

## **Electricity of Mozambique (EDM)**

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### **PROJECT PROCUREMENT STRATEGY FOR DEVELOPMENT (PPSD)**

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### **SUSTAINABLE ENERGY AND BROADBAND ACCESS IN RURAL MOZAMBIQUE PROJECT**

**September 2<sup>nd</sup>, 2021**

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## 1. Project Overview

|  |   |
|--|---|
| <b>Country:</b>                        | <b>Mozambique</b>   |
| <b>Full Project Name:</b>              | SUSTAINABLE ENERGY AND BROADBAND ACCESS IN RURAL MOZAMBIQUE PROJECT (ProEnergia+)   |
| <b>Total Finance (\$):</b>             | 180 MUSD (Components 1 and 2 only)  |
| <b>Project Period:</b>                 | 6 Years   |
| <b>Project Number:</b>                 | P175295   |
| <b>Key Results indicators</b>          | <p>Component 1 key indicators:</p> <ul style="list-style-type: none"> <li>• 1.4 million people provided with new or improved electricity services</li> <li>• 400 public facilities provided with electricity services</li> <li>• 400 enterprises with access to electricity services</li> <li>• New equipment for emergency response</li> </ul> <p>Component 2 key indicators:</p> <ul style="list-style-type: none"> <li>• Incorporation of a new ERP</li> <li>• Installation of 2.5 million energy efficient bulbs</li> </ul> |
| <b>Project Development Objectives:</b> | Increase Access to energy and broadband services in project areas and strengthen operational performance of the electric utility  |
| <b>Implementing Agencies:</b>          | <ul style="list-style-type: none"> <li>- Ministry of Mineral Resources and Energy (MIREME)</li> <li>- Electricidade de Moçambique (EDM);</li> <li>- Fundo de Energia (FUNAE);</li> <li>- Ministério dos Transportes e Comunicação (MTC) and Instituto Nacional de Comunicações (INCM).</li> </ul>   |

### Summary of Project Development Objectives

#### 1.PDO

The Project Development Objective (PDO) is to achieve 100% electrification in the country by 2030, broadband services and strengthen the financial performance of the power sector.

The high growth of the cities and rural villages along the country force EDM to design a program to support by means of densification of electricity connections on dwellings, small business centers including grid extension and off grid infrastructures.

Such program will directly contribute to the socio-economic development of Mozambique by providing electricity services for poor households in rural and urban areas, enabling opportunities to study and work, contributing to raising quality of life and improving safety at night and stimulating economic activity.

## 2. Project Beneficiaries

This project will beneficiary all potential consumers and small business centers which are nearby existing distribution network (In the vicinity of the existing networks with spare capacity) and also will contribute to reduce technical and no technical losses in EDM, improve transparency in corporate management and improve financial performance of EDM.

**Table 1: Project Components**

| <b>Component</b>                                      | <b>Activity</b>                              | <b>Estimated cost (MUSD)</b> | <b>Procurement arrangement</b> |
|---|--|------------------------------|--------------------------------|
| Component 1 -<br>Sub-<br>component<br>1a - Activity 1 | Supply of Material and<br>Equipment          | 70                           | Traditional                    |
| Component 1-<br>Sub-<br>component<br>1a - Activity 2  | Supply and Installation<br>works             | 76                           | Traditional                    |
| Component 1 -<br>Sub-<br>component<br>1a - Activity 3 | Design and<br>Supervision of Works           | 4                            | Traditional                    |
| Component 1<br>Sub-<br>component 1b                   | Supply of Material and<br>Equipment          | 5                            | Traditional                    |
| Component 2<br>Sub-<br>component 2a                   | Improve of EDM<br>operational<br>performance | 20                           | Traditional                    |
| Component 2<br>Sub-<br>component 2b                   | Energy efficiency                            | 10                           | Traditional                    |

|                                 |   |            |             |
|---------------------------------|---|------------|-------------|
| Component 3<br>Sub-Component 3a | Off-Grid solutions for electricity                        | 25         | Traditional |
| Component 3<br>Sub-Component 3b | Clean cooking solutions                                   | 10         | Traditional |
| Component 3<br>Sub-Component 3c | Energy services for IDP's and host communities            | 5          | Traditional |
| Component 4                     | Broadband Access for Underserved Areas and Target Groups  | 10         | Traditional |
| Component 5<br>Sub-Component 5a | Capacity building and policy enhancement to MIREME        | 5          | Traditional |
| Component 5<br>Sub-Component 5b | TA for policy enhancement and capacity building for FUNAE | 3          | Traditional |
| Component 5<br>Sub-Component 5c | Implementation support and capacity building for EDM      | 4          | Traditional |
| Component 5<br>Sub-Component 5d | Implementation support and capacity building for MTC      | 1          | Traditional |
| <b>Total</b>                    |   | <b>243</b> |             |

