on the following structures which are the main beneficiaries at provincial level:
  - **Planning and Statistics Unit**
  - **HR Unit**
  - **Energy Department**

The other sub-structures will also receive direct and indirect support from the intervention but in a less intensive way: Administration and Finance Unit and Provincial Inspection

- The CNELEC with a focus on
  - **any sub-structure** involved in regulating **off-grid new and renewable energy** in rural areas

### 3.5.2 Indirect beneficiaries

- Other actors in the sector, including FUNAE, EDM, etc
- Private sector operators
- The Mozambican population

## 3.6 Risk Analysis

### 3.6.1 Implementation risks

Risks	Risk Level	Mitigation measures
Lack of interest for new and renewable energy within the MIREME new organisational structure.	Probability: Medium  Residual impact (RI): Low	Article 21 of the MIREME new Estatuto allows for the creation of additional working groups within the MIREME to cover specific competences. The intervention will use this opportunity if a new (sub)structure focusing on New and Renewable Energy is not created before the start of the implementation  Representation and Belgian Diplomatic Office are sensitized on this subject and will bring it in the policy dialogue.  Full-time long term technical assistance is foreseen in the TFF and the budget to accompany the change processes and make

		<p>sure that the focus on new and renewable energy is maintained</p> <p>FUNAE management, interventions and technical assistants will also contribute to keeping the topic on the political agenda</p> <p>Belgium, as a chair of the Energy sector working group, will play an important role in sensitizing the other Energy sector donors to the necessity to advocate for new and renewable energies in Mozambique</p>
Lack of harmonization with other DPs leading to overlaps and confusion	<p>Probability: Medium</p> <p>(RI): Low</p>	<p>Large panel of interviews and meetings with stakeholders active in CD during the scoping and formulation processes allowed for a preliminary clarification on respective intentions</p> <p>Participation to the Energy sector working group to keep other DPs informed about Belgian strategic orientations</p> <p>Proposed approach is complementary to the other DP's planned interventions, tools and Belgian specificities (including long term TA) make it different</p> <p>Proposed geographical concentration taking into account as much as possible the presence of other DPs</p> <p>Possible flexibility in the intensity of support provided to partners</p>
Staff resistance to change since it can be perceived as an increase in the control on their schedule and workload	<p>Probability: Medium to high</p> <p>(RI): Low</p>	<p>Technical assistants have a role in facilitating the change by paying attention to signs of resistance and developing strategies to overcome this resistance together with involved staff (Change Manager and all)</p> <p>MIREME Change Manager and day-to-day delegate are expressly mentioned as key resources in the TFF to facilitate and support the change processes</p>
Lack of sufficient cooperation between main national actors targeted by the Belgian interventions	<p>Probability: Medium</p> <p>(RI): Low</p>	<p>Exchanges between RERD and CB MIREME are formally foreseen</p> <p>A Joint Steering Committee is foreseen</p> <p>A programme approach with a Programme Board is promoted</p> <p>Resources and expertise will be shared at central and provincial level</p>
Uncertainties around the (non) reimbursement of the IVA (VAT) by the GOM	<p>Probability: Medium</p> <p>(RI): Low</p>	<p>This issue, shared by all the other private and public actors in Mozambique is high on the political agenda and closely followed up by all the development partners, including Belgium.</p> <p>The intervention has a relatively low level of exposure to this risk, given its nature. Procurement will only be for services, not for works or equipment.</p>
Political instability may lead to insecurity in the targeted intervention provinces	<p>Probability: Medium to high</p> <p>(RI): Medium</p>	<p>Incremental approach, where the intervention will start supporting DIPREMEs in a number of provinces and adapt according to the evolution of the situation. Possibility to support other provinces than Manica, Sofala and Zambezia. To be evaluated at project start up phase.</p> <p>Provincial capitals where DIPREMEs are located are easier to access (by plane) and more safe to visit.</p>

Figure 22 - Implementation risks

### 3.6.2 Management risks

Risks	Risk Level	Mitigation measures
Lack of accurate information	Probability: Medium  (RI): Low	A major need identified by all the stakeholders in the sector. Therefore it is one of the main axes of the proposed intervention through the development of a P,M&E system, the integration of Key Performance Indicators and other activities related to the collection of accurate data for decision-making  The day-to-day delegate could be chosen within that department
Delays in appointing the MIREME Change Manager and the day-to-day delegate	Probability: Medium  (RI): Low	A major lesson learned from the RERD 1 intervention  Pre-identification of MIREME profiles  To be discussed as from the first Steering Committee
Delays in procurement of national and international services and consultancies	Probability: Medium  (RI): Low	Sufficient support functions to the project implementation unit are foreseen, including a part-time RAfi and a procurement officer  Procurement will be conducted under BTC management (régie)
Delays in decision-making process due to heavy hierarchical structure	Probability: High  (RI): Medium	Mandates and delegations within the partner line of are clearly defined, in order to make decisions possible at the intervention level. The respect of the delegation will be assessed on a regular basis.  Intervention under BTC responsibility for financial management and procurement in order to alleviate risks of delays  Senior Change Manager and his/her day-to-day delegate will be appointed
Time lag between the energy sector interventions causing gaps in funding shared profiles	Probability: Medium  (RI): Low	Several formulation exercises take place at the same time and efforts will be made to get approvals within a relatively limited timeframe in 2016

Figure 23 – Management risks

### 3.6.3 Effectiveness risks

Risks	Risk Level	Mitigation measures
Inadequate understanding of CB and its added value by MIREME	Probability: High  (RI): Medium	The senior change manager and the project manager have an important role in clarifying the objective of the intervention and in mustering support for the change processes.  Long-term technical assistance, available at central and provincial level, next to the partners  Anchorage within the MIREME

CB tools and solutions not adapted to the realities of MIREME	Probability: High  (RI): Medium	Technical assistance plays a major role in proposing the right activities for the different levels of capacity development. Indeed CB can take different shapes in the present intervention and each shape has its specific characteristics and results.  Project staff must develop close working relationships with key staff in MIREME at central and provincial level.  Process of continuous learning and adaptation (flexibility) to assure added value of the intervention
Low project impact due to changing circumstances	Probability: Medium  (RI): Low	Conduct periodic project reviews to reassess assumptions made during the formulation  Importance of coherence with the other interventions  Flexibility on the intensity of support  M&E built around early signs of change indicators
Management of MIREME and policy makers do not make use of strategic information produced	Probability: Medium  (RI): Low	The intervention will need to support and actively stimulate the use of this information for management and policy-making.  A plan for making use of the information will be formally defined as a product by the intervention team, with a key role for the MIREME change manager.

Figure 24 - Effectiveness risks

### 3.6.4 Sustainability risks

Risks	Risk Level	Mitigation measures
CB initiatives not institutionally embedded in MIREME	Probability: Medium  (RI): Low	Development of M&E, knowledge management and quality assurance strategy to ensure follow up of results  Appointment of a dedicated 'Change manager' by the partner.  Definition of a proper transition plan for sustainability to accompany the closure of the intervention.
Limited sustainability due to weak coordination of CD efforts in the sector	Probability: Medium  (RI): Low	Role of the (joint) Steering Committee to strengthen coordination in the energy sector

Figure 25 - Sustainability risks

### 3.6.5 Fiduciary risks

The first element of fiduciary risk, i.e. that **funds are not used for the intended purpose**, is medium. Internal and external audits regarding the use of funds will be carried out by Belgium. There will be frequent monitoring and evaluation (M&E) of project activities. All these measures put together will bring the risks to a satisfactory level. Furthermore, quality assurance will be closely monitored by a Steering Committee that has to endorse work plans and budgets.

The second type of fiduciary risk, that **funds are not properly recorded and accounted for** is higher,



but acceptable. BTC financial management system, procedures and country guidelines combined with regular controls will limit that risk. The implementation modalities for financial management and procurement and the presence of a technical assistant in charge of Administration / Finance / Procurement are considered as strong mitigating measures.

## 4 RESOURCES OF THE INTERVENTION

### 4.1 Financial resources

#### 4.1.1 Mozambican contribution

The Mozambican contribution consists in the following elements:

- Secondment of a **Senior Change Manager and of his/her day to day Delegate** for the whole duration of the project (salary and expenses)
- Provision of **office premises** (with Internet connection, water and electricity services and security) for the project in Maputo and in the selected pilot province(s) and office furniture
- MIREME will pay the IVA (VAT) as foreseen by Mozambican legislation where necessary. This is considered as part of the Mozambican contribution to the project, according to the terms of the General Development Cooperation convention signed on the 11<sup>th</sup> of May 2001 between the Kingdom of Belgium and the Republic of Mozambique, stating that **any tax, including IVA (VAT) on the supplies and equipment, works and services is to be covered by the Government of Mozambique.**

The Mozambican contribution for this intervention is estimated at 500,000 €.

#### 4.1.2 Belgium's financial contribution

The Belgian contribution for this project is 4 million Euros. The detailed budget per year is presented in a table in Annex 7.3.

Budget	In EUR
Result Area 1: Support to MIREME (central)	1,505,000
Result Area 2: Support to DIPREME (provincial)	955,000
Result Area 3: Support to CNELEC	230,000
Contingency	114,000
<b>Sub Total</b>	<b>2,690,000</b>
General Means	1,196,000
<b>Total</b>	<b>4,000,000</b>

Table 1 - High level budget

#### Contingency (2% of activities):

An amount for contingency of 114,000 Euro is set to allow flexibility in the project implementation and to compensate the exchange rate fluctuations.

## 4.2 Human resources

### 4.2.1 Principles

- Full commitment of the partners to the success of the project
- Appointment of the MIREME Senior Change Manager and his/her delegate at the early start of the intervention is a key element, as well as the availability of the technical assistance provided by Belgium of course
- Technical Assistance (TA) programs in Mozambique should prioritize transformational over transactional activities. All TA should be first and foremost transformational, with at least 75% of all Technical assistants' time to be devoted to capacity building activities.
- All technical assistance provided will be concerned primarily with the transfer of capacity to the GoM by building skills and capabilities of local staff and/or developing systems and procedures.
- Preference for long-term embedded coaching and mentoring rather than “fly in – fly out” TA
- Technical Assistance should not only have clear capacity building skills but also be technically proficient
- International resources (e.g.: RAFi and DIPREME technical assistant) are shared between the different interventions within the Energy sector

### 4.2.2 Project staff

The list of the **project staff** is indicated in the following table (see also organizational structure in chapter 5 and Terms of Reference in annex 7):

Position	Quantity x Duration	Remarks	Budget / Line	
<b>MIREME Senior Change Manager</b>	1 x 60 months (minimum 10% FTE)	<b>Director of the National Directorate of Planning and Cooperation</b> Under <b>MIREME</b> contract	On MIREME budget	<b>Change Management</b>
<b>MIREME Day to day Delegate</b>	1 x 60 months (minimum 40% FTE)	To be appointed by the MIREME Senior Change Manager Under <b>MIREME</b> contract	On MIREME budget	
<b>MIREME and CNELEC Technical Assistant (CD &amp; support to change)</b>	1 x 60 months	International Technical Assistant (ITA) Part of the Project Management Unit <b>Under BTC contract</b> <b>Funded by the intervention</b>	100 % on RA 1 et RA 3	<b>BTC Project Management and long term technical assistance</b>

<b>DIPREME Technical Assistant</b> <sup>9</sup> (CD & support to change)	50% x 60 months  This staff member will work and be financed 50% on CB MIREME and 50% on RERD 2 for 60 months	International Technical Assistant (ITA) Part of the Project Management Unit Under <b>BTC contract</b> <b>Funded by the intervention</b>	<b>50 % on RA 2</b>	<b>Long term Technical assistance</b>
<b>RAFi: Responsible for Administration, Finance and procurement</b> <sup>10</sup>	50% x 60 months	International Technical Assistant (ITA) Part of the Project Management Unit Under <b>BTC contract</b> <b>Funded by the intervention</b>	<b>33% on General Means</b>	
<b>Support Functions</b>				
<b>Procurement Officer</b>	1 x 60 months	National profile Under <b>BTC contract</b> <b>Funded by the intervention</b>	100% on General Means	
<b>Project Accountant</b>	1 x 60 months	National profile Under <b>BTC contract</b> <b>Funded by the intervention</b>	100% on General Means	
<b>Driver</b>	1 x 60 months	National profile Under <b>BTC contract</b> <b>Funded by the intervention</b>	100% on General Means	

Table 2 - Project Staff

### 4.2.3 Project consultancies

As mentioned in chapter 2, the CD **approaches and activities**, including the **Technical assistance** and consultancies made available for the project, must remain flexible. The functions presented below are based on the present situation. However, the actual needs will be analysed in detail and confirmed during the comprehensive baseline study and functional reviews done at the beginning of the intervention. Moreover, these needs will also be regularly reviewed and adapted in the annual strategic planning process.

This additional expertise will be obtained through consultancy contracts or BTC partnerships.

The proposed **medium term consultancies** that can be **funded** by the intervention are indicated in the following table:

<sup>9</sup> When RERD 2 in the energy sector is launched, this long-term technical assistance at provincial level will be shared between a support to the selected DIPREME and FUNAE Delegations.

<sup>10</sup> When at least two interventions in the energy sector are launched, this RAFi position can be extended and shared between the different interventions.

Position	Quantity x Duration	Remarks	Budget / Line	
Personnel & Organization Expert	1 x 18 months	International profile	100 % on R1 and R2	Medium term Consultancy
Planning, Monitoring and Evaluation Coach (M&E Expert)	1 x 18 months	International profile	100 % on R1 and R2	

Table 3 - Project medium-term consultancies

The figure below gives a general overview of Human Resources

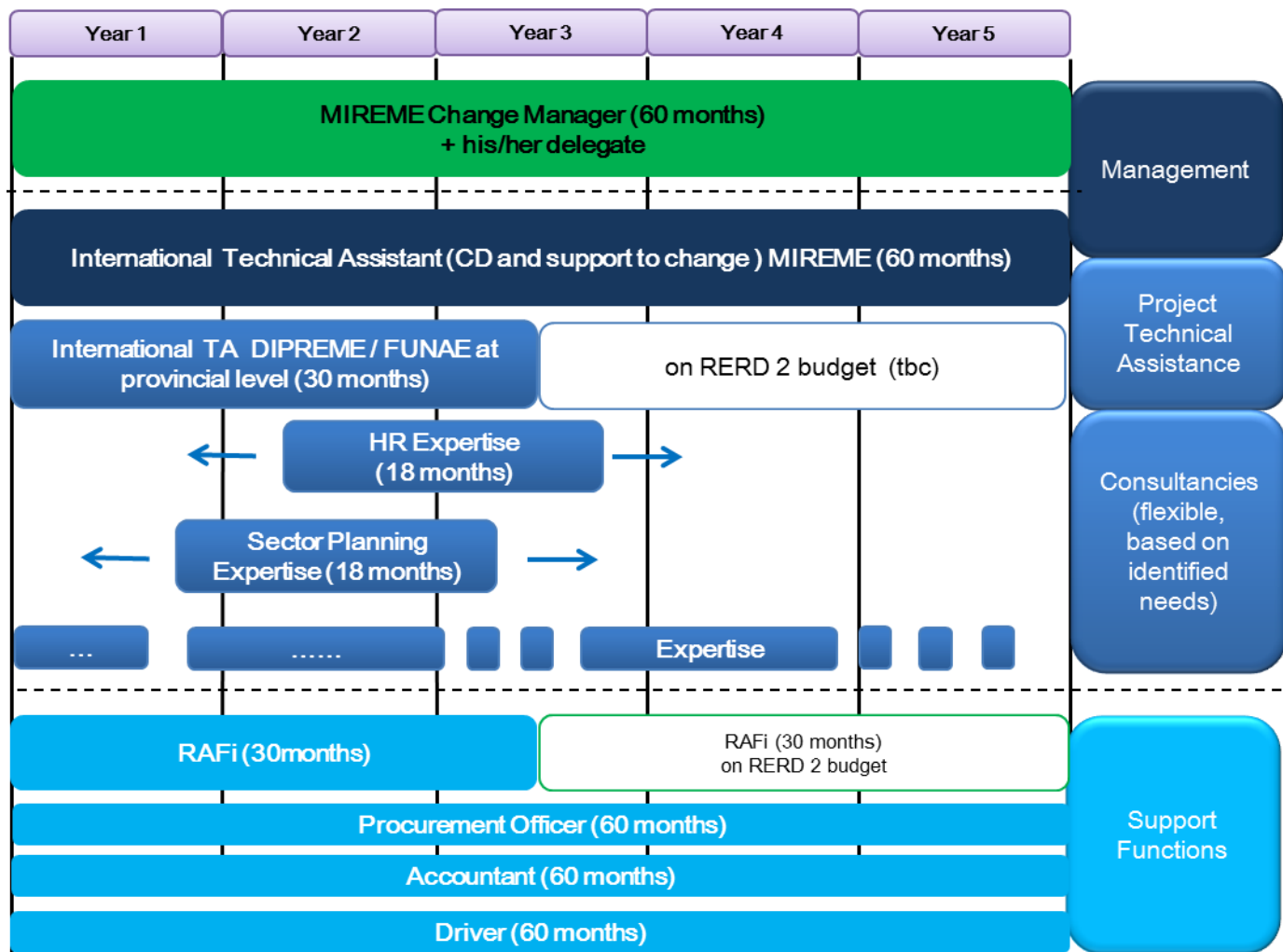


Figure 26 - Summary of HR funded by the project

A limited number of material resources will be put at the TA's disposal by BTC. This includes a vehicle and its running costs, as well as some IT equipment and communication costs. Missions to the interior of the country (flights, hotel and per diem) are also taken in charge by the intervention. This will allow the TAs to have their own logistics to fulfil their tasks.

