

## **Mozambique - Temane Transmission Project (TTP) Terms of Reference:**

### **Environmental & Social Management System Support**

***19 November 2018 – final external***

#### **Introduction**

- ❖ Electricidade de Moçambique E.P. (“EDM”), in partnership with Sasol New Energy Holdings Ltd (“Sasol”) and Globeleq Africa Limited (“Globeleq”), is developing a 400-MW Independent Power Producer (“IPP”) project at Temane in the Inhambane Province of Mozambique known as Central Termica de Temane (“CTT”) or the Temane IPP. The plant will use natural gas from the nearby PSA gas fields at Pande and Temane, to be developed and operated by Sasol Petroleum Mozambique Lda.
- ❖ The Temane IPP will be connected to the electricity grid in the Maputo area in southern Mozambique through a 560-km, 400-kV line, also including 3 new substations, known as the Temane Transmission Project (“TTP”). The TTP is considered Phase 1 of the larger interconnection between Maputo and the Tete Province, known as Sociedade Nacional de Transporte de Energia (“STE”). The TTP will be implemented as a publicly financed project, which will connect the Temane IPP plant and any other future plant and loads along the TTP corridor to the transmission network. Structurally TTP will be fully owned EDM subsidiary.
- ❖ The World Bank Group (WB) is considering financial support to EDM for the TTP project. The WB Group maintains high Environmental and Social (E&S) standards on all activities it contributes to fund, and expects that these international standards be applied by Clients such as EDM including to the TTP project, and also to the Temane IPP project. Currently, consultants are in the process of preparing WB standards based Environmental and Social Impact Assessments (ESIAs) and Resettlement Action Plans (RAPs) for both these projects.
- ❖ As part of an assessment conducted by the WB in December 2017 on EDM and the two projects, a concern was raised regarding the internal E&S capability and capacity within EDM to manage the TTP project and to oversee the E&S management of the CTT project and engage through CTT governance structures to ensure that the necessary CTT ESMS requirements (based on international standards and related good practice) are met, to the satisfaction of EDM, CTT lenders and other stakeholders (such as WB) . The E&S assessment revealed the following key concerns:
  - EDM’s E&S unit does not have sufficient capacity, it is fragmented, and needs to be consolidated and strengthened;
  - EDM’s Health and Safety (H&S) Specialists are housed in different units, and capacity should be strengthened, and the H&S management be integrated into the ESMS.
  - EDM needs to develop an integrated Environmental and Social Management System (ESMS) as a reliable and systematic approach to manage, oversee, and report on E&S performance of a growing number of projects, whether managed directly or as part of contractual oversight.
- ❖ EDM’s E&S Unit currently consists of 2 x environmental specialists, 1 x sociologist and 2 x surveyors/topographers, who currently handle all EDM projects across the country. It is recognized by EDM management that the capacity of the E&S Unit needs further strengthening, both to support the TTP

(including oversight of the CTT) and other EDM projects.

- ❖ The services of an external service provider are required to support EDM in developing the ESMS, and to help build capacity within the organization, initially to adequately manage E&S impacts of the TTP project (and oversee E&S management of the CTT project), in particular, and gradually to build further capability and capacity to extend E&S Management to other projects in EDM's portfolio.

*Note: For the avoidance of doubt, this ToR refers to 'E&S' (environmental and social) which includes: environmental, social, health and safety, security and labour.*

## **Objectives**

The primary objective of the ESMS development is to ensure that EDM has the necessary skilled resources internally, and an appropriately scaled and designed E&S management system to implement the environmental and social management plans and requirements of the TTP, and to oversee these for the CTT, according to the WB E&S standards and international good practice. This system should build on and add value to what is already in place and working well, wherever possible, and should include: improvement of current policies, procedures, management and monitoring programmes, enhancement of reporting and continuous improvement capacity, as well as training and capacity building (and support with recruitment where required) of EDM's management and technical personnel, and in particular E&S team, to ensure they are able to implement the system.

A secondary objective is that EDM, through this ESMS development and capacity building process, gain sufficient capability to develop, maintain and operate its existing and future infrastructure beyond these two projects to an internationally accepted E&S standard.