**Table 2: Supply Positioning (SFRA)**

|                |  |  |             |
|----------------|--|--|-------------|
| <b>High</b>    |  |  | <b>High</b> |
| <b>Risk or</b> | <b>Strategic Security</b><br>Improvement of EDM's operational performance<br>Energy efficient lighting | <b>Strategic Critical</b><br>Improvement of EDM operational performance<br>Supply of Transformers, Insulators, LV panels, Poles, Cables & Conductors, Meters and Accessories |             |

|            |  |  |             |
|------------|--|--|-------------|
|            | <b>Tactical Acquisition</b><br>Design and Supervision of Works into two packages | <b>Tactical Advantage</b><br>Installation Services divided into 7 Lots |             |
| <b>Low</b> | <b>Estimated to Cost / Value</b>   |  | <b>High</b> |

### Pestel Analysis

|            |   |
|------------|---|
| Political  | <p>National procurement legislation contains same fragilities regarding confidentiality on bidding of information during standstill period</p> <p>Recent changes in legislation for hiring of foreign citizens will be enforced with greater vigour with respect to EPC contractors and may increase the risk of delays in mobilisation times for construction work</p> <p>The project is highly likely to get exemptions from customer duties</p> <p>Same focus of instability in northern province of Cabo Delgado</p> <p>Province due same terrorist attacks</p> |
| Economical | <p>The country is prone to high inflation rate and exchange rate</p> <p>No availability of local manufacturers and suppliers of equipment and material</p> <p>While the Metical has steadily appreciated against the USD from a weak base in previous years, Government monetary policy, together with a view that the Metical is still overvalued, may cause the Metical to depreciate if there are any market “shocks” either locally or internationally. This may result in a preference for EPC contractors to quote local content in a major currency.</p>     |



|               |   |
|---------------|---|
| Legal         | <p>Contract approval process is lengthy and complex</p> <p>Decree 37/2016 (Hiring of Foreign Citizens) was introduced in November 2016 with the aim of reducing local unemployment by promoting the hiring of Mozambique citizens. The regulation requires that foreign workers in Mozambique meet minimum qualification and professional skills requirements for the position to be filled and that there are no other suitably qualified local employees for that position (demonstrated by a certificates of qualification and equivalence with the latter being issued in Mozambique)</p> |
| Social        | Social impact is positive in terms attracting accessibility of electricity and there for improvement of quality of life   |
| Environmental | <p>In the coastal areas the level of corrosion is very high;</p> <p>In the vicinity of river banks the flood risk are high</p>  |
|               | <p>Using bear conductor in this project which covers high density areas with many trees in roads and streets will imply cutting many trees in all line corridor to avoid power cut out (imply using wide corridor)</p> <p>In certain swamp areas the use of wood poles will have influence on the life time of the lines</p>  |
| Technology    | <p>To get good quality of material and equipment is very challenging</p> <p>Considering high density of trees where the lines will cause high environmental impact on the population trees</p>  |

## 2. Client Capability and PIU Assessment

### Experience

The client and PIU have high experience on implementing similar projects. however, given the high volume of works, there is a need to add more staff to strength the capacity in order to achieve the timely completion of the project of this challenge project.

### Need for hands-on support

Given the uniqueness and high challenges of the project, there is a need for banks support to train the additional staff special the young professional to improve their contribution to the PIU.

### **Contract management capability and capacity**

The PIU have high capacity in contract management, however in order to increase capability, there is a need to add more staff to strength the capacity in order to cater for the anticipated high volume of contracts.

### **Complaints management and dispute resolution systems**

The national procurement legislation has already a clear procedure for bidders to submit their complaints to various levels of public institutions, which have been followed by the client in all cases.

### **Key conclusions**

The PIU based on the previous experience with additional staff and exchange of experience with other succeed utilities can handle successfully this procurement strategy process.

## **3. Market Approach**

In previous electrification projects EDM has built experience with both Engineering, Procurement and Construction (EPC) and separate Supply and Installation contracts. For the ProEnergia Plus project, EDM has chosen to follow the same procurement strategy adopted in the ProEnergia Project (P165453), this is, purchasing materials and equipment apart from the works contracts. This strategy is preferred because of the gains recently seen on the ProEnergia Project. EDM achieved savings of approximately 40% per connection when they purchased materials themselves versus their previous EPC contracts. Apart from lower prices, other benefits include the speed delivery and the ability to select the delivery points. This provides additional flexibility to EDM in terms of material handling and control of the material suppliers.