## **4.3 Other resources**

### **4.3.1 Services**

- Targeted consultancies and advisory services
- Review, audits and capitalization exercises

### **4.3.2 Furniture and equipment**

- Purchase of ICT and office equipment needed for the project team
- Purchase of 1 car + running costs
- Communications costs

### **4.3.3 Works**

- N/A

## 5 IMPLEMENTATION MODALITIES

This chapter describes how the project will be managed, from start-up until closure, in all its management areas: strategic steering, technical content management (scope), procurement management, financial management, human resources management, quality management and audit.

### 5.1 Legal framework and administrative responsibilities

The legal Framework of the intervention “Capacity development of the Ministry of (Mineral resources and) Energy and of the CNELEC “ is determined by:

- the **General Agreement** for Development Cooperation signed on the 11<sup>th</sup> of May 2001 between the Kingdom of Belgium and the Republic of Mozambique;
- the **Indicative Cooperation Program** (2013 – 2017) signed on the 19<sup>th</sup> of December 2012 between the Kingdom of Belgium and the Republic of Mozambique;
- the **Specific Agreement** signed between the Government of Mozambique and the Government of Belgium, hereinafter referred to as the Parties. This Technical and Financial File (TFF) will be an integral part of the Specific Agreement. In the event of conflict between the TFF and the SA, the latter prevails.

#### Mozambican Party

The Republic of Mozambique designates the MIREME as the Mozambican entity that is responsible for the execution of the intervention. The MIREME is represented by the Minister or his/her deputy.

The Republic of Mozambique designates the MIREME **Director of the National Directorate of Planning and Cooperation** as the Project counterpart following the modalities mentioned in this TFF. It may also designate a deputy officer to take on a part of these duties in order to facilitate the daily management of the intervention.

#### Belgian Party

The Belgian Party designates the Directorate General for Development Cooperation and Humanitarian Aid (DGD) as the entity that is responsible for its contribution to the intervention. DGD is represented in Mozambique by the Head of International Cooperation in the Belgian Diplomatic Office of Maputo.

The Belgian Party entrusts the execution of its obligations to the "Belgian Technical Cooperation" (BTC). For the purpose, an Implementation Agreement (IA) is concluded between BTC and the Belgian State.

BTC is represented in Mozambique by its Resident Representative.

### 5.2 Life cycle of the intervention

The Specific Agreement pertains to a 72-months period, starting from the date of its signature.

The execution of the intervention is planned for a period of 60 months.

The life cycle of the intervention comprises three main phases: preparation, implementation and administrative closure.

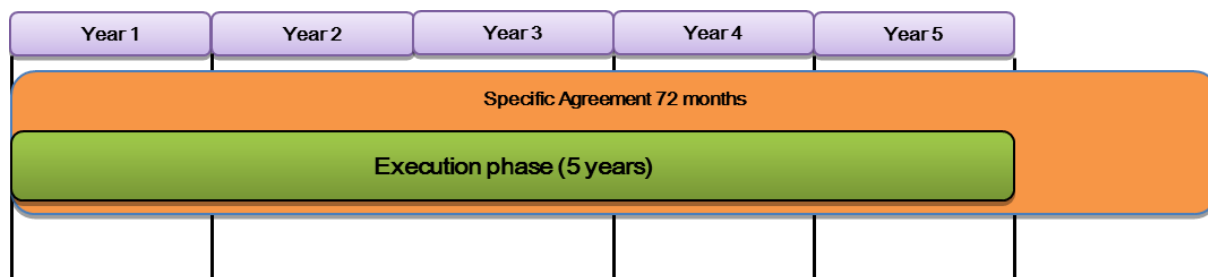


Figure 27 - Timeline

(The start-up and closure guides for interventions constitute the documents of reference for the preparation, start-up and closure phases. BTC's administrative and financial management manuals in Mozambique constitute the work basis for the implementation phase.)

### 5.2.1 Preparatory phase

The preparatory phase covers a period of approximately 6 months. It starts at the validation of this TFF by the SC and ends with the notification of signature of the Specific agreement.

The following key actions must be performed during the preparatory phase:

- Preparation of necessary regulatory steps
- Identification of human resources to be mobilized
- Mobilization of the national counterpart
- Launch of the recruitment of international and national staff
- Preparation of any public contracts (Tender Specifications) needed for the comprehensive Baseline exercise
- Preparation of any other public contracts
- Opening of the Bank accounts and first cash call
- Preparation of procurement (Tender Specifications) of equipment (including vehicles)
- Drafting the first year planning

Expenditure that may be made during this phase – known as "prior to the IA" – may only be expenses related to recruitment and intervention logistics.

Staff costs	
Staff recruitment costs	€ 15.000
Logistics costs	
Purchase of vehicles, motorbikes	€ 30.000
Purchase of ICT equipment	€ 20.000
<b>Total</b>	<b>€ 65.000</b>

### 5.2.2 Implementation phase

The implementation phase consists of 3 sub-phases: actual start-up, operational implementation, operational closure.



### 5.2.2.1 Effective start-up

The start-up phase as such begins from the moment of notification of the Implementation Agreement and ends with the validation by the SC of the elements of the start-up report.

At the beginning of this phase the Intervention management is installed and the Opening SC (see chapter 5.3.2.1 below) of the intervention is held.

The following key actions must be performed during this step (some ensure continuity with actions undertaken during the preparation phase):

- Finalization of the recruitment processes of national and international technical assistance and installation of staff in their function;
- Establishment of the mandates of intervention staff;
- Conducting necessary training;
- Pursue any public contracting for establishment of the comprehensive Baseline;
- Establishment of the operational management guide on the basis of this TFF referring to BTC's Administrative management manual applicable for the bilateral cooperation program in the partner country;
- Operational and financial planning of the intervention;

The chronogram provided in this TFF will only cover the first year of implementation. This is mainly due to two reasons:

- First of all, an important **amount of flexibility** is required for this capacity development intervention. In fact, as described in chapter 3, work on the different outputs will start with a functional review of supported functions within MIREME and CNELEC. Based on these functional reviews, the intervention strategy will be refined and, if necessary, adapted. In this context, it is not useful to provide a chronogram for the period beyond the first year.
- Secondly, work on the different outputs and components will start in the second year and will most likely **last until the end** of the intervention. Given the amount of detail provided in this TFF, this would make for a chronogram with **continuous activity on all components**. Again, in this context, it is not useful to provide a chronogram for the period beyond the first year.

Below, the **chronogram for the first year** of implementation is provided.

Outputs and activities	Year 1			
	Q1	Q2	Q3	Q4
<b>Start-up phase of the intervention</b>				
Installation of PMU (including logistics)				
Prepare procurement / services for the comprehensive baseline, capacity needs assessments and functional reviews				
Comprehensive baseline study and installation of M&E system for the intervention				
<b>Activities under RA 1</b>				
Capacity needs assessments and functional review of (new) core, management and support functions in MIREME				
<b>Activities under RA 2</b>				
Capacity needs assessments and functional review of (new) core, management and support functions in DIPREME				
<b>Activities under RA 3</b>				
Capacity needs assessments and functional review of (new) core, management and support functions in CNELEC				
<b>Planning</b>				
Operational planning year 2				

Figure 28 - Chronogram for the first year

The SC validates the following elements:

- The intervention's operational management manual
- The first operational and financial planning
- The comprehensive baseline work plan

The minutes of this SC and the elements that it validates constitute the start-up report.

### 5.2.2.2 Operational Implementation

The operational implementation of the intervention begins upon the approval of the start-up report by the SC and ends upon the approval of the closure planning by the SC.

### 5.2.2.3 Operational closure

The closure phase begins at the latest 6 months before the end of the execution of the intervention.

Planning of closure: Three months prior to the closure phase, a detailed planning of the activities and expected products from this phase will be elaborated by the Intervention management and submitted for approval to the SC.

Final Report: The Final Report will be edited and submitted for approval to the SC three months after the end of operational activities. This Final Report will include the operational and financial closure documents (see point 5.5.5.1). Once this report is approved, the Intervention team is released.

Six months prior to the end of the Specific Agreement it is not allowed any more to proceed to any commitments without the prior approval of the Authorizing officer and Co-authorizing officer and only provided that the payment for the commitment is scheduled before the end of the Specific Agreement.

At the end of the Specific Agreement, it is not allowed any more to make any expenses unless they are related to commitments made before the end of said Specific Agreement that have been officially endorsed in the JCLB minutes.

Unused funds on jointly managed bank accounts will be transferred back to BTC.

### 5.2.3 Administrative closure

The Final Report is updated at the end of the operational closure period and sent by BTC to DGD for final acceptance request. Once this report is approved by DGD the intervention is administratively closed.

The Specific Agreement under Art. 12.3 specifies how unused funds are assigned: "After financial closing of the intervention, unused funds will be reprogrammed as project aid in the ongoing Indicative Cooperation Program during a Partner committee meeting and confirmed by Exchange of Letters."

## 5.3 Organizational framework for steering and implementation

### 5.3.1 Institutional anchorage

Institutionally the project is anchored in MIREME as a specific Project Management Unit (PMU) in the **National Directorate of Planning and Cooperation** for the implementation and follow-up of the intervention. The **Director in charge of this Directorate will be appointed as the Change Manager of this intervention** and will together with the international Project manager, be overall responsible of the proper implementation of the project as per TFF.

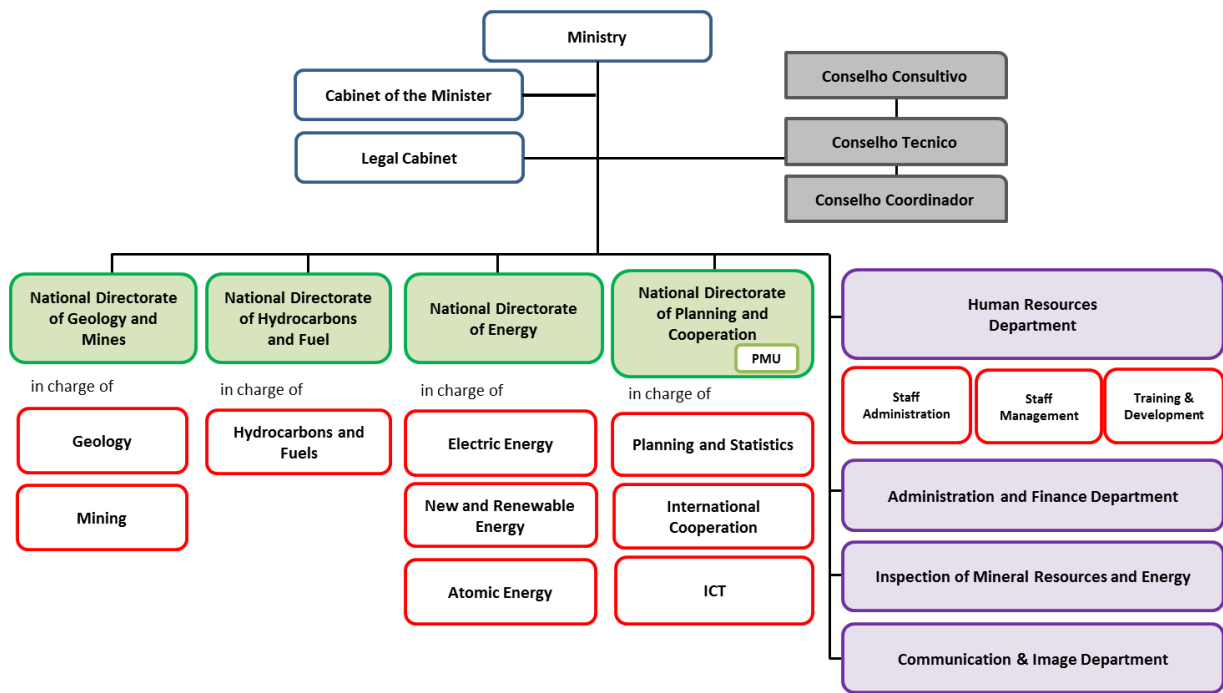


Figure 29 –PMU anchorage

## 5.3.2 Steering and follow-up instances

### 5.3.2.1 The Steering Committee (SC) / Level 3

The Mozambican and Belgian Parties agree to create a Steering Committee (SC) which is highest management level of the project and is responsible for guiding and supervising the strategic steering of the intervention.

The CB MIREME Steering Committee will consist of the following **voting members**:

- The Permanent Secretary of the Ministry of Mineral Resources and Energy (MIREME), chairman of the Steering Committee;
- A representative of the Ministry of Foreign Affairs and Cooperation of Mozambique (MINEC);
- The BTC Resident Representative in Mozambique;
- A representative of CNELEC

All members can designate a delegate for the steering committee in case they are not able to attend the meeting. Representatives of the Ministry of Energy, FUNAE and CNELEC (other than the Steering Committee members) will attend the meeting as **observers**. The project technical assistant(s) will attend the Steering Committee meetings as reporters.

The steering committee can invite any relevant person involved in the project to attend the meeting as an informer or an observer.

#### Competences and duties:

- Responsible to provide the necessary strategic guidance to all project implementers and stakeholders;
- Supports the project management in view of reaching the program outputs and objectives;
- Supervise the execution of the commitments made by the Parties;
- Approve the annual operational and financial planning of the intervention;

- Assess the state of progress of the intervention and the achievement of the results on the basis of the Results reports or the monitoring reports and approve the recommendations therein;
- Examine the audit reports and approve the implementation plans of the actions that are elaborated to respond to the recommendations of the report;
- Examine the mid-term review reports, approve the recommendations that are given therein and approve the implementation plans of necessary actions;
- Validate proposed Execution Agreements and Financing Agreements that were not planned in the TFF;
- Approve any adjustments or modifications to the Technical and Financial File, while respecting the specific objective and the duration and budgetary envelope fixed by the Specific Agreement and while ensuring all actions are feasible;
- Initiate technical review or financial audit missions at any time;
- Ensure that human resources made available to the intervention are managed in an optimal way;
- Resolve any management problems related to the financial or material resources, or to the interpretation of the TFF;
- Resolve any problems that cannot be solved at the PMU level
- Proceed to the closure of the intervention, approve the final report;
- Formulate recommendations for knowledge building and the durability of the achievements of the intervention.