## **Management of the ESMS Support**

The ESMS Support initiative will report to the TTP Steering Committee, consisting of two (2) representatives of the EDM Executive Board, one (1) external EDM adviser and one (1) representative of Globeleq as EDM's development partner for the TTP initiative and equity partner in the CTT project.

Day-to-day management of the ESMS support will be the responsibility of the TTP Project Director, assisted by the TTP Deputy Project Director and the TTP Project Coordinator, together making up the TTP Management Team. All formal communication between the ESMS consultant and EDM / TTP will be channelled through the TTP Project Director, who will be responsible for ensuring reporting to the Steering Committee and interaction between the ESMS Consultant and the Steering Committee as required.

It is expected that the ESMS Consultant will issue brief monthly progress reports on progress with the ESMS development process, complemented by draft and final reports for each of the Tasks making up the Scope of the ESMS Support (see further below) and presentations to the TTP Steering Committee and EDM Management as otherwise noted. The Consultant's reports shall be copied for information to the World Bank team engaged with EDM on the TTP (and CTT) projects.

Following conclusion of Task 1, and considering the ESMS Consultant's findings, creation of an ESMS Steering Committee is envisaged, building on the TTP Steering Committee but expanding participation by additional representatives of EDM management.

## **The Scope of ESMS Support**

The ESMS support will include the following three main tasks:

❖ **Task 1 – Gaps analysis and roadmap:** *Conduct a detailed gap analysis of existing EDM E&S policies, procedures, management and monitoring plans, reporting processes, training and development programmes, and staff capacity against the WB/IFC requirements for an ESMS, including adherence to local regulations and international good practice. Based on the gap analysis, prepare a detailed plan and roadmap to develop and implement an ESMS to acceptable international standard, including policies, procedures, impact identification mapping, management, reporting (including monitoring and evaluation) and continuous improvement measures and the respective indicators, responsibility assignment, staff resourcing, training needs, and budgets. This task will:*

- Review current EDM policies and procedures against the WBG standards and define differences and gaps between the existing policies, local regulations and international requirements/good practice. The review must cover the various subject matters, including (but not limited to): environmental management, social risk management, stakeholder engagement, land acquisition, resettlement and livelihood restoration, cultural heritage, security management and human rights, labour and supply chain, occupational and community health and safety, and process safety;
- Review current E&S management processes, their completeness in comparison to an IFC PS aligned ESMS and ISO standards, as well as: (i) whether all the relevant content topics are adequately covered; (ii) whether impact management activities are well aligned with the overall project management cycle; (iii) whether input and decision-making arrangements provide proper entry points and checks and balances. Consideration should be given to how all these processes implemented are documented, but also how they are practically implemented on transmission line projects, and other typical projects, under EDM's auspices, whether the projects are owned and managed by EDM, or are integrated in EDM system through other arrangements (third party ownership and/or management, service/product supply, etc.). It is essential that a thorough gap analysis is done on these processes, as this will form the backbone of the road map to guide the design and improvement of the ESMS;
- Review the current monitoring and reporting requirements on the E&S performance of EDM. This should include all internal performance reporting, management reporting, KPIs definition and measurement, as well as quality control and internal and independent auditing processes. It will be important to understand how reliable current monitoring (such as internal audit) and reporting processes are, and what is required to enable Management to effectively identify and manage the risks and assure the results of EDM's E&S activities;
- Conduct a review of roles and responsibilities within the organization, as well as a skills and capabilities audit of the current E&S staff. It will be essential to have a good understanding of the gaps in the staffing plan (appropriate number and type of roles to manage all E&S aspects), and also of gaps in skills and competencies of current staff, in order to define specific restructuring, hiring and training needs. It is understood that EDM's E&S team is currently not adequately structured or staffed (both in terms of roles and required skills), and that additional capacity is needed. This review will help define the staffing needs and identify skills gaps more clearly;
- Conduct interviews and participatory assessments where appropriate with internal and external stakeholders;
- Considering EDM's mandate and responsibility, define the parameters and ideal structure of an effective E&S Organization and requirements for the effective implementation and operation of

the ESMS (based on international best practice and standards);