The nature of the works proposed requires simple engineering and design works, there are repetitive and small installations. The level of technical complexity is low. For this reason, the installation works can be carried out by non-specialized teams with basic equipment and tools. This favors contracting smaller local firms which can quickly deploy man-power to the required locations, rather than large EPC firms who are better placed to conduct large and complex tasks with internationally experienced man-power.

Over the past 3 years EDM has built the capacity in terms of human resources, equipment and software to manage multiple supply and installation contracts at the same time. The virtual warehouses created under the warehouse module of the ERP (GIAP) has served to virtually monitor the entrance and exit of materials, giving EDM complete oversight of material management. EDM has also recruited a logistics specialist to coordinate the arrival and distribution of materials. In addition, EDM has contracted a supervision engineer who helps to manage the activities on site. To date, there have been lessons learnt from this experience, in particular the need to prepare warehouses before the arrival

of materials. However, there are strong positive indications that this is a successful strategy for EDM to follow in the proposed project.

Under Component 2, EDM will purchase an Enterprise Resource Planning System. The ERP to be installed within EDM will provide management information systems that support operations and key business areas of the company as single buyer. Additional technical support leading to the identification of full-fledged management improvement plans for the power companies is envisaged under subsequent phases of the Programmatic TA. While EDM's existing ERP was provided by INDRA (a global software company based in Spain), the new system will be competitively procured through an open international process. System specifications are under preparation with the support of a specialized consultant recruited by EDM under the ongoing PERIP project, financed by the World Bank.

Also under Component 2, EDM will procure energy efficient light bulbs for public institutions and EDM's own installations. This is aimed at reducing the electricity consumption of customers who have difficulties in paying for their monthly consumption. Procurement of these bulbs and their installation will be done through an open international procurement process. Considering the size of the market globally, it is expected that most bidders will come from Asia and potentially South Africa, where the energy efficiency technologies are more developed. These suppliers of bulbs can team up with local contractors who would be responsible for installation of new bulbs and environmentally friendly disposal of the older bulbs.

**Table 3: Project SWOT Analysis**

| <b>Strengths</b>  | <b>Weakness Challenges</b>  |
|---|---|
| <ul style="list-style-type: none"> <li>• given the high social and political impact, the project has high support from the governmental authority</li> <li>• High experience of the PIU and the client in Procurement, contract and overall Project management</li> </ul> | <ul style="list-style-type: none"> <li>• Given the high volume the procurement and all project management activities there are need to increase number of staff on PIU.</li> <li>• The new staff to be added to PIU need to be trained in order to have capacity to process procurement and project management activities with efficiency.</li> <li>• Risk of theft of equipment and material from the warehouse.</li> <li>• Risk of delay in mobilization of warehouse from the installation contractors.</li> </ul> |

|   |   |
|---|---|
| <ul style="list-style-type: none"> <li>the client knows well the electrification business than anyone else in the country</li> <li>there is an availability of technical staff to support implementation of the project</li> <li>New low-cost distribution standards</li> </ul>                   | <ul style="list-style-type: none"> <li>Risk of misuse or wrong distribution of material and equipment by the construction contractors.</li> <li>Risk to not have sufficient responsiveness installation contractors.</li> <li>Contractors do not have resources to work in multiple locations causing delays to the project</li> <li>Customs clearance causes delays</li> <li>Delays caused by lengthy bid evaluation</li> <li>Delays caused rejection of contractor's applications for certificates of equivalence for foreign workers.</li> <li>Power outages delay construction programme</li> </ul> |
| <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>increase of revenue to the client</li> <li>improve the image of the client among the public and government</li> <li>increase of jobs</li> <li>improve of quality of life to the people</li> <li>Reduction of losses</li> </ul> | <p><b>Threats</b></p> <ul style="list-style-type: none"> <li>pressure from the government to expedite the project due to upcoming electoral process</li> <li>delay in delivering of key material and equipment may delay the all project</li> <li>low quality key material and equipment may impact the quality of the project</li> <li>focus of instability in north province of Cabo Delgado Province due same terrorist attacks</li> </ul>   |