#### **Functioning modes:**

- The SC establishes its Internal rules of procedure;
- The SC is convened by invitation of its chairperson, usually every half year, or extraordinarily upon the demand of a member;
- The Opening SC of the intervention (SC 0) convenes for the first time (at the latest) within three months following the signature of the Specific Agreement;
- The SC takes decisions following consensus;
- The minutes of each meeting are signed by the Chairperson, by the Authorizing officer and by the Resident Representative of BTC. A copy of the signed minutes is sent to all other participants by the chairperson of the SC. A copy of the signed minutes is also sent to the Belgian Diplomatic Office by BTC;
- The SC also has a meeting at the latest 3 months before the end of the intervention activities in order to examine the draft of the final report and to prepare closure formalities;
- The Intervention team is responsible for preparing the SC meetings and ensures its secretariat.

### **5.3.2.2 The Project Management Unit (PMU) / Level 1 & 2**

#### **Organigram**

This setup is based on the lessons learned from previous interventions where the BTC Project manager was overwhelmed by administration, procurement and financial management-related activities and had little time left to really work in his area of expertise. By reinforcing the intervention with a part-time Responsible for Administration, Finance and Procurement (RAFi), the intervention makes the best use (value for money) of the proposed expertise.

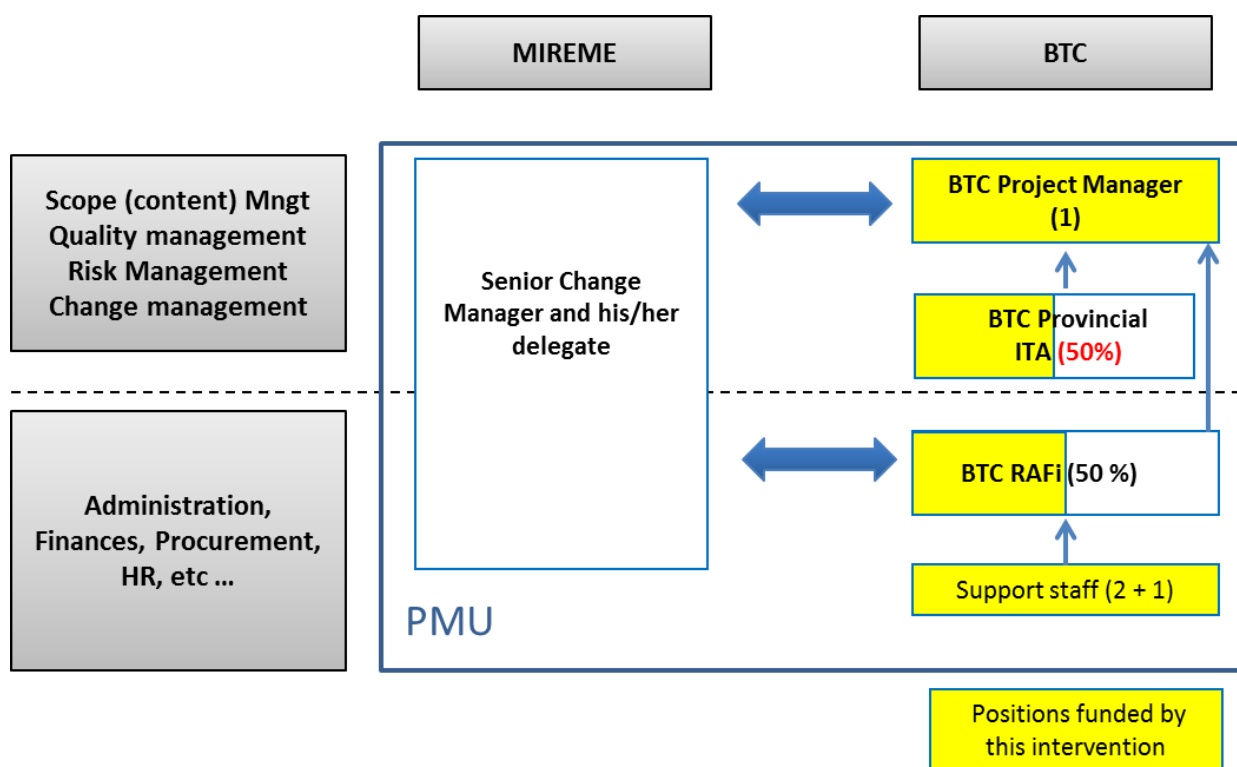


Figure 30 - PMU

### 5.3.2.3 Composition of the Project Management Unit

The PMU will be composed of:

- (1) MIREME appointed **Senior Change Manager** acting as a responsible for the Mozambican side for all matters executed in joint responsibility. The **Director of the National Directorate of Planning and Cooperation** will be designated as the Change Manager;

The main responsibilities of the Senior Change Manager will include:

- Determine, together with the BTC project manager, the overall direction of the change process within the MIREME or CNELEC, in line with the strategic orientations given by the SC.
- Determine and continuously refine, together with the BTC project manager, the strategy for implementing the change process that is realistic given the organization's history of change, the 'change levers' available and the likely resistance to be encountered.
- Ensure realism in plans for the implementation of the change in the context of other on-going change activities in the Ministry or agency.
- Muster internal support for the change process through proactive communication on the importance and the advancement of the change process, both to higher and lower levels of the organization.
- Positively reinforce steps forward in the change process in the Ministry or Agency by using his/her own influence in the organization.
- (1) MIREME **Delegate to the Senior Change Manager** acting as a day-to-day counterpart to the intervention;
- (1) BTC recruited **Project Manager**, International Technical Assistant, specialized in Capacity Development and change management, ensuring global coherence, focus and coordination of the activities. This person will be acting as the authorizing officer for the Belgian side. The Project

Manager coordinates the PMU;

- **(50%)** BTC recruited **International Technical Assistant**, specialized in CD and change management for the provincial level (DIPREME)
- **(50%)** BTC recruited international **Responsible for Administration and Finance and Procurement (RAFi)**, in charge of all administrative, procurement and financial matters executed in joint and BTC management.
- Some **support staff**, under BTC contract: **(1)** Project Accountant, **(1)** Procurement Officer and **(1)** driver.

### **Competences and duties**

The project management Unit will assume the technical and financial follow-up of the project activities.

The responsibilities of the PMU are as follows:

- To organize, coordinate and supervise the execution of the project activities in the geographical areas in accordance with the approved project work plans;
- To assure good management of the project resources (material, financial and human);
- To write the Bi-annual progress reports, annual reports and the final report;
- Submit monthly accounting reports according to a BTC format;
- To provide financial management, accounting and timely compilation of progress reports and budgeted work plans for the following period for consideration by the Steering Committee;
- To propose adjustments or modifications to the content of the TFF; within the boundaries of its mandate;
- To supervise the preparation and tendering of contracts for procurement of works, goods and services;
- To coordinate the tendering processes and to ensure they are executed according to the appropriate procedures;
- To submit the project progress reports and the achievement of results to the Steering Committee;
- To coordinate the tendering processes and to ensure they are executed according to the appropriate procedures;
- To submit the project progress reports and the achievement of results to the Steering Committee;
- To assure the administrative support of the Steering Committee (secretariat, agenda, documents, minutes; dissemination of minutes);
- To assure the administrative and financial management of the project according to the applicable procedures;
- To organize the recruitment of personnel to execute the project.

### **Functioning modes:**

The PMU meets at least once a month and at any other time deemed necessary.

Meetings of the PMU are prepared, organized, followed-up and chaired by the Project Manager, by default. However other clear arrangements can be decided by the PMU.

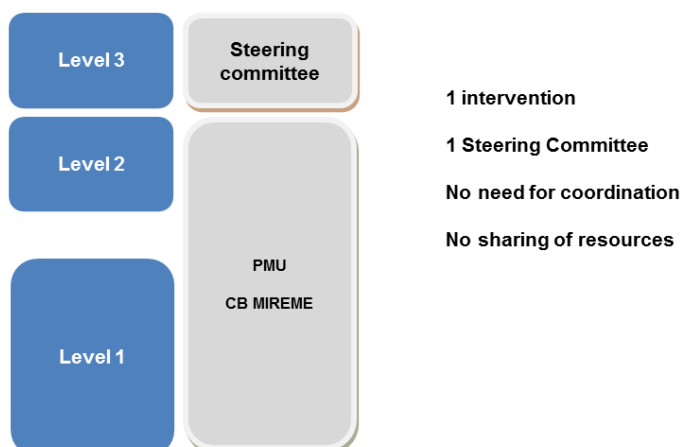
For matters executed in joint responsibility, decisions are taken by consensus between the MIREME Senior Change Manager (or his/her delegate) and the BTC Project Manager.

### 5.3.3 Roadmap towards a programme organizational structure / Level 2

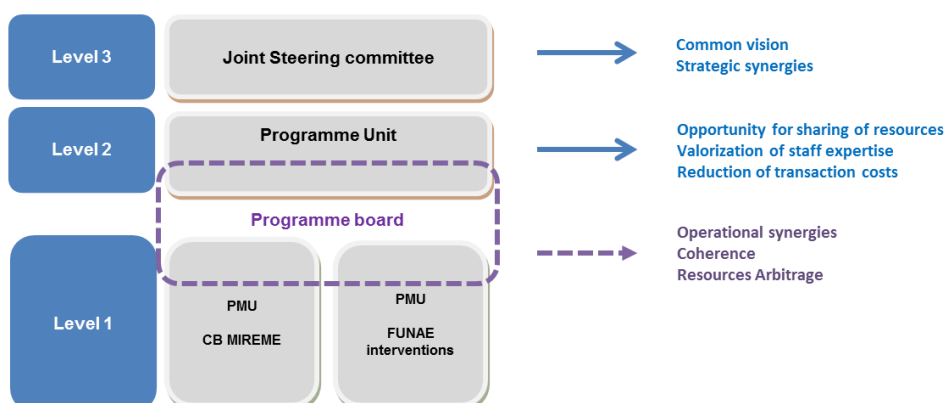
To seize the advantages of a programme approach, an evolutive structure can be foreseen to accompany the new interventions in the sector:

- **Building a common vision/strategic guidance** between projects -> Create a unique Steering Committee
- **Sharing and optimizing the use of resources** between projects -> Create a Programme Unit to host them
- **Coordinating projects, ensuring coherence, enhancing synergies, resources arbitration** -> Create a programme board.

From a single intervention....



... to an integrated programme approach



Phase 3

## 5.4 Operational modalities

The practical modalities of operational management of the intervention will be made explicit and detailed in an Operational intervention manual.

### 5.4.1 Operational planning

Technical content management (or scope management) encompasses the processes that transform the project strategy into activities that must be properly defined, executed and monitored. It also includes possible backstopping by BTC HQ.

Every year the Intervention management prepares operational and financial planning for the upcoming year, which is to be validated by the SC.

This annual planning includes the four following elements:

- Planning of activities;
- Planning of the public contracts;
- Planning of Execution Agreements and Financing Agreements;
- Financial planning.

It will be drawn up following the procedures and models supplied by BTC. Operational planning will follow the logical framework format and will serve as the basis for financial planning.

#### 5.4.1.1 Operations definition, execution and monitoring

System:	Not defined, as these processes are not really formalized
Responsibility:	<b>Joint responsibility</b>

The definition and writing of the specifications (terms of reference) and the technical follow-up (including provisional and final technical acceptance) for all services, goods or works to be procured by the project and the definition, execution and follow-up of the activities lead by the project team itself, are a joint responsibility of the Change Manager (CM) and the Project Manager (PM), except if expressly stated otherwise here under.

The CM and the PM are supported by the other members of the project team. The CM can delegate these tasks to his/her day to day delegate.

#### 5.4.1.2 Operations coordination

System:	Not defined, as these processes are not formalized
Responsibility:	<b>Joint responsibility</b>

The PMU meets formally at least once a month, in order to review project progress, identify issues and risks and proactively take actions.

#### 5.4.1.3 Technical backstopping

System:	BTC system
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Responsibility:	<b>BTC responsibility or joint responsibility</b>
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Technical backstopping is the possibility for the project or the SC to ask the support of experts at the level of BTC HQ.

A backstopping mission can also be decided by BTC representation or BTC HQ.

Backstopping findings and recommendations are presented to the SC.

## 5.4.2 Human Resources Management

### Responsibilities:

The International Technical Assistants financed by the Belgian contribution will be recruited and hired by BTC.

Each Party (BTC and Partner) is responsible for the recruitment and selection of local staff that it will hire. The other Party will give notice of no objection when the job vacancy is advertised and during the selection procedure, which implies that it is a full member of the selection jury.

The Party hiring the employee is responsible for all employment contract administration.

The follow-up and evaluation of the Change Manager is the responsibility of the Partner. The follow-up and evaluation of the Project Manager is the responsibility of BTC.

The Intervention management is jointly responsible for the follow-up and evaluation of the other staff members of the intervention.

### Job openings and recruitment:

The intervention will fund the following employee positions:

- **BTC Project Management Staff**
  1. Project Manager
  2. Provincial ITA
- **Support Staff**
  3. International Responsible for Administration and Finance (RAFi)
  4. Project Accountant / Secretary
  5. Procurement Officer
  6. Driver

The MIREME Change Manager and his/her delegate are not funded by the project as they are provided by GoM. These positions are crucial for the success of the project.

Positions	MIREME Change Manager	MIREME Change Manager Day to day Delegate	BTC Project Manager	BTC Provincial ITA	BTC RAFi	Support Staff
HR processes						
ToR (job description and profile)	Joint (in the TFF)	Joint (in the TFF)	Joint (in the TFF)	Joint (in the TFF)	Joint (in the TFF)	Joint (in the TFF)

Short listing	MIREME	MIREME	BTC	BTC	BTC	BTC
Assessment	MIREME	MIREME	BTC	BTC	BTC	BTC
Contracting	MIREME	MIREME	BTC	BTC	BTC	BTC
Orientation	Joint	Joint	Joint	Joint	Joint	Joint
Probation and performance appraisal	MIREME	MIREME	BTC	BTC	BTC	BTC
Training	Joint	Joint	BTC	BTC	BTC	BTC
Missions and leave	MIREME	Joint	BTC	BTC	BTC	BTC
Payroll	MIREME	MIREME	BTC	BTC	BTC	BTC
Salary scale and staff regulations	MIREME	MIREME	BTC	BTC	BTC	BTC
Early termination of contract	MIREME	Joint	BTC	BTC	BTC	BTC

**Table 4 - Responsibility mode per HR management process and by position**

All jobs are open for women and men and women will be encouraged to apply.

For international recruitment, the job ads will take into account the Terms of Reference (ToR) and the competence profile that constitutes the job architecture. (see annexes)

The accountant and procurement officer will be trained by BTC as they will use many aspects of the BTC management system.

**Missions:**

Any mission of the project staff shall be approved by the BTC project manager.

The project manager’s missions shall have to be approved by the BTC Resident Representative.

All missions outside Mozambique are subject to BTC Resident Representative approval.

BTC standard per diem and mission cost will be applied

**Legislation governing the employment contracts:**

The contracts of international staff recruited in Brussels by BTC are governed by Belgian legislation.

The contracts of staff recruited in the partner country are governed by partner country legislation.

Consultancy or reiterative expertise contracts following a call for tenders are governed by applicable public procurement regulations (either from Belgium or from the partner country).

### **Contract extension:**

Any extension of the contract must be approved by the SC.

### **Tasks:**

The tasks of the PM and CM are approved by their hierarchical supervisor.

Any tasks of other intervention team members must be approved by the PM and CM.

Missions overseas are submitted for approval to BTC's Resident Representative.