- Review the ESIA and RAP documents for the TTP and the CTT projects (which are currently under development by external consultants), in order to understand the scope of impacts and risks and the mitigation plans and E&S management requirements which they define for each project.
- Review the contractual structure between EDM and the CTT SPV to define the management and oversight requirements of EDM's ESMS to ensure that EDM's E&S performance requirements (including those of lenders and stakeholders) are met by CTT, while taking into account that the CTT is a private sector initiative with its own internal ESMS requirements and arrangements (with EDM as a minority shareholder and off-taker).
- Based on the outcome of the above review processes propose a phased ESMS, which should be designed to address the E&S requirements of the TTP (including CTT oversight) and ultimately of all EDM projects. Furthermore, prepare an ESMS implementation Roadmap which defines current status, ESMS implementation milestones, objectives, required actions, responsibilities, resources required and timelines for these milestones. This output should be in report, flowchart and powerpoint format.
- Present the findings and proposed Roadmap to EDM Management and the TTP Steering Committee and thereafter E&S staff and other operations staff.. Support EDM in presenting the proposed ESMS to the WB. Finalization of the ESMS and its implementation Roadmap may require one or more iterations based on the feedback from these presentations. Ultimately, full buy-in from EDM management, including its Board of Directors, will be a pre-requisite to support the execution of the Roadmap before Task 2 can commence.

❖ **Task 2 – Implementation of ESMS and Roadmap:** *This task includes the actual execution of the ESMS Roadmap developed under Task 1. The task will include amongst other things the following:*

- The development of policies, procedures, process maps, position/role descriptions, management and monitoring programmes, reporting processes, systems, templates and materials that will enable the EDM E&S and management team and the TTP team, each to the respective relevant extent, to implement the ESMS, including its oversight functions, according to international best practice;
- Development and delivery of tailor-made training for the EDM E&S team and management, including relevant members of the TTP team (and other project teams designated by EDM), to build their capacity and understanding of the ESMS and its requirements, particularly with respect to E&S management of the TTP and oversight of the E&S aspects of the CTT;
- As follow-on, provide guidance and support to the EDM and TTP E&S staff on the practical implementation and/or oversight of ESMS requirements, to ensure they have a full understanding of and confidence in the implementation and oversight of the new requirements; and
- Continue to provide EDM management and E&S team and the ESMS Steering Committee with a monthly report on progress with this process.

Note: *Following completion of Task 1 and acceptance of the ESMS Consultant's recommendations as agreed by EDM Management, it is assumed that the ESMS Steering Committee is established and that there will be an agreement on EDM hiring staff and taking some basic actions for Task 2 to be achievable.*

❖ **Task 3 – Monitoring of ESMS performance and ad hoc support:** *This task will include ongoing monitoring during the implementation of the ESMS, and practical support to the EDM E&S team and TTP team as may be required. This will be a part-time task, spread over a period of six months.* The task will comprise:

- A documentation, systems and process review, to understand progress on performance during the implementation of the ESMS. This will include physical site visits with E&S management team to observe and verify the practical implementation of the ESMS;
- Follow-up interviews with E&S staff and EDM Management to understand progress, concerns, and any specific needs for further focused support;
- Defining any additional practical /technical external support or training that may be required;
- Sourcing and provision of the practical/technical external support and if necessary additional training as defined;
- A physical presence of the consultant for one week per month at EDM offices in Maputo, over a period of six months.
- Provision of a brief monthly progress report to EDM Management and the TTP Steering Committee, copied to the World Bank.

## Timeline

The expected timeline of the assignment is one (1) year, preferably starting February 2019, pending timely approval of the candidate/company.

Tasks 1 and 2 together are expected to have a duration of 6 months, with mostly full-time presence of the Consultant in the EDM office in Maputo and other relevant locations as may be agreed. It is anticipated that Task 1 will have a duration of 4 months, and Task 2 a further 2 months. Commencement of Task 2 will be triggered by confirmation by EDM Management of agreement to implement the Task 1 recommendations, in particular related to hiring of staff required for the Consultant effectively to undertake Task 2. Therefore, it might be possible that there is a short time-gap between task 1 and 2.