**Table 4: Procurement Risk Analysis**

**Overall Procurement Risk Rating:  
Substantial**

| Risk Description  | Overall Risk Rating (A*B) | A. Likelihood Rating | B Impact Rating | Description of proposed mitigation | Risk Owner    |
|---|---------------------------|----------------------|-----------------|------------------------------------|---------------|
| Given the high volume of procurement and overall project management | 10 (Medium)               | 5                    | 2               | External staff must be procured    | PIU Proj. Dir |

|  |                |   |   |  |        |
|--|----------------|---|---|--|--------|
| activities there is need to increase number of staff on PIU.                                     |                |   |   |  |        |
| The new staff to be added to PIU need to be trained in   | 10<br>(Medium) | 5 | 2 | Need to identify the training needs and  | PIU PM |
| order to have capacity to process procurement and project management activities with efficiency. |                |   |   | training plan need to be prepared  |        |
| Theft of equipment and material from the warehouse.  | 20<br>(High)   | 4 | 5 | Contractors must have security services and insurance for the warehouse.<br><br>Engagement of storage manager from the supervision consultant to help monitoring the use of material | PIU PM |
| Risk of delay in mobilization of warehouse from the installations contractors.                   | 12<br>(Medium) | 3 | 4 | Start the procurement process with installation BID first  | PIU PM |

|  |                |     |   |  |          |
|--|----------------|-----|---|--|----------|
| Mis-application of material and equipment by the construction contractors.                     | 10<br>(Medium) | 2.5 | 4 | Engagement of supervision consultant to inspect the quality of material and the installation works   | PIU PM   |
| Risk to not have sufficient responsiveness installation contractors.                           | 20<br>(High)   | 5   | 4 | Advertise in the regional newspaper, promote conference meeting with CTA to inform about the project and opportunity for locals company's requirements | PIU PM   |
| Contractors do not have resources to work in multiple locations causing delays to the project. | 16<br>(Medium) | 4   | 4 | Include que qualification requirements in BID  | PIU PM   |
| Customs clearance causes delays.   | 20<br>(High)   | 5   | 4 | Appoint PMU logistics manager. Materials/equipment tracking to be implemented  | Steercom |
| Delays caused by lengthy bid evaluation.   | 14<br>(Medium) | 3.5 | 4 | Roles and responsibilities to be defined and sequence of BIDs to be established in procurement plan  | PIU PM   |

|   |                |    |    |   |               |
|---|----------------|----|----|---|---------------|
| Delays caused rejection of contractor's applications for working visas for foreign workers. | 20<br>(High)   | 4  | 5  | RFB to approach the Ministry of Labour and Home affairs to accelerate the approval of working visas.  | PIU Proj. Dir |
| Power outages delay construction programme.   | 18<br>(High)   | 3  | 6  | Contractor to source own construction power and to have contingency plan.   | PIU PM        |
| Pressure from the government to expedite the project due to upcoming electoral process.     | 12<br>(Medium) | 12 | 1  | Maximize involvement for the government on mitigating the identified constrains such as: exception on Customs duties, contractual approval processes. | Steercom      |
| Delay in delivering of key material and equipment may delay the all project.                | 20<br>(High)   | 4  | 5  | Contractual penalties must be addressed in suppliers contracts.   | PIU PM        |
| Low quality key material and equipment may impact the quality of the project.               | 20<br>(High)   | 2  | 10 | Strong specification and inspection during manufacturing.   | PIU PM        |

|   |             |   |   |  |          |
|---|-------------|---|---|--|----------|
| Focus of instability in north province of Cabo Delgado Province due same terrorist attacks. | 10 (Medium) | 5 | 2 | Remove the conflict zone (north of Cabo Delgado province) from the areas to electrify when the conflict still exist. | Steercom |
|---|-------------|---|---|--|----------|

#### 4. Recommended Procurement Approach for the Project

##### 4.1 Component 1

##### 4.1.1 Supply of Transformers and LV panels • Contract and Estimated Cost: 9.3 MUSD • Procurement Approach:

Since there is no local manufacturer for the majority of material and equipment, an open international approach shall be applied to attract a wide range of manufacturers and suppliers from the international market.