The modalities for establishing mission orders and reports as well as the rates and procedures applicable for per diem and mission costs will be those given in the Administrative management manual applicable to the development cooperation interventions between Mozambique and Belgium signed by the Authorizing officer and the Co-authorizing officer.

## **5.4.3 Financial management**

The management of the Belgian contribution will be done according to **BTC management** (also called "régie"). In accordance with the partnership principles between the parties, the planning and execution of the financial commitments will be done with mutual agreement.

### **5.4.3.1 Banking accounts**

As from the signing of the Specific Agreement, a main account in Euro (EUR) will be open by BTC at the Deutsch Bank in Brussels.

Simultaneously, BTC will open operational accounts in Euro and in Meticaís (MZM) at a commercial bank in Mozambique.

All bank accounts are operated under the responsibility of BTC and will be submitted to the internal rules and procedures of BTC.

On all bank accounts, the principle of double signature is applicable following BTC's mandates.

### **5.4.3.2 Fund transfers**

As from the notification of the Implementation Agreement between the Belgian State and BTC and after the main account is opened, a first transfer will be made by BTC into this account.

In order to receive the following transfers, the intervention must submit a cash call with the local BTC Representation, following BTC procedures.

The amount of the cash call equals the estimated treasury needs for the following quarter. BTC transfers funds at the beginning of the quarter and possibly in several instalments. In case of emergency, the intervention may submit an early cash call but it has to explain the need.

The funds are only transferred under the following conditions:

- Accounting documents of the quarter that precedes the cash call must be forwarded to the local BTC Representation.
- All required reports must be forwarded to the local BTC Representation.
- The Action plan and the follow-up of the audit and/or MTR must be updated.

BTC's treasury management rules (transfers to operational accounts, petty cash management...) apply.

### **5.4.3.3 Budget management and budget changes**

Each year, the PMU must develop a budget planning proposal for the next year following BTC procedures. In this budget proposal, an indicative budget for the following years should also be included.

This budget proposal must be approved by the SC.

The annual budget is part of the annual plan and provides the basis for the monitoring of budget execution of the next year.

Each quarter, the project must report on the budget execution and the forecast of expenditure, compared to the total budget and annual budget approved. The reporting is done according to the format provided by BTC and is part of the quarterly reporting. The reporting format must be understandable to the partner.

The budget of the intervention sets out the budgetary constraints within which the intervention must be executed.

The total amount of the budget of the Belgian Party laid down in this document and in the Specific Agreement may not be changed except by an Exchange of Letters between the signatories of the Specific Agreement (see point 5.5 "Adaptation of TFF" below).

For the budget of the Belgian Party, overruns of the total budget by execution mode or of the total budget of general means are not allowed, except if approved by the SC on the basis of a budget change proposal which is drawn up by the Intervention team according to BTC procedures.

A budget change proposal is also required in the following cases:

- For a result or a section of the general means (Z-01, Z-02, etc.), with the amount of the overrun exceeding 10% of the last approved budget amount for this result or this section.
- For a budget line, with the amount of the overrun exceeding 20% of the last approved budget amount on this line and strictly exceeding 50,000€.

For these budget changes written approval of the SC is required.

For the annual budget of the budget of the Belgian Party there are no constraints, except for the general means where the annual budget may not be overrun by more than 5%.

The budgetary reserve of the budget of the Belgian Party may only be used following preliminary approval of the SC.

The intervention must ensure proper control and a regular budgetary follow-up of commitments in order to anticipate the management of any necessary budget changes.

#### **5.4.3.4 Accounting and justification of expenses**

The accounting documents are compiled and approved on a monthly basis following BTC procedures.

The tool to be used is the tool supplied by/agreed upon with BTC called FIT.

The accounting documents must be signed for approval by the Project Manager and kept at the project office.

The accounting documents that must be forwarded to the local BTC Representation include a digital file, the bank statements and the petty cash statements. The accounting documents must be up-to-date, detailed and reliable and meet applicable accounting standards and rules.

Eligible expenditure is an expenditure that is:

- identifiable, certified by probative supporting documents, entered into the accounts in accordance with applicable standards;
- related to the activities and criteria defined in the TFF and required for the achievement of the results;
- planned in the budget and entered on the appropriate budget line;
- respecting principles of good financial management.

### 5.4.3.5 Management of goods and stocks

Each good and piece of equipment acquired by the intervention must receive an inventory number and must be recorded in an inventory register. Every half year, a formal inventory must be made and signed by the Intervention management. The use of the good is strictly limited to intervention activities. During the intervention, a good may be transferred to the trust and assets of a partner instance provided a formal transfer deed is drawn up and BTC procedures are followed.

Stocks must be monitored exhaustively to ensure that all transfers are authorized, followed with appropriate means and regularly controlled. The Intervention management must ensure formal monthly control of the stocks.

At the end of intervention, the allocation of various goods, equipment and stocks will be defined in the Closing SC minutes.

### 5.4.4 Procurement management

All the program funds are managed in BTC-Management. Therefore, the procurement of goods, works and services will follow the Belgian regulations for public tendering.

For these public contracts, commissioning will be assumed by BTC who signs the contract or its amendment. The partner will be asked a **Notice of no objection** ('ANO') for the various steps of the public contract (notification, award and signing of the public contract and, where applicable, the signing of an amendment). Practical modalities for providing a Notice of no objection (thresholds, stakeholders) will follow the rules established by BTC.

The Intervention teams play a key role both in elaborating the Call for Tenders and in evaluating the tenders received. They ensure the selection and award criteria are defined well.

BTC will only pay if the contractor of the public contract has performed the contract in compliance with good practice and with the terms and conditions of the contract. So, BTC will also ensure the public contract is performed and that acceptance of the public contract is justified. Payment can only be made upon presentation of the Acceptance report.

In order to ensure transparency of program procurement practices, all members of the steering committee, upon request, will have access to all administrative, financial and technical documentation regarding program procurement.

### 5.4.5 Management of Grant Agreements

In accordance with Article 8 of the BTC Law, BTC can provide financing to one or more third-party partners for the achievement of part of the activities of the TFF or for an own action of the partner that contributes to the achievement of the objectives of the intervention. Grants will be awarded in accordance with the modalities of the BTC for the elaboration and follow-up of Grant Agreements. Public or private entities that are awarded grants are called "beneficiary parties". The beneficiaries of the actions funded by the grant are called "final beneficiaries".

#### 5.4.5.1 Identified grants in the TFF

No Grant Agreements are currently identified.

#### **Special case where the beneficiary contractor are not identified by name in the TFF:**

For each grant for which contractors are not identified in the table above, the minimum conditions to identify a beneficiary contractor are listed in the following table (the criteria will be developed for each TFF based on expected outcomes and sectoral context; the list of criteria has to be repeated for each grant for which the beneficiaries are not identified by name) :

Nbr		
Title		
Beneficiary contractor		
Eligibility criteria	Exclusion criteria	
	Minimum technical, operational or financial capacity requirements ...	
evaluation criteria	Sustainability (including after the end of the Specific Convention) in financial terms or content	
	Added value of the proposal in a social, economic or environmental point of view	
	Realism of the proposal	
	Compliance of the proposal with respect to the CS objectives	
	Total cost and eligibility of costs	
	Value for money	
	Degree of innovation	
	Expected impact	
Contribution to cross-cutting themes ...		

It will be necessary to obtain prior Programme Steering Committee (SC) approval on the basis of a clearly reasoned justification, recorded in a PV.

In addition,

- 1) for each Grant Agreement amounting to less than or equal to 500,000 EUR, BTC will inform the Belgian State (Belgian Diplomatic Office). For the purpose, the ResRep will regularly transfer to the Belgian Diplomatic Office the list of the beneficiary parties of Grant Agreements including the object and amount of the Agreements.
- 2) Grant Agreements of a budget in excess of 500,000 EUR with a beneficiary party that is not listed in the TFF will be submitted for approval by the Belgian Administration (Inspectorate of Finance and Development Cooperation.).

#### **5.4.5.2 Case of a non-identified grants in the TFF:**

If the case of a non-identified Grant in the TFF but emanating from a management proposal of the intervention during the implementation, it is necessary to obtain approval of Programme Steering Committee, recorded in a PV, based on a clear argument motivating why, in this case, the public procurement regime does not apply. The above modalities concerning information to the Belgian State on recipients of grants or approval of beneficiaries by the Minister of Cooperation are obviously applicable.

#### **5.4.6 Management of Mutualisation framework agreements**

The "public-public" or "horizontal cooperation" cooperation agreements with a public partner may be materialized for BTC through "mutualisation framework agreements" (MFA), operationalized through "specific cooperation agreements" (SCA).

This type of agreement will be retained in case the intervention aims to encourage the public synergies expertise coming from other governmental public institution, mainly Belgian ones, even if cooperation with a non-Belgian contracting authority is also possible.

In such agreements, the public interest and the concept of 'non-profit' are highlighted. The contracting authorities shall cooperate to jointly ensure the execution of public service missions.

The signing of SCA will follow the internal BTC modalities, which will be communicated to the stakeholders, as for the Grants Agreements.

#### 5.4.6.1 Identified MFA/SCA in the TFF

No MFA / SCA have currently been identified.

#### 5.4.6.2 Non identified MFA/SCA in the TFF

A partnership as MFA / SCA can be identified during the execution. It must not necessarily be identified during formulation. In this case, the Management Unit must obtain the agreement of the steering committee and follow the procedure as described in the MFA / SCA BTC Modalities to initiate the process.

Two situations can arise:

- Either a MFA with the desired partner already exists: the team may directly initiate the procedure for the establishment of a SCA for the desired activity,
- Either no MFA has yet been signed between BTC and the public institution with which it wants to develop a synergy. In this case, the Management Unit initiates the process to facilitate BTC concluding a corresponding Mutualisation Framework Agreement.

#### 5.4.6.3 SCA management

The general rule for a SCA management is the respect of the procedures for engagement and monitoring of expenditure at the BTC.

Like any expense, SCA related expenses must be planned in the planning tools. The MFA / SCA will be signed in BTC-management, that is to say that only the BTC is able to sign the SCA as contracting authority and using the Belgian system.

The monitoring and control of payments are made in accordance with the BTC procedures.

### 5.4.7 Monitoring

Monitoring and Evaluation (M&E) is to support accountability requirements, continuous learning and strategic steering. For this purpose, BTC sets out a number of requirements. See More Results Guidelines and templates.

	Report Title	Responsibility	System	Frequency	Users
<b>Comprehensive Baseline</b>	Comprehensive Baseline Report	PMU	BTC	Unique	Project, SC, BTC
<b>Operational Monitoring</b>	MONOP	PMU	BTC	Quarterly	Project, BTC
<b>Results Monitoring</b>	Results report	PMU	BTC	Annually	Project, SC, BTC, BE Diplomatic Office
<b>Final Monitoring</b>	Final Report	PMU	BTC	Unique	Project, SC, BTC, BE Diplomatic Office , donor (DGD)

#### 5.4.7.1 Comprehensive baseline

The generic Terms of Reference of the Comprehensive Baseline work plan are provided under Annex 7

and will be completed by the PM at the beginning of the intervention.

The Comprehensive Baseline Report needs to be established at the beginning of the project (ideally within the 9 months after the first project steering committee (start-up SC) and with the involvement of the PM.

The comprehensive baseline report comprises:

- a monitoring matrix
- a risks management plan
- an updated operational work plan

The Comprehensive Baseline Report will be approved in joint responsibility by the CM and the PM. The Comprehensive Baseline Report will be presented to the Project Steering Committee (SC). The SC takes note of the Comprehensive Baseline Report and validates the way the intervention will be monitored.

The Comprehensive Baseline Report will be attached to the First Annual Report

#### **5.4.7.2 Quarterly operational monitoring (MonOp)**

As mentioned in Chapter 5.4.1, every year the Intervention management prepares an operational and financial planning for the upcoming year, which is to be validated by the SC.

Operational monitoring is a continuous process based on this planning; it is consolidated quarterly.

Quarterly monitoring includes:

- Planning of the activities and its update;
- Financial planning and its update;
- Procurement planning and planning of Execution Agreements and Financing Agreements;
- The state of progress of activities and expenses planned for the preceding quarter;
- Monitoring of risk management;
- Monitoring of human resource management of the intervention;
- Monitoring of SC decisions.

It will be drawn up following the procedures and models supplied by BTC.

#### **5.4.7.3 Results monitoring (annual)**

Results monitoring covers the "strategy" part of the results framework on an annual basis: output – outcome and, to a lesser extent, the level of impact.

The Results report constitutes an essential basis for monitoring the intervention and its possible changes (at the budget level as well as the activities level, the schedule, indicators, etc.). This report is jointly signed by the Change manager and the project manager of the intervention and the SC validates or rejects its recommendations (strategic steering).

#### **5.4.7.4 Final monitoring (Final report)**

Final monitoring guarantees that the key elements of the performance of the intervention are transferred to the partner organization and BTC as well as to the members of the SC and ensures that the lessons learned are registered in their "institutional memory". In addition, the Final report triggers the administrative closing of the intervention by the Belgian State.

Content



1. Summarize the results obtained at the end of the implementation of an intervention;
2. Documentation on lessons learned;
3. Overview of administrative and financial information.

The Final report must be finished at the latest 1 month before the Closing SC.

After approval by the SC, the Final report is transmitted to the Belgian Diplomatic Office.

### 5.4.8 Reviews (Evaluations) and Audits

	Responsibility	System	Frequency	Users
<b>Mid-term Review</b>	BTC	BTC	Unique at mid term	SC, partner, project, BTC, donor
<b>End-term review</b>	BTC	BTC	Unique at end term (6 months before operational closure)	SC, partner, project, BTC, donor
<b>Audits</b>	BTC	BTC	At least once	SC, partner, project, BTC, donor

#### 5.4.8.1 Reviews:

The main function of Mid-term and Final review exercises it to provide an external point of view on the performance of the intervention as well as to conduct an in-depth analysis of the ongoing or concluded development process. Reviews are therefore used to:

- i) Analyse whether it is necessary to reorient interventions in order to achieve the Specific objective;
- ii) Provide the necessary information for strategic decision-making; and
- iii) Identify the lessons learned and reflect on them.

While the reviews are conducted by independent external actors, they play an important role in accountability on the performance of the intervention. Reviews are steered by BTC's Operations Directorate following applicable processes. Reviews must be presented to the SC in order to assess and decide which recommendations are withheld, who is responsible and who will follow up on them. These decisions are included in full in the SC minutes.

In addition, each of both governments may, if applicable, proceed to an external evaluation of the achievement of the objectives and of various aspects of the execution of the intervention.

#### 5.4.8.2 Audits:

The intervention must be audited at least once during the period of implementation of the activities (as a matter of prudence, an amount for financing two audits will be earmarked in the budget of the intervention).

The audit will cover:

- Verification that the intervention accounts reflect reality;
- The maturity of the internal control system and the respect of the procedures;
- Verification whether the means of the intervention were used economically, efficiently and effectively.

The SC may ask for additional audits if it considers them necessary. The SC asks BTC to elaborate the Terms of Reference and to select the audit company. The audit company must be an independent company that is certified to international standards. BTC will communicate the Audit report to the SC. Intervention management must elaborate an action plan in order to improve the internal control system and show that corrective measures have been taken and applied.

Moreover, every year, the accounts of BTC are audited by a Board of Auditors. In this context, the Auditors may also conduct audits of interventions jointly managed by BTC. The audit committee of BTC can also ask that an intervention be audited by the internal BTC auditor.

The partner authorities may also proceed to an audit. In the case of an audit of the intervention by the national control institutions, verification of compliance with the national system may not be conducted where the TFF clearly defines that the BTC/Belgian system must be used. In addition, the scope of control must be limited to activities defined in the budget under the "Joint management" modality, since the activities defined following the "State-managed" modality are under the sole responsibility of BTC and may therefore only be subjected to control by its own institutions/jurisdictions.