Task 3 is expected to span over a period of 6 months, with a physical presence of the consultant for 1 week per month at EDM office in Maputo and other relevant locations.

## Indicative Consultant Resource Inputs

The ESMS support role is expected to require a total of approximately ten and a half (10.5) person-months of Consultant time over the period indicated for the support role. This is 6 months full-time and 6 weeks spread over 6 months for one person, and another 12 weeks for support from team experts providing topical expertise and assisting with training material development and delivery.

The consultant will be expected to be present in Maputo at least 80% of time during Tasks 1 and 2, with subsequently 1 week per month physical presence in Maputo during Task 3.

## Deliverables

Key deliverables by the Consultant following the scope description shall include:

- **Inception Workshop** with EDM and TTP management and other parties designated by EDM (in consultation with the World Bank) to discuss and agree the detailed ESMS support expectations, execution plan and all practical arrangements required to fulfil this assignment. The workshop

outcomes to be documented in a brief Inception Report;

- **ESMS Documentation** as described in Tasks 1 and 2, including all the relevant documentation, gap analysis, process description, templates, working instructions, Draft Report (ESMS proposal including system manual), etc. in hard copy and electronic format;
- **Presentations:** at the end of Task 1, a presentation to and workshop with the relevant stakeholders on the proposed ESMS and its implementation Roadmap; and at the end of Task 2 a final presentation on the proposed ESMS and implementation Roadmap, in preparation for sign-off by EDM management, and the ESMS Steering Committee;
- **ESMS Document:** At the end of Task 2 this will be supported by an ESMS manual for signing off by EDM management, describing the full spectrum of ESMS elements as per IFC PS requirements/ISO standards to be submitted within two (2) weeks of receipt in writing of EDM comments to the Draft Report.
- **Training:** A capable and well-trained E&S staff/team within EDM and TTP Project staff, based on staffing plans as agreed with EDM Management, that have the skills and confidence to implement the ESMS and all E&S plans and requirements on the TTP project (and other EDM portfolio projects, including oversight of third party managed projects including CTT).

### Requirements to the Consultant

It is expected that the ESMS Support be undertaken by a small team composed by one appropriately skilled and self-organizing individual, who can be supported by thematic specialist consultants drawn from a specialised ESMS advisory firm with proven experience in similar assignments. The Consultant needs to demonstrate good knowledge of the content and application WBG Standards and Guidelines including IFC Performance Standards and the World Bank ESHS Guidelines, ISO standards, etc., and experience working in Mozambique and the southern Africa region. The Consultant should have in-depth understanding of ESMS requirements as defined under WBG Policies / IFC Performance Standards 1 and associated Guidance Note.

Key skills required from the Consultant (and support team) include the ability to independently manage and drive change processes in larger organizations, have insight into the challenges associated with implementing an ESMS, and sensitivity to building human capital and motivating a team to improve and take ownership of content. The consultant must demonstrate sensitivity to, and awareness of the challenges of managing projects and teams in a cross-cultural context. A Portuguese speaker is preferred for the leadership role but not a pre-requisite. Fluency in English is a requirement of the role. At least one member of the team should speak Portuguese and the firm should budget for translation/interpretation services to ensure fluid communication with stakeholders.

### Information / Support to be made available by EDM

EDM will make available relevant E&S information about the TTP project (including the relevant information on CTT and the respective oversight arrangements) and other EDM projects, as well as other internal E&S related documents, processes and systems required to help the consultant understand the operational aspects of the current EDM E&S management practices.

While in Mozambique, the Consultant will be provided with office space at EDM's offices and be given access to internet and normal office support services. The Consultant is expected to be responsible for his/her own travel arrangements, including local transport and accommodation arrangements.

At the end of Task 1, EDM and the consultant will agree on the resources (including personnel) that must be provided by EDM before Task 2 can advance.