All auditing reports will be shared between the parties and presented to the SC. Audits may be conducted jointly.

## 5.5 Adaptation of TFF

For any changes to the Specific objective of the intervention, the duration of the Specific Agreement, the total budget defined in the Specific Agreement, a justified request must be submitted by the partner to the Belgian State after having been approved by the SC. If Belgium accepts the request an Exchange of Letters is signed by both Parties.

For any other changes of the TFF, the Mozambican entity that is responsible for the execution of the intervention and BTC may during intervention adapt this Technical and Financial File in function of the evolving context and of the progress of the intervention.

For any of the aspects below, preliminary approval of the SC is required:

- The distribution forms of the contributions of the Belgian Party and of the Mozambican Party;
- The results;
- Budget change proposals
- The competences, allocations, composition and way of functioning of the Project Steering Committee;
- The approval mechanism of adaptations to the TFF;
- The results indicators and indicators for the specific objective;
- The financial implementation modalities of the contribution of the Parties.

BTC informs the Belgian Diplomatic Office if such changes are made.

## 6 CROSS CUTTING THEMES

Given the context in the Energy Sector in Mozambique, some cross cutting issues under the Belgian Co-operation development law are more and others less connected to the nature of this intervention. Children rights and Social Economy will not be addressed through this intervention because there is no specific entry point given the mandate of the MIREME. Therefore, the intervention will focus mainly on gender and environment.

### 6.1 Gender

Women represent 52% of the population of Mozambique and 72.2% of them live in rural areas<sup>11</sup>. Focusing on rural electrification will benefit women and contribute to the removal of gender inequality, as briefly developed in the Energy Strategy 2015-2024.

#### 6.1.1 Institutional framework

The Ministry of Women's Affairs and Social Welfare has been recently renamed the Ministry of Gender, Children and Social Welfare. Several high-level strategic and operational documents provide the Mozambican framework for the integration of gender and will serve as a basis on which the intervention will align its gender inclusive approach.

##### 6.1.1.1 Gender in the Programa Quinquenal do Governo para 2015 – 2019

In the 3.2 Priority II: Developing the Human Capital and Social, the Programa Quinquenal do Governo states that:<sup>31</sup> The protection and empowerment of women, children, the elderly and vulnerable groups deserve special attention in order to ensure the development of basic skills of future generations. (...)

Strategic Objective (v): Promote gender equality and equity in the various spheres of economic, social, political and cultural, the protection and the child's overall development and ensure social assistance to combatants and people in poverty situation and vulnerability.

37. To achieve the strategic objective, the following priority actions will be implemented:

- a) ensure the integration of gender perspective in development policies and strategies of the country;
- b) promote the empowerment of women and men in matters of equity and gender equality;
- c) promote measures to enhance gender equality, the rights of children and people in poverty;
- d) promote the empowerment of women entrepreneurs in the formal and informal sector;
- e) promote comprehensive development programs for children in pre-school age;
- f) prevent and combat violence against children, including sexual abuse, forced marriages, abduction, trafficking and child labour;
- g) develop measures to combat and reduce the practice of early marriage;
- h) preventing and combating the harmful social practices including violence against the elderly and people with disabilities and gender-based;
- i) ensure the assistance and social integration of people living in poverty and vulnerability situation;
- j) raising the profile of women's rights, child, elder and disabled person;

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<sup>11</sup> EDENR, p. 25.

The intervention will make sure that its capacity building activities in support of the MIREME, DIPREME and CNELEC contribute effectively to the above-mentioned priority actions of the Programa Quinquenal do Governo para 2015 – 2019. Operational planning and M&E framework will specifically be conducted in order to keep track of these efforts.

### **6.1.1.2 Gender in the Energy Strategy 2015-2024**

As far as the gender topic is concerned within the Energy Strategy, the only reference is the following:

“Access to energy affects differently men and women. The use of wood for cooking requires longer journeys of women, who are left with less time to be able to perform other activities. This strategy to give priority to increasing access to modern energy for cooking and the expansion of rural electrification seeks to mitigate these effects.

Additionally, this strategy is a source of numerous investments with high potential for employment generation. The strategy provides mechanisms to ensure equal opportunities in access to such jobs for men and women. “

The formulation mission has not been able to confirm the existence of a “Strategic Plan for Gender Mainstreaming within the Energy Sector in Mozambique “.

### **6.1.1.3 Other reference documents**

Going through different analyses conducted by development partners in Mozambique, the following elements can be underlined and will be taken into account during the definition of activities and the setup of priorities by the PMU.

#### **Challenges in gender mainstreaming:**

- Emphasis on developing infrastructure without sufficient attention to community applications, users’ needs and potential productive uses: energy as an end in itself;
- Inability of technicians to reach women through lack of local language capability;
- Relevant gender policies have been developed but not implemented (to be confirmed)
- Implementation requires appropriate capacity at lower levels in national, provincial, district and local offices.
- Women are under-represented in the energy sector, especially in technical areas and at decision-making levels.

#### **Opportunities for gender mainstreaming support:**

- Need for mechanisms to consider and address users’ energy needs and gender issues in energy provision and use and to include more users.
- Need for local-level market analyses to identify and increase productive uses of electricity for women’s small businesses;
- Promotion of women as energy entrepreneurs in sales and servicing of home energy systems and appliances.
- Support for managers, Directorates, Gender Units and Gender Focal Points to develop understanding of and capacity for gender mainstreaming in core work areas.
- Promotion of women’s entry into technical education and training programs.
- Identify needs of women employees and provide support for their full participation in training programs and career advancement.

One of the recommendations was to collect data on gender and energy and to use it to inform policy

making, for instance introduction of measures to promote equitable access to green energy technologies by women, facilitating access to funding, investing in training especially for young women, promoting participation of women in the related decision making among others.

Moreover, the intervention will:

- Strive for parity in the PMU and provide sensitizing activities for PMU staff on gender issues
- Integrate gender in all ToR for trainings, consultations, studies, analysis, ... in order to have as a first perspective the needs and the interests of the different targets groups
- Work on staff recruitment, development and retention with a specific focus on female staff
- Integrate gender disaggregation in all statistics, data collection and analysis, including in the indicators of the comprehensive baseline and of the M&E framework

## 6.2 Environment

Environment is not considered as a cross-cutting theme but rather as a strategic orientation of the intervention, given the strong focus on new and renewable energies.

## 7 ANNEXES

### 7.1 Indicators and logical framework

	Logical of the intervention	Indicators	Sources of verification	Hypotheses
<b>GO</b>	<b>The development of the energy sector is enhanced in order to power the socioeconomic development of the country and to contribute to the welfare of its people</b>			
	<b>Change process indicators - examples</b> <ul style="list-style-type: none"> <li>Percentage of the Mozambican population with access to new and renewable sources of energy (PQG)</li> <li>Poverty and socio economic indicators</li> </ul>		<b>Sources of verification</b> Programa Quinquenal do Governo	<b>Hypotheses</b>

<b>SO</b>	<b>The performance of MIREME and CNELEC in advancing access to renewable electricity in rural areas is enhanced</b>				
	Change process & early performance indicators – examples	Baseline Value	Target	Sources of verification	Hypotheses
	<ul style="list-style-type: none"> <li>Number of overlaps (occurrences) between energy actors in the sector due to the lack of proper planning and communication</li> </ul>	<b>To be determined</b> (See comprehensive baseline exercise)	<b>Reduction with 50%</b>	Most significant change interviews	Management and policy levels in the energy sector have the position and willingness to use strategic information for decision-making
	<ul style="list-style-type: none"> <li>Organizational key performance indicators (KPI) linked to the use of new/updated methods, tools, processes: e.g.: Communication mechanisms are used to share information across organizational units and among staff at different levels (including DIPREME) (See hereunder examples)</li> </ul>	<b>No KPI's exist</b>	<b>Minimum 5 KPI</b>	Face to face interviews MIREME internal information	
	<ul style="list-style-type: none"> <li>CNELEC is transformed into a fully independent and capable regulator for the energy sector. To be measured through satisfaction of key users (Survey)</li> </ul>	<b>% satisfaction to be measured at start-up</b> (See comprehensive baseline exercise)	<b>Minimum 25% increase of satisfaction of key users</b>	Project administration data and studies Survey: Satisfaction of	

	<ul style="list-style-type: none"> <li>Organizational units systematically use information to plan and monitor performance.</li> </ul>	<p><b>“0” organizational planning units stock their annual work plan on the central server</b></p>	<p><b>“66%” or more of the annual work plans of organizational units are available on the central server</b></p>	key users	
	<ul style="list-style-type: none"> <li>Number of licenses and concessions awarded to private operators in the new and renewable energy sub sector</li> </ul>	<p><b>Number of licenses to private operators to be determined</b> (See comprehensive baseline exercise)</p>	<p><b>50 % increase in the number of licenses to private operators issued.</b></p>		
	<ul style="list-style-type: none"> <li>Employees express satisfaction with key aspects of their work</li> </ul>	<p><b>% satisfaction to be measured at start-up</b> (See comprehensive baseline exercise)</p>	<p><b>Minimum 66% increase of satisfaction of</b></p>		

**R.A.1 The capacities of the MIREME at central level are strengthened in order to improve the energy sector planning and policy-making**

	<b>Change process &amp; early performance indicators</b>	<b>Baseline Value</b>	<b>Target</b>	<b>Sources of verification</b>
	<ul style="list-style-type: none"> <li>A formal joint sector planning process aligned to the country processes takes place every year and is regularly updated</li> </ul>	<p><b>Joint sector planning not available</b></p>	<p><b>Joint sector planning available as from Y+2</b></p> <p><b>Joint sector planning available and updated as from Y+3</b></p>	<p>Project administration data</p> <p>MIREME Statistics sources and reports</p>
	<ul style="list-style-type: none"> <li>Methods, tools and processes developed in support of the New and renewable Energy are being replicated by other departments</li> </ul>	<p><b>Replication of methods, tools and</b></p>	<p><b>Every year more departments use</b></p>	

		<b>processes not applied</b>	<b>methods, tools and processes developed with support of the intervention</b>
	<ul style="list-style-type: none"> <li>• Sound, regular reporting to the different management levels exists</li> </ul>	<b>No regular reporting</b>	<b>Regular reporting as from Y+2</b>
	<ul style="list-style-type: none"> <li>• Information and KPIs are used for strategic decision making</li> </ul>	<b>No KPI's identified or used</b>	<b>KPI's used for strategic planning as from Y+2</b>
	<ul style="list-style-type: none"> <li>• A system to follow up on the quality and the effect of trainings is in place</li> </ul>	<b>No system to monitor the effect of training available</b>	<b>The effect of training is assessed and recorded</b>
	<ul style="list-style-type: none"> <li>• Amount of Training budget</li> </ul>	<b>Annual work plans and budgets do not systematically take into account a budget for training</b>	<b>Training for staff is part of annual work plans and budgets</b>

<b>Additional examples of indicators for delivery of outputs</b>	
	<ul style="list-style-type: none"> <li>• New/updated working procedures, guidelines, templates, tools, processes for <b>sector planning</b> are developed with broad staff participation</li> <li>• New/updated working procedures, guidelines, templates, tools, processes for <b>data collection and reporting</b> are developed with broad staff participation</li> <li>• New/updated working procedures, guidelines, templates, tools, processes for <b>HR Management</b> are developed with broad staff participation</li> <li>• Number of <b>individual capacity building</b> initiatives conducted (training, workshop, field visit, study tour, coaching, etc) disaggregated by type, gender, etc</li> <li>• Training curricula are available for all relevant functions in MIREME</li> <li>• New / updated Capacity building needs assessments exist</li> <li>• New/updated training strategy and plans exist with clear targets and indicators</li> <li>• % of training budget used</li> <li>• A database for registering CD initiatives is created, regularly updated and used for staff development</li> </ul>



	<ul style="list-style-type: none"> <li>• A set of KPIs is identified and is being measured through a Planning, Monitoring &amp; Evaluation system</li> <li>• An approach to workload calculation and staff planning is in place</li> <li>• The organization has an adequate number of experienced human resources staff in the field of new and renewable energy</li> <li>• Job descriptions for all New and renewable Energy profiles within the MIREME are available and up to date</li> <li>• A retention policy is developed</li> <li>• Etc ....</li> </ul>
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R A.2 The capacities of the DIPREME are strengthened in order to improve energy sector planning, coordination and M&E in selected provinces				
	Change process & early performance indicators	Baseline Value	Target	Sources of verification
	<ul style="list-style-type: none"> <li>• A formal joint sector planning process aligned to the country processes takes place every year and is regularly updated</li> </ul>	<p><b>Joint sector planning not available in selected provinces</b></p>	<p><b>Joint sector planning available as from Y+2</b></p> <p><b>Joint sector planning available and updated as from Y+3 in selected provinces</b></p>	<p>Project administration data</p> <p>MIREME Statistics sources and reports</p>
	<ul style="list-style-type: none"> <li>• Methods, tools and processes developed in support of the New and renewable Energy are used on a regular basis</li> </ul>	<p><b>Methods, tools and processes not applied in selected provinces</b></p>	<p><b>Every year more departments in the selected provinces use methods, tools and processes developed with support of the intervention in selected provinces</b></p>	

	<ul style="list-style-type: none"> <li>• Sound, regular reporting to the different management levels exists</li> </ul>	<b>No regular reporting in selected provinces</b>	<b>Regular reporting as from Y+2 in selected provinces</b>	
	<ul style="list-style-type: none"> <li>• Information and KPIs are used for strategic decision making</li> </ul>	<b>No KPI's identified or used in selected provinces</b>	<b>KPI's used for strategic planning as from Y+2 in selected provinces</b>	
	<ul style="list-style-type: none"> <li>• A system to follow up on the quality and the effect of trainings is in place</li> </ul>	<b>No system to monitor the effect of training available in selected provinces</b>	<b>The effect of training is assessed and recorded in selected provinces</b>	
	<ul style="list-style-type: none"> <li>• Amount of Training budget</li> </ul>	<b>Annual work plans and budgets do not systematically take into account a budget for training in selected provinces</b>	<b>Training for staff is part of annual work plans and budgets in selected provinces</b>	

	<p><b>Additional examples of indicators for delivery of outputs</b></p> <ul style="list-style-type: none"> <li>• New/updated working procedures, guidelines, templates, tools, processes for <b>sector planning</b> are developed with broad staff participation</li> <li>• New/updated working procedures, guidelines, templates, tools, processes for <b>data collection and reporting</b> are developed with broad staff participation</li> <li>• New/updated working procedures, guidelines, templates, tools, processes for <b>HR Management</b> are developed with broad staff participation</li> <li>• Number of <b>individual capacity building</b> initiatives conducted (training, workshop, field visit, study tour, coaching, etc) disaggregated by type, gender, etc</li> <li>• Training curricula are available for all relevant functions in DIPREME</li> <li>• New / updated Capacity building needs assessments exist</li> <li>• New/updated training strategy and plans exist with clear targets and indicators</li> <li>• % of training budget used</li> <li>• The DIPREME has an adequate number of experienced human resources staff in the field of new and renewable energy</li> </ul> <p>Etc ....</p>
	<p><b>Hypotheses</b></p> <ul style="list-style-type: none"> <li>• New/updated procedures are accepted and are being applied</li> <li>• Reporting systems are of good quality and produce relevant information</li> <li>• Better trained staff should lead to less staff turnover (higher staff satisfaction)</li> <li>• The availability of training curricula will allow for the organisation of trainings</li> <li>• More and better trainings will lead to higher job satisfaction and the retention of staff/capacities</li> <li>• A good staff planning system will lead to better (evidence-based) staff budgeting</li> <li>• A follow-up system will enable improvements in training curricula</li> </ul>

R A.3 Efforts of transforming CNELEC into an independent and capable regulator for the new and renewable electricity sub-sector are supported				
Change process & early performance indicators		Baseline Value	Target	Sources of verification
<ul style="list-style-type: none"> <li>Number of licenses and concessions awarded to private operators in the new and renewable energy sub sector</li> </ul>		<b>No licences and concessions awarded</b>	<b>Every year 2 or more licences and concessions are awarded to private operators</b>	Project administration data  CNELEC Statistics sources and reports
Additional examples of indicators for delivery of outputs				
<ul style="list-style-type: none"> <li>Number of effective contributions to the development of technical standards and regulations related to new and renewable energy</li> <li>Number of effective contributions to the development of economical standards and regulations related to new and renewable energy</li> <li>Number of effective contributions to the development of H&amp;S standards and regulations related to new and renewable energy</li> <li>Participation and contribution of CNELEC to regional platforms of exchange between regulators</li> </ul>				
Hypotheses				
<ul style="list-style-type: none"> <li>Maintained political will to transform CNELEC into a fully independent Regulator for the energy sector</li> </ul>				

These indicators (milestones/progress markers + performance indicators) need to be refined during the comprehensive baseline and reviewed annually. Every year, additional milestones/progress markers need to be developed.

## 7.2 Proposed activities and means

<b>General Objective: The development of the energy sector is enhanced in order to power the socioeconomic development of the country and to contribute to the welfare of its people</b>			
<b>Specific Objective: The performance of MIREME and CNELEC in advancing access to renewable electricity in rural areas is enhanced</b>			
	<b>Components and activities under Result Area 1</b>	<b>Means</b>	<b>Belgian Contribution</b>
<b>RA 1</b>	The capacities of the MIREME at central level are strengthened in order to improve the energy sector planning and policy-making		Costs in Euros
<b>1.1</b>	<b>Long term technical Assistance</b>	Long Term technical Assistance	720.000
<b>1.2</b>	<p><b>The capacities of MIREME at central level to conduct, deliver and keep updated an harmonized and reliable sector planning are improved</b></p> <p>Example of activities under this component:</p> <ul style="list-style-type: none"> <li>• Capacity needs assessment, based on the new structure, the new organic framework and the designated / recruited staff</li> <li>• Functional review of key processes related to sector planning at central level (existing reporting lines, bottlenecks, etc.)</li> <li>• Identification of key stakeholders in the process in order to take their stakes and specificities into account</li> <li>• Development of enhanced and clarified working procedures, templates, tools and processes together with DSP' staff</li> <li>• Testing and implementation of developed tools, processes and templates at central and provincial level (selected provinces, see R.A 2)</li> <li>• Roll out at larger scale involving relevant stakeholders</li> <li>• Building of individual and organizational capacities related to sector planning through etc</li> <li>• Dissemination of developed tools and outputs</li> </ul>	<p>Technical assistance, consultancies, trainings, workshops; field visits, study tours, mentoring, coaching, equipment</p> <p>Budget for publications</p>	140.000

<p><b>1.3</b></p>	<p><b>The capacities of MIREME at central level to produce quality data, statistics and information on the electricity sub-sector and to report regularly and accurately on KPIs for operational management, strategic management and policy making are improved</b></p> <p>Example of activities under this component:</p> <ul style="list-style-type: none"> <li>• Capacity needs assessment, based on the new structure, the new organic framework and the designated / recruited staff</li> <li>• Functional review of related key processes at central level</li> <li>• Identification of key stakeholders and sources of information</li> <li>• Identification of information needs within the MIREME at central level and provincial level, but also among the other key actors of the sector (FUNAE, CNELEC, EDM, etc)</li> <li>• Identification of operational and strategic KPIs in/for MIREME</li> <li>• Development of a Planning, Monitoring &amp; Evaluation system to monitor KPI's</li> <li>• Refining of existing analysis and reporting processes and tools on KPIs for operational management, strategic management and policy-making purposes</li> <li>• Testing and implementation of developed tools, processes and templates at central and provincial level (selected provinces, see R.A 2)</li> <li>• Roll out at larger scale</li> <li>• Building of related individual and organizational capacities</li> <li>• Dissemination of developed tools and outputs</li> </ul>	<p>Technical assistance, consultancies, trainings, workshops; field visits, study tours, mentoring, coaching, equipment Budget for publications</p>	<p>145.000</p>
<p><b>1.4</b></p>	<p><b>The capacities of MIREME in staff planning, recruitment, development and retention are improved</b></p> <p>Example of activities under this component:</p> <ul style="list-style-type: none"> <li>• Capacity needs assessment</li> <li>• Functional review of key HR processes</li> <li>• Refine, together with HR staff in the MIREME, the existing approach for workload calculation and staffing.</li> <li>• develop, together with MIREME HR staff, standardized job descriptions (with competence profiles) for the most common function types within the Ministry.</li> <li>• Refine, together with HR staff in the MIREME, the existing approach for identifying individual capacity development needs for MIREME staff, based on required competencies within the</li> </ul>	<p>Technical assistance, consultancies, trainings, workshops; field visits, study tours,</p>	<p>120.000</p>

	<p>organization.</p> <ul style="list-style-type: none"> <li>Enhance, together with MIREME HR staff, the MIREME training strategy</li> <li>Develop, together with MIREME HR staff and existing training institutions in Mozambique, appropriate training curricula for induction and advanced training.</li> <li>Develop, together with MIREME HR staff, a database where, for each staff member, all activities for individual capacity development can be registered.</li> <li>Develop, together with MIREME HR staff, a specific approach for M&amp;E of individual capacity development activities within the Ministry.</li> <li>Development, together with MIREME HR staff, a retention policy</li> <li>Development of Project analysis and contract management skills.</li> <li>Support MIREME HR staff in the implementation of these new instruments, approaches and policies through targeted trainings, on-the-job training, workshops, coaching and mentoring</li> </ul>	<p>mentoring, coaching, equipment Budget for publications</p>	
<b>1.5</b>	<p><b>The development of technical, economical and Health &amp; Safety regulations for off-grid new and renewable electricity together with CNELEC is supported</b></p> <p>Example of activities under this component:</p> <ul style="list-style-type: none"> <li>Capacity needs assessment, based on the new structure, the new organic framework and the designated / recruited staff</li> <li>Functional review of key processes related to sector planning at central level (bottlenecks,...)</li> <li>Identification of key stakeholders in the process in order to take their stakes and specificities into account</li> <li>Development of enhanced and clarified working procedures, templates, tools and processes together with DNER' staff</li> <li>Dissemination of developed tools and outputs</li> </ul>	<p>Technical assistance, consultancies, trainings, workshops; field visits, study tours, mentoring, coaching, equipment Budget for publications</p>	20.000
<b>1.6</b>	<b>Medium term consultancies</b>	Inter(national) services	360.000

	<b>Components and activities under Result Area 2</b>	<b>Means</b>	<b>Belgian Contribution</b>
<b>R A 2</b>	The capacities of the DIPREME are strengthened in order to improve energy sector planning, coordination and M&E in selected provinces		Costs in Euros
<b>A 2.1</b>	<b>Long term technical assistance and consultancies</b>		450.000
<b>A 2.2</b>	<p><b>Sector Planning within selected DIPREME</b></p> <p>Example of activities under this component:</p> <ul style="list-style-type: none"> <li>• Capacity needs assessment, based on the new structure, the new organic framework and the designated / recruited staff</li> <li>• Functional review of key processes related to sector planning at provincial level (existing reporting lines, bottlenecks,...)</li> <li>• Identification of key stakeholders in the process in order to take their stakes and specificities into account</li> <li>• Development of enhanced and clarified working procedures, templates, tools and processes together with DSP' staff at central level</li> <li>• Testing and implementation of developed tools, processes and templates at central and provincial level (selected provinces, see R.A 1)</li> <li>• Roll out at larger scale involving relevant stakeholders</li> <li>• Building of individual and organizational capacities related to sector planning at provincial level</li> <li>• Dissemination of developed tools and outputs</li> </ul>	Technical assistance, peer-to-peer coaching, consultancies, trainings, workshops, field visits like inter-provincial study tours, mentoring, coaching, basic ICT equipment, etc	70.000
<b>A 2.3</b>	<p><b>Quality data and information between MIREME at central level and DIPREME</b></p> <p>Example of activities under this component:</p> <ul style="list-style-type: none"> <li>• Capacity needs assessment, based on the new structure, the new organic framework and the designated / recruited staff</li> <li>• Functional review of related key processes at provincial level</li> <li>• Identification of key stakeholders and sources of information</li> <li>• Identification of information needs within the MIREME at central level and provincial level, but also among the other key actors of the sector (FUNAE, CNELEC, EDM, etc)</li> <li>• Testing and implementation of developed tools, processes and templates at central and provincial</li> </ul>	Technical assistance, peer-to-peer coaching, consultancies, trainings, workshops, field visits like inter-provincial study tours, mentoring, coaching, basic ICT equipment,	190.000



	<p>level (including KPIs, in selected provinces, see R.A 2)</p> <ul style="list-style-type: none"> <li>• Roll out at larger scale</li> <li>• Building of related individual and organizational capacities</li> <li>• Dissemination of developed tools and outputs</li> </ul>	etc	
<b>A.2.4</b>	<p><b>Human resources Management</b></p> <p>Example of activities under this component:</p> <ul style="list-style-type: none"> <li>• Capacity needs assessment, based on the new structure, the new organic framework and the designated / recruited staff</li> <li>• a functional review of key HR processes at provincial level will be conducted to analyse competence development, staff retention and staffing issues. The intervention will pay special attention to the identification of HR challenges following the merger and based on the new organizational structure.</li> <li>• The intervention will develop, together with DIPREME HR staff, standardized job descriptions (with competence profiles) for the most common function types.</li> <li>• Refine, together with HR staff in the DIPREME, the existing approach for identifying individual capacity development needs for provincial staff, based on required competencies within the organization.</li> <li>• Enhance, together with MIREME HR staff, the MIREME training strategy</li> <li>• Building of related individual and organizational capacities</li> <li>• Development of Project supervision skills: This component will support the DIPREME in increasing their capacities to supervise projects in new and renewable energy in synergy with CNELEC (to be defined and confirmed).</li> <li>• Support MIREME HR staff in the implementation of the new instruments, approaches and policies through targeted trainings, on-the-job training, workshops, coaching and mentoring</li> </ul>	<p>Technical assistance, peer-to-peer coaching, consultancies, trainings, workshops, field visits like inter-provincial study tours, mentoring, coaching, basic ICT equipment, etc</p>	65.000
<b>A.2.5</b>	<b>Medium term consultancies</b>	Inter(national) services	180.000

	<b>Components and activities under Result Area 3</b>	<b>Means</b>	<b>Belgian Contribution</b>
<b>R A 3</b>	Efforts of transforming CNELEC into an independent and capable regulator for the new and renewable electricity sub-sector are supported		Costs in Euros
<b>A 3.1</b>	<b>Long term technical assistance and consultancies</b>		180.000
<b>A 3.2</b>	<p><b>Support the development of technical, economical and Health &amp; Safety regulations for off-grid new and renewable electricity together with MIREME</b></p> <p>Example of activities under this component:</p> <ul style="list-style-type: none"> <li>- Capacity needs assessment, based on the new structure, the new organic framework and the designated / recruited staff</li> <li>- Functional review</li> <li>- Support the development of technical standards and licensing</li> <li>- Promote the elaboration of cost reflective and attractive Tariffs for off-grid electricity</li> <li>- Participate to the promotion of Customers protection regulations</li> <li>- Support the development of Health and safety regulations</li> <li>- Support CNELEC in the application and supervision of developed regulations</li> <li>- Accompany the transfer of regulatory functions from other actors</li> <li>- Support the participation of CNELEC to Regional Electricity Regulators Association of Southern Africa (RERA) and other regional and international platforms</li> </ul>	<p>Technical assistance, consultancies, trainings, workshops, field visits, mentoring, coaching, equipment, networking, etc</p>	50.000

## 7.3 Additional information on Monitoring and Evaluation (M&E)

### 7.3.1 Different components on Monitoring

The different monitoring processes are summarized in the figure underneath.

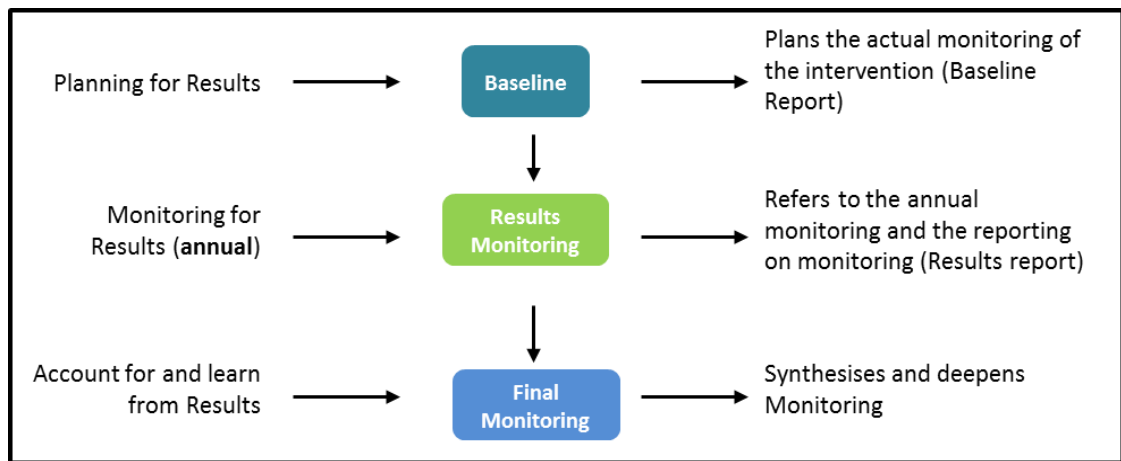


Figure 31 - Monitoring processes

#### Comprehensive Baseline

The Comprehensive Baseline is the first component of the Monitoring process. The comprehensive baseline is about preparing the monitoring of the intervention and is also an opportunity to make sure:

- That stakeholders are on a **same level of understanding** of the change process (the intervention) that is supposed to take place
- That everybody knows how **progress towards this change** (compared to the starting situation) will be measured
- Those risks are identified and taken into account in the implementation strategy.

By providing the intervention with a finalized and realistic monitoring framework, the comprehensive baseline is the link between formulation and implementation. The **Comprehensive Baseline report** is the final output of the comprehensive baseline process which contains:

- *the monitoring matrix*: updated results framework with indicators – including (to the extent possible) the relevant findings of the Capacity Needs Assessment (CNA), the comprehensive baseline, target and intermediate values, sources of verification, frequency of data collection and responsible for data collection and analysis (i.e. indicators protocols).
- *the risks management plan*: a listing of major risks, their analysis and **the response measures that will be taken**

The intervention team can use the generic ToR for the Comprehensive Baseline Work Plan in Annex 7.

#### Results Monitoring

Results Monitoring is the centerpiece of monitoring as it is a recurring, **annual** process that is crucial for **learning, strategic steering and accountability**. It is a participative exercise during which the members of the PMU, together with key stakeholders, analyse how the intervention is doing in terms of results. The intervention team – on the basis of information collected through the monitoring of indicators - tries to find answers on questions such as:

- Where are we in terms of results? On track?

- What is working and what isn't? What can we learn?
- Are we still doing things right and doing the right things?
- What are important risks and how should they be managed?
- What should we do differently? What recommendations to make to the steering committee?
- What progress markers/milestones can we see for the next year?
- Etc.

During Results Monitoring, the intervention will analyse the indicators that are intended to monitor the change processes. After a review (based on the questions above), the intervention team will set out a **number of new indicators** (progress markers/milestones/performance indicators) that will allow them to **track the change processes in the next 12 months**. Furthermore, based on the strategic reflection mentioned above, some changes to the intervention strategy will be formulated as recommendations for the SC in the annual Results Report. The SC has the mandate to approve or reject the propositions of the PMU.

## Final monitoring

Final monitoring is the final piece of the Monitoring process through which:

- results achieved at the end of the implementation of an intervention are summarized
- lessons learned are documented after a final reflection on the development process supported by the intervention

In this final monitoring process, the intervention team will do analyses similar to the ones in Results Monitoring, but with a view on the whole of the intervention's implementation process. It will give a final update on results achieved and will focus on what lessons EWSA, the steering committee, MININFRA, BTC and other stakeholders can learn from the intervention. On the basis of this information, a Final Report for the intervention is produced.

### 7.3.2 Different components of Evaluation

In this context, the term 'review' is used for external evaluations at project level. The main function of a review is to offer an external perspective on the intervention's performance as well as to analyse in-depth the on-going or completed development process. In doing so, reviews are used to:

- analyse if interventions have to be re-oriented in order to achieve the development outcome
- inform strategic decisions
- identify and reflect upon lessons learned

Performed by an independent external actor, reviews play an important role in the **accountability** of the intervention's performance.

Reviews are organized twice during the lifetime of the intervention:

A **Mid-Term Review (MTR)** will be organized after two years of implementation. In the MTR the focus is on **strategic decision making** for the intervention. Therefore, special attention will be given to the validity of and functioning of the intervention's Theory of Change by using a theory-based evaluation methodology (e.g. realist evaluation)

An **End-of-Term Review (ETR)** will be organized at the end of the intervention. In the ETR, the focus is on **learning**. Therefore, special attention will be given to expected and unexpected change at the level of beneficiaries by using a Most Significant Change (MSC) methodology.

## 7.4 Detailed budget

MIREME CB MOZ 14 030 11											
				Implementation modality	TOTAL BUDGET	%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>TOTAL BUDGET</b>											
<b>Outcome / Specific Objective (SO)</b>											
<b>A The performance of MIREME and CNELEC in advancing access to renewable electricity in rural areas is enhanced</b>					2,690,000	67%	538,000	538,000	538,000	538,000	538,000
<b>Result Area 1: The capacities of the MIREME at central level are strengthened in order to improve the energy sector planning and policy-making</b>					1,505,000	38%	301,000	301,000	301,000	301,000	301,000
A	01	01	Long Term technical Assistance	BTC Management	720,000		144,000	144,000	144,000	144,000	144,000
A	01	02	Sector Planning within MIREME	BTC Management	140,000		28,000	28,000	28,000	28,000	28,000
A	01	03	Quality data and information within MIREME	BTC Management	145,000		29,000	29,000	29,000	29,000	29,000
A	01	04	Human Resources Management	BTC Management	120,000		24,000	24,000	24,000	24,000	24,000
A	01	05	Support the development of technical, economical and Health & Safety regulations	BTC Management	20,000		4,000	4,000	4,000	4,000	4,000
A	01	06	Medium Term Consultancies	BTC Management	360,000		72,000	72,000	72,000	72,000	72,000
<b>Result Area 2: The capacities of the DIPREME are strengthened in order to improve energy sector planning, monitoring and supervision in selected provinces</b>					955,000	24%	191,000	191,000	191,000	191,000	191,000
A	02	01	Long Term technical Assistance	BTC Management	450,000		90,000	90,000	90,000	90,000	90,000
A	02	02	Sector Planning within selected DIPREME	BTC Management	70,000		14,000	14,000	14,000	14,000	14,000
A	02	03	Quality data and information between MIREME at central level and DIPREME	BTC Management	190,000		38,000	38,000	38,000	38,000	38,000
A	02	04	Human Resources Management	BTC Management	65,000		13,000	13,000	13,000	13,000	13,000
A	02	05	Medium Term Consultancies	BTC Management	180,000		36,000	36,000	36,000	36,000	36,000
<b>Result Area 3: Efforts of transforming CNELEC into an independent and capable regulator for the new and renewable electricity sub-sector are supported</b>					230,000	6%	46,000	46,000	46,000	46,000	46,000
A	03	01	Long Term technical Assistance	BTC Management	180,000		36,000	36,000	36,000	36,000	36,000
A	03	02	Support the development of technical, economic and health & safety regulations	BTC Management	50,000		10,000	10,000	10,000	10,000	10,000
<b>X Contingency</b>					114,000	3%	0	0	0	0	114,000
<b>X 01 Contingency</b>					114,000						
X	01	02	Direct Management	BTC Management	114,000						114,000
<b>Z General Means</b>					1,196,000	30%	366,200	313,700	226,200	133,700	156,200
<b>Z 01 Wages and salaries</b>					810,000	20%	252,000	252,000	162,000	72,000	72,000
Z	01	01	Project management	BTC Management	450,000		180,000	180,000	90,000	0	0
Z	01	02	Administrative and financial staff	BTC Management	300,000		60,000	60,000	60,000	60,000	60,000
Z	01	03	Other support staff	BTC Management	60,000		12,000	12,000	12,000	12,000	12,000
<b>Z 02 Investment</b>					50,000	1%	50,000	0	0	0	0
Z	02	01	IT and office equipment	BTC Management	20,000		20,000				
Z	02	02	Vehicles	BTC Management	30,000		30,000				
<b>Z 03 Operating Costs</b>					201,000	5%	40,200	40,200	40,200	40,200	40,200
Z	03	01	Office premises / rental	BTC Management	24,000		4,800	4,800	4,800	4,800	4,800
Z	03	02	Fuel and maintenance	BTC Management	30,000		6,000	6,000	6,000	6,000	6,000
Z	03	03	Internet & Communication	BTC Management	12,000		2,400	2,400	2,400	2,400	2,400
Z	03	04	Telecommunication costs	BTC Management	60,000		12,000	12,000	12,000	12,000	12,000
Z	03	05	Office consumables	BTC Management	18,000		3,600	3,600	3,600	3,600	3,600
Z	03	06	Mission costs	BTC Management	81,000		16,200	16,200	16,200	16,200	16,200
<b>Z 04 Audit et Suivi et Evaluation</b>					135,000	3%	24,000	21,500	24,000	21,500	44,000
Z	04	01	M&E (incl baseline, MTR and FE and capitalization exercise)	BTC Management	80,000		20,000		20,000		40,000
Z	04	02	Technical backstopping BTC	BTC Management	20,000		4,000	4,000	4,000	4,000	4,000
Z	04	03	Audits	BTC Management	35,000			17,500		17,500	
<b>TOTAL</b>					4,000,000		904,200	851,700	764,200	671,700	808,200

## 7.5 ToR long-term personnel

The long term personnel financed by the project will have several roles: some positions are clearly entitled with financial and administrative management where others will play a technical and advisory role exclusively.

All technical assistance provided will be concerned primarily with the transfer of capacity to the MIREME

*by building skills and capabilities of local staff and/or developing systems and procedures.*

*Capacities to undertake activities in a participative, culturally sensitive and consultative manner, ensuring counter-parts actively participate and develop understanding and ownership are essential for all profiles mentioned hereafter.*

## **7.5.1 Project Management**

### **7.5.1.1 MIREME Senior Change Manager and his/her delegate**

*MIREME will assign a Senior Change Manager to support the project management team and the intervention.*

#### **Responsibilities of the Senior Change Manager will include:**

- Determine, together with the BTC project manager, the overall direction of the change process within the MIREME or CNELEC, in line with the strategic orientations given by the SC.
- Determine and continuously refine, together with the BTC project manager, the strategy for implementing the change process that is realistic given the organization's history of change, the 'change levers' available and the likely resistance to be encountered.
- Ensure realism in plans for the implementation of the change in the context of other on-going change activities in the Ministry or agency.
- Muster internal support for the change process through proactive communication on the importance and the advancement of the change process, both to higher and lower levels of the organization.
- Positively reinforce steps forward in the change process in the Ministry or Agency by using his/her own influence in the organization.
- The MIREME change manager will act as an authorizing officer for the Mozambican side for all matters executed in joint responsibility.

#### **Responsibilities of the Change Manager Delegate will include:**

The Delegate will act as the day-to-day counterpart of the PM. His/her main tasks and responsibilities will be defined with the Change Manager and the Project Manager to ensure a smooth implementation of the activities of the intervention.

### **7.5.1.2 BTC International TA, Project Manager (PM) – 60 months**

*BTC will recruit a TA with international experience in Capacity Development and change management. He/she will serve as the overall technical advisor of the project. He will be the BTC representative within the project technical framework. He will act as a technical co-manager and support joint decision. The International Expert will be based within the MIREME where the Project Management Unit (PMU) will be hosted.*

*He/she will be responsible for assuring coherence between the different types of assistance foreseen in the intervention but also for assuring that the different activities of the intervention contribute to the achievement of the Specific Objective. Moreover, this TA is responsible for generating support within the Ministry for the change process through internal communication, negotiation, networking with key change agents, coaching etc.*

*He or she will also support the MIREME Change manager in introducing the developed product(s) in MIREME and assuring that the organization (and individual staff members) are able to use the developed product(s).*

*All TA should be first and foremost transformational, with at least 75% of all Technical assistants' time to be devoted to capacity building activities*

*All technical assistance provided will be concerned primarily with the transfer of capacity to the GoM by building skills and capabilities of local staff and/or developing systems and procedures*

#### **Main duties and responsibilities**

The PM has final responsibility for the achievement of the objectives of the CD MIREME intervention. Areas of responsibility include (but are not limited to) the following areas:

- Accompany, support and guide the comprehensive baseline study for the entire intervention
- Integration management with a focus on scope and quality management areas
- Support MIREME management in the organizational change through coaching and mentoring of involved staff
- Provide strategic guidance and coaching to all actors involved in the intervention
- Provide technical advice/coaching related to capacity development
- Support the participatory planning process through active participation in the dialogue, advice on capacity building issues relevant to the project specific objective and expected results
- Provide technical input into the preparation of terms of reference for the various studies and capacity building activities subcontracted and support the implementing agency to ensure their adequate implementation
- Support and provide technical advice for recruitment of specific technical international and national expertise required for the project implementation
- Ensure coherence and coordination of project strategies and activities for areas related to capacity building together with the other DP's within the Ministry.
- Support, develop and implement a project monitoring and evaluation plan.

*He/she will also, in close coordination with the MIREME Change Manager*

- Play a role in facilitating the change by paying attention to signs of resistance and developing strategies to overcome this resistance together with involved staff
- Organize, coordinate and technically supervise the implementation of project activities (including the comprehensive baseline) in accordance with the approved work plans

- Attend and prepare the Steering Committee (SC) meetings on a regular basis
- Contribute to the operations reports to be submitted to the SC
- Report quarterly to BTC representative
- Contribute to the preparation of financial and procurement planning and budgeted work plans
- Establish and maintain good working relationships with project participants, counterpart agencies, donors and other relevant organizations and government agencies
- Share information about the project with other organizations and agencies as needed.
- Liaise and co-ordinate project activities with other relevant technical assistance projects

*The TA **profile** will include:*

- Relevant University degree;
- 10 year professional experience in supporting change processes in public organizations
- Professional experience in developing countries is a strong advantage ;
- Experience of governance, institutional strengthening, change management and capacity building principles, strategies and techniques
- Excellent planning, management and organizational skills
- Capacity to undertake activities in a participative, culturally sensitive and consultative manner, ensuring counter-parts actively participate and develop understanding and ownership
- High level interpersonal and communication skills and a demonstrated ability to communicate and negotiate effectively with a diverse range of groups
- Demonstrated capacity to work independently as well as contribute positively in a team environment
- Sensitivity to gender and environment issues
- Capacity to negotiate and manage conflict
- Strong coaching and mentoring skills
- Excellent communication and report writing skills.
- A high level of computer literacy, including Word, Excel, Internet, E-mail, Power Point
- Excellent English and Portuguese



### **7.5.1.3 BTC International TA at provincial level – 60 months (50% funded by the intervention)**

*BTC will recruit a TA with international experience in Capacity Development and change management. He/she will work at provincial level in supporting the DIPREME (and the FUNAE Delegations)...*

*He/she will report directly to the PM.*

#### **Main duties and responsibilities**

*Areas of responsibility include (but are not limited to) the following areas:*

- Accompany and support the comprehensive baseline study from a provincial point of view
- Support DIPREME (and FUNAE Delegations) management in the organizational change through coaching and mentoring of involved staff.
- Provide strategic guidance and coaching to all actors involved in the intervention at provincial level
- Provide technical advice/coaching related to capacity development
- Support the participatory planning process through active participation in the dialogue, advice on capacity building issues relevant to the project specific objective and expected results
- Provide technical input into the preparation of terms of reference for the various studies and capacity building activities subcontracted and support the implementing agency to ensure their adequate implementation
- Support and provide technical advice for recruitment of specific technical international and national expertise required for the project implementation
- Ensure coherence and coordination of project strategies and activities for areas related to capacity building
- Support, develop and implement a project monitoring and evaluation plan

*He/she will also, in close coordination with the Project Manager*

- Play a role in facilitating the change by paying attention to signs of resistance and developing strategies to overcome this resistance together with involved staff
- Organize, coordinate and technically supervise the implementation of project activities (including the comprehensive baseline) in accordance with the approved work plans
- Contribute to the operations reports to be submitted to the SC
- Report regularly to the PM
- Contribute to the preparation of financial and procurement planning and budgeted work plans
- Establish and maintain good working relationships with project participants, counterpart agencies, donors and other relevant organizations and government agencies
- Share information about the project with other organizations and agencies as needed.
- Liaise and co-ordinate project activities with other relevant technical assistance projects

*The TA **profile** will include:*

- Relevant University degree
- 5 year experience in supporting change processes in public organizations
- Professional experience in developing countries is an advantage ;

- Experience of governance, institutional strengthening, change management and capacity building principles, strategies and techniques
- Excellent planning, management and organizational skills
- Capacity to undertake activities in a participative, culturally sensitive and consultative manner, ensuring counter-parts actively participate and develop understanding and ownership
- High level interpersonal and communication skills and a demonstrated ability to communicate and negotiate effectively with a diverse range of groups
- Demonstrated capacity to work independently as well as contribute positively in a team environment
- Sensitivity to gender and environment issues
- Capacity to negotiate and manage conflict.
- Strong coaching and mentoring skills
- Excellent communication and report writing skills.
- A high level of computer literacy, including Word, Excel, Internet, E-mail, Power Point
- Excellent Portuguese and good level of English

#### **7.5.1.4 BTC RAFi – 60 months (50% funded by the intervention)**

*Under BTC local contract*

*He/she works under direct supervision of the PM and will supervise and coach the procurement officer, the accountant and the driver.*

##### **Main duties and responsibilities**

*As the person in charge of procurement, financial management and administration, he/she will:*

- Control all procurement, financial management and administration issues: solve problems, help improve administration by developing tools, point out and correct errors and problems, report any major problem to the authorizing officers.
- Ensure a correct, smooth and efficient organization of the financial administration;
- Organize regular meetings with financial and administrative staff, and ensure good communication, information and cooperation within the financial administration team.
- Supervise compliance with legal and administrative procedures and guidelines; this implies the he/she studies, checks and reinforces financial guidelines and procedures of the Belgian Technical Co-operation and Ministry of Finance (for BTC management) in addition to the Mozambican regulations (for co-management), including the Specific Agreement, the TFF, the BTC quality handbook and any guidelines provided from Brussels or Mozambican legal texts.
- Ensure all instructions received from the representation or BTC headquarters are correctly applied and followed and that the requests are met within the deadline.
- Update guidelines and system of all types of payments in project, esp. allowances.
- Update Administrative and Financial Manual, and ensure communication of new procedures to all admin/fin staff involved.
- Review (and approve) the periodic (monthly/quarterly/bi-annual) accountability returns from implementing partners to ensure that they follow the regulations referred to in the TFF and Project

Financial and Operational Manual and meet international accepted standards of public accountability ; and provide comments and advice in improving these systems when required;

- Ensure that the projects narrative and financial reporting guidelines are adhered to including the specified Monitoring and Evaluation processes
- Support the procurement process, contract management and supervision processes

#### ***Financial activity reporting***

- Final responsibility for timely production of FIT statements; provide guidance and supervision to the accountant who produces the FIT statements.
- Produce financial reports whenever requested following format laid out (e.g. for steering committees), or develops customized formats for ad hoc reports (in excel).
- Make electronic back-up of final versions of financial reports

#### ***Budgeting and financial planning***

- Follow up and update of budget; Compare budget and planning with actual expenses; provide monthly overview of budget balance to co-management and technical teams
- Financial short-and long term planning: overall, yearly and quarterly (in co-operation with co-management and technical teams); monthly and weekly, in co-operation with accountant.
- Overall management of bank and cash accounts, making cash calls on basis of the financial planning.

#### ***Auditing, monitoring, consulting, training***

- Audit and analyse project expenses monthly, report any inconsistencies or irregularities.
- Control supporting accounting documents on quality and completeness, and follow up on corrections by the accountant.
- Consult and monitor financial issues related to technical project components (e.g. accountability of beneficiaries and institutions)
- Prepare and provide training on financial management for stakeholders
- Preparing and assisting internal and/or external financial audit missions
- Any other tasks reasonably requested

#### **Profile:**

- University degree in finance, business administration or business economics;
- Minimum 5 year experience in financial management, project administration and procurement;
- Management experience with an international organization or NGO, 3 years minimum;
- Very good hands-on knowledge of Excel and Word is a must. Other programs (Database, accounting programs) a strong advantage;
- Proficient in English, in Portuguese, in French and/or Dutch;
- Mature, good communicator and team player;
- Able to work under stressful conditions and not objecting to overtime and field missions.

## 7.5.2 Support Functions

### 7.5.2.1 Procurement Officer – 60 months

*The national Procurement Officer is under BTC local contract, financed by this intervention and is responsible for a variety of finance-related tasks including the ones listed below (this list is not exhaustive).*

*He/she works under direct supervision of the RAFi.*

*Along with the RAFi, the PMU staff, the procurement officer will coordinate and support project procurement activities.*

#### **Main duties and responsibilities**

- Prepare and update a detailed procurement plan and planning procurement actions in general.
- Carry out the process of procurement of goods, services and equipment;
- Administer contracts for goods and services after signature;
- Assist the PMU on supervision of the contracts for equipment installation; as required.
- Arrange for Advertising in national and international newspapers and websites (General Procurement Notice, Specific Procurement Notice, and Request for expression of Interest etc).
- Prepare the Bidding Documents.
- Prepare responses to clarification and issues resulting from bidder's queries of the bidding documents.
- Prepare procurement documents.
- Issue documents to Bidders, where applicable.
- Organize Public Bid Opening, where applicable.
- Coordinate the Bid Evaluation Process, where applicable.
- Prepare Bid Evaluation Report
- Prepare contracts and amendments.
- Finalize procurement actions by assisting the designated technical staff in regions / districts in inspection and reception of equipment and goods, as necessary.
- Establish a monitoring system to ensure the completion of the procurement process according to the Procurement Plan.
- Maintains and updates the bid status log, contract log and insurance log;
- Maintains a tracking system for the receipt of documents required for contracts awards, maintains ongoing communication with end user to ensure timely receipt of equipment;
- Any other duties assigned by the RAF, Project Coordinator or Project Change Manager.

#### **Desirable knowledge, abilities and skills**

- A bachelor's degree in public or business administration, economics, management or a related field,
- 3 years of experience in procurement and/or contracts management experience
- Deep knowledge of the principles, practices and techniques of procurement law.
- Some knowledge of writing simple bid specifications/scope of work/scope of services, effectively tabulating informal and formal bids.
- Ability to make work decisions based on interpretations of laws or regulations of a simple nature.
- Ability to maintain accurate and detailed procurement records and files.
- Ability to express ideas effectively orally and writing.
- Ability to meet and deal effectively with the public, administrative officials and providers
- Proficient in Portuguese and English

### **7.5.2.2 Project Accountant – 60 months**

#### **Basic functions**

*The national Project accountant is under BTC local contract , financed by this intervention and is responsible for a variety of finance-related tasks including the ones listed below (this list is not exhaustive).*

*He/she works under direct supervision of the RAFi.*

*He / She is responsible for a variety of finance-related tasks including the ones listed below:*

#### **Main duties and responsibilities**

##### ***Banking & cheque and cash management***

- Prepare, register and keep cheques
- Prepare staff payroll for bank transfers at the end of each month.
- Ensures all invoices from external parties (contractors, suppliers,...) are paid in due time, by bank transfer, cheque or cash and arrange those documents by date: her/his task of preparing bank transfer and cheque documents. And manage pipe line payment to external parties.
- Check and approve document requested by Secretary and further the request to Finance officer then finally to co-manager for final approval.
- Attend and record all bank transactions, maintain bank accounts, ensure monthly bank statements and account overviews
- Final responsibility for the cash management, and supervision of secretary in this task: this includes regular daily cash counts, verification of balance of cash book and cash-on-hand, assistance of cashier in solving imbalances, establishment and signature of cash count statements.
- Ensure liquidation of any internal advances and update advance outstanding by the end of each month and report to the RAFi.
- Responsible for sound cash planning & cash withdrawals, so as to avoid cash shortages or large amounts cash in safe (security issue).
- Updates fixed asset register, follow up consultancies, contractor contract and stock of stationary.

##### ***Financial activity reporting***

- Record all project expenses properly in FIT, following guidelines and within the deadlines the latest 15th of the following month.
- Produce FIT statements for control by the Project Management, make all necessary corrections and make all preparations for the monthly closing of the accounting.
- Supervise daily entry of expenses in the cashbook by cashier.
- Produce FIT statements for control by the PM, make all necessary corrections and make all preparations for the monthly closing of the accounting.
- Supervise daily entry of expenses in the cashbook by secretary.
- Check and control to ensure quality and completeness of justification and supporting accounting documents of all expenses following guidelines
- Ensure accounting coding and budgeting lines are corrects: this includes verification of financial reports, expenses and supporting documents.

- Keep track accounting data by putting reference as GT and AT on the specific documents on the monthly basic.
- Ensure monthly balance of FIT/Cashbooks/Cashboxes and bank statements are the same, and responsible for completion and approval of reconciliation statements if any.
- Responsible for transparent and consistent filing of all accounting, banking and cash management documents (that arranged by secretary).
- Organize that copy of all supporting Bank documents and check cash document copy by cashier, before sent to RAfi on a monthly basis.

#### **Financial Administration**

- Check to ensure correct application of allowances.
- Assist the PM with a variety of tasks: e.g. cost calculations, filing finance-related documents, monthly and weekly financial planning, managing pipeline payments...etc.

#### **Budgeting and financial planning**

- Provides all necessary accounting data and information to the PM, for him to be able to follow up on budget and planning.
- Assist the PM in the elaboration of reports, budgets or plans.

#### **Profile:**

- Degree in accounting;
- Minimum 5 year experience accounting and project administration is an advantage;
- Experience with an international organization or NGO;
- Very good hands-on knowledge of excel and word is a must. Other programs (Database, accounting programs) a strong advantage;
- Fluent in English and Portuguese
- Good communicator and team player;

### **7.5.3 Proposed Medium term experts**

#### **7.5.3.1 Personnel and Organization (P&O) Expert – 12 + 6 months**

##### **Main duties and responsibilities**

*The responsibilities of the P&O Expert are related to the two first result areas of the intervention. They include (but are not necessarily limited to) the following areas:*

- Review the conclusions of the Functional Review(s) on HR processes and develop, together with MIREME HR staff, strategies and approaches to improve HR practices related to competence development, staff retention, workload forecasting and staffing.
- Develop, together with MIREME HR staff, new HR methodologies, approaches and instruments that can support the improvement of HR practices in MIREME.
- Prepare Terms of Reference for short term consultancies in support of the development of new HR methodologies, approaches and instruments
- Guide the work of the short term consultants in order to assure that the deliverables of the consultancies contribute to the overall improvement of HR practice in MIREME.

- Develop and implement Capacity Development activities to familiarize MIREME HR staff with new HR methodologies, approaches and instruments.
- Accompany HR teams, through coaching and mentoring, in the testing of newly developed HR methodologies, approaches and instruments in the MIREME. This includes giving technical advice, providing coaching and mentoring, etc.
- Assure overall synergy (content and timing) between activities in the area of HR management and other project activities both in the selected provinces (DIPREME) and at the central level (core and support functions).
- Attend and prepare, together with the PM, the Project Steering Committee (SC) meetings on a regular basis
- Report quarterly to the PM
- Contribute to the preparation of financial and procurement planning and budgeted work plans for the intervention.
- Establish and maintain good working relationships with project participants, counterpart agencies, donors and other relevant organizations and government agencies. Special attention will be given to synergies with other experts active in the MIREME.
- Share information about the project with other organizations and agencies as needed.

**Profile:**

- Master degree in Human Resources Management, Public Administration or Social Sciences
- At least 3 years of experience in P&O management in the areas of competence development, staff retention, workload forecasting and staffing is an advantage
- At least 2 years of experience in supporting change processes in public or private companies in developing countries, preferable in Eastern Africa is an advantage.
- A solid understanding of modern P&O Management techniques
- A solid understanding of governance, institutional strengthening, change management and capacity building principles, strategies and techniques
- Capacity to undertake activities in a participative, culturally sensitive and consultative manner, ensuring counter-parts actively participate and develop understanding and ownership
- High level interpersonal and communication skills and a demonstrated ability to communicate and negotiate effectively with a diverse range of groups
- Demonstrated capacity to work independently as well as contribute positively in a team environment
- Strong coaching and mentoring skills
- Excellent communication and report writing skills.
- Excellent planning, management and organizational skills
- A high level of computer literacy, including Word, Excel, Internet, E-mail, Power Point
- Excellent English and Portuguese

### **7.5.3.2 Planning, Monitoring and Evaluation Coach (12 + 6 months)**

#### **Main duties and responsibilities**

*The responsibilities of the M&E Expert are related to the two first result areas of the intervention. They include (but are not necessarily limited to) the following areas:*

- Map out existing reporting structures within MIREME
- Assess available data in the energy sector
- Coach the development of Key Performance Indicators. KPIs need to be developed together with different stakeholders, both within and outside MIREME. These KPIs should contribute to the strategic management of MIREME and policy making.
- Support the development of measurement systems: measurement systems may need to be developed and systematized. Quality Assurance mechanisms need to be included where possible.
- Support the development of reporting systems. Reporting systems need to strengthen different management levels (and thus with planning at different levels) and should allow for evidence-based decision making.
- Strengthen M&E skills of individuals at different levels: throughout all his/her activities, the M&E coach needs to have particular attention for the transfer of knowledge and skills to national counterparts.
- Coach the actual measurement and use of KPIs
- Support the development of indicators and reporting systems and formats.
- Support the Change co-manager in aspects that relate to M&E and strategic management.
- Report on a regular basis.

#### **Profile**

- Relevant University degree
- Minimum 2 years of experience in the development of KPIs and the development of measurement systems.
- Experience in the energy sector is a strong advantage
- Minimum 2 years of experience with process management
- Experience within an international organization, 3 years minimum
- A high level of computer literacy, including standard office programs, working with databases, skilled STATA or SPSS user
- Excellent English and Portuguese
- Excellent communicator and coach;
- Proven, effective facilitator skills and the ability to develop effective interpersonal relationships; teamwork, negotiate and manage conflict.
- Excellent communication and report writing skills.
- Excellent planning, management and organizational skills



## 7.6 Elements of a functional review

- *Identify a methodology and a framework for the analysis of selected functions at MIREME central level.*
- *Identify existing processes at the central level, based on the proposed framework.*
- *Identify existing teams, involved in processes at the central level. (organizational structure)*
- *Describe how each process related to the selected functions currently works in practice and how it is related to the performance of the MIREME and the appropriate Dept/Directorate. Furthermore, the description should also include how different processes interact. Finally, the description must also include an overview of what actors/teams/profiles are responsible for which part of the process.*
- *Identify Strengths, weaknesses, opportunities and threats (SWOT) for each of the processes. Ideally, this should be done through a benchmark exercise with other Ministries, preferably in the region (e.g. Zambia and South Africa). As far as the Opportunities and Threats are concerned, the broader context, either within or outside MIREME should be taken into account.*
- *Identify current workload drivers and give an estimation of how the workload for each team is divided over the different processes.*
- *Make recommendations, based on the SWOT, to improve the selected functions at the central level. These recommendations will distinguish between recommendations for the individual (sub) teams at the central level and recommendations for MIREME.*
- *Identify, together with key MIREME staff, priority recommendations for teams at the central level to be addressed immediately. This will be done during an interactive workshop.*
- *Make propositions for an operational plan to address the priority recommendations.*

## 7.7 Generic TORs for the comprehensive baseline study

*The comprehensive baseline work plan will cover the following topics:*

### **Project File**

### **Theory of Change**

*[Here the project team will try to summarize it's vision on the intervention and the achievement of the intervention's objectives. This implies a description of the logic between activities, outputs, outcome and impact and needs to reflect the intervention's Theory of Change. If useful, this can be illustrated by schemes, photos, etc. Please see BTC M&E GUIDE for more details on this approach.]*

### **Monitoring Matrix**

*[Showing what elements of the monitoring matrix are already complete at the time of the Comprehensive Baseline Work plan (and what elements need to be addressed in the Comprehensive Baseline)]*

### **Knowledge Gaps identified**

*[In this chapter the intervention team will describe all issues that need to be addressed by the Comprehensive Baseline.]*

### **Monitoring Matrix**

*[In this subchapter the intervention team describes all elements of the Monitoring matrix that need*

further development (see '3 Monitoring Matrix'). This can thus imply a reformulation of results, reformulating indicators, proposing new indicators, measuring values of indicators (thereby testing those indicators), proposing (intermediate) target values, defining responsibilities for data collection, defining the frequency and timing of measurement, finding SoV, assessing the difficulty of measuring different indicators, etc. If relevant, briefly describe the existing M&E systems at the level of the partner institution and the available data]

#### Risk analysis

[In this subchapter, describe what risks were already identified, assessed and what treatments were already planned. Next, this subchapter indicates to what extent the work done is satisfactory and whether these earlier findings (risk identification, and/or assessment and/or treatment proposed) will be followed. If applicable, this chapter will elucidate whether a complementary risk identification and analysis (+ risk mitigation strategy) is required, and determine its scope.]

#### Complementary Studies

[Possibly, the Comprehensive Baseline will also need to implement a number of complementary studies in order to arrive at a full Monitoring Plan. If this is the case, the intervention team should clearly delineate and explain what studies need to be done. Provide sufficient details on the precise content, scope, etc. Also indicate why it is important to do this study.]

#### **Approach**

[In this chapter the project team can further elaborate how the different knowledge gaps are to be addressed. If the work plan is included in the TFF, the formulators here need to indicate how the Comprehensive Baseline process will take place. In case a study or multiple studies need be executed by an external consultant before the arrival of the project team, the formulators should elaborate how this will happen. The formulators need refer to the ToR needed for recruiting a consultant (in chapter 8 of this document, the responsibility for launching and managing the tender, the person responsible for quality assurance, etc.)]

#### **Division of Labour & Deliverables**

[As different issues need to be addressed during the Comprehensive Baseline, it is quite probable that a division of labour needs to be established (should not be filled in if the whole Comprehensive Baseline is implemented internally): who is responsible for what deliverables and services?]

#### **Period and Duration**

[should not be completed if the Comprehensive Baseline is implemented without external consultants]

#### **ToR(s) study(ies)**

[only needs to be completed when one or more studies are to be executed before the arrival of the project team]

#### **ToR(s) Consultants**

[should not be completed if the Comprehensive Baseline is implemented without external consultants]