| Attribute                                      | Selected arrangement  | Justification Summary/Logic   |
|--|---|---|
| <b>Specifications</b>                          | Conformance   | The PIU will already have specifications available and contractor must fulfil with them |
| <b>Sustainability Requirements</b>             | Yes   |   |
| <b>Contract Type</b>                           | Traditional   |   |
| <b>Pricing and costing mechanism</b>           | Schedule of Rates / Admeasurement                               |   |
| <b>Supplier Relationship</b>                   | Collaborative   |   |
| <b>Price Adjustments</b>                       | None, fixed price   |   |
| <b>Form of Contract (Terms and Conditions)</b> | State any special conditions of contract: no special conditions |   |



|                                    |  |  |
|------------------------------------|--|--|
| <b>Selection Method</b>            | Requests for Bids (RFB)  |  |
| <b>Selection Arrangement</b>       | NA   |  |
| <b>Market Approach</b>             | A. Type of Competition<br>1. Open<br>2. International<br><br>B. Number of Envelopes/Stages |  |
|                                    | 1. Single Envelope   |  |
| <b>Pre / Post Qualification</b>    | Pre-Qualification  |  |
| <b>Evaluation Selection Method</b> | NA   |  |
| <b>Evaluation of Costs</b>         | NA   |  |
| <b>Domestic Preference</b>         | No   |  |
| <b>Rated Criteria</b>              | NA   |  |

#### 4.1.2 Supply of Poles

- **Contract and Estimated Cost:**  
**15.2 MUSD**
- **Procurement Approach:**

Since there is no local manufacturer for the majority of material and equipment, an open international approach shall be applied to attract a wide range of manufacturers and suppliers from the international market.

| <b>Attribute</b>                   | <b>Selected arrangement</b> | <b>Justification Summary/Logic</b>  |
|------------------------------------|-----------------------------|---|
| <b>Specifications</b>              | Conformance                 | The PIU will already have specifications available and contractor must fulfil with them |
| <b>Sustainability Requirements</b> | Yes                         |   |

|  |  |  |
|--|--|--|
| <b>Contract Type</b>                           | Traditional  |  |
| <b>Pricing and costing mechanism</b>           | Schedule of Rates / Admeasurement  |  |
| <b>Supplier Relationship</b>                   | Collaborative  |  |
| <b>Price Adjustments</b>                       | None, fixed price  |  |
| <b>Form of Contract (Terms and Conditions)</b> | State any special conditions of contract: no special conditions                          |  |
| <b>Selection Method</b>                        | Requests for Bids (RFB)  |  |
| <b>Selection Arrangement</b>                   | NA   |  |
| <b>Market Approach</b>                         | C.Type of Competition<br>3. Open<br>4. International<br><br>D.Number of Envelopes/Stages |  |
|  | 2. Single Envelope   |  |
| <b>Pre / Post Qualification</b>                | Pre-Qualification  |  |
| <b>Evaluation Selection Method</b>             | NA   |  |
| <b>Evaluation of Costs</b>                     | NA   |  |
| <b>Domestic Preference</b>                     | No   |  |
| <b>Rated Criteria</b>                          | NA   |  |

#### 4.1.3 Supply of Cables and Conductor

- **Contract and Estimated Cost: 19.4 MUSD**
- **Procurement Approach:**

Since there is no local manufacturer for the majority of material and equipment, an open international approach shall be applied to attract a wide range of manufacturers and suppliers from the international market.

| <b>Attribute</b>                               | <b>Selected arrangement</b>  | <b>Justification Summary/Logic</b>  |
|--|--|---|
| <b>Specifications</b>                          | Conformance  | The PIU will already have specifications available and contractor must fulfil with them |
| <b>Sustainability Requirements</b>             | Yes  |   |
| <b>Contract Type</b>                           | Traditional  |   |
| <b>Pricing and costing mechanism</b>           | Schedule of Rates / Admeasurement  |   |
| <b>Supplier Relationship</b>                   | Collaborative  |   |
| <b>Price Adjustments</b>                       | None, fixed price  |   |
| <b>Form of Contract (Terms and Conditions)</b> | State any special conditions of contract: no special conditions                            |   |
| <b>Selection Method</b>                        | Requests for Bids (RFB)  |   |
| <b>Selection Arrangement</b>                   | NA   |   |
| <b>Market Approach</b>                         | E. Type of Competition<br>5. Open<br>6. International<br><br>F. Number of Envelopes/Stages |   |
|  | 3. Single Envelope   |   |
| <b>Pre / Post Qualification</b>                | Pre-Qualification  |   |

|                                    |    |  |
|------------------------------------|----|--|
| <b>Evaluation Selection Method</b> | NA |  |
| <b>Evaluation of Costs</b>         | NA |  |
| <b>Domestic Preference</b>         | No |  |
| <b>Rated Criteria</b>              | NA |  |

#### 4.1.4 Supply of Meter

- **Contract and Estimated Cost: 7.5 MUSD**
- **Procurement Approach:**

Since there is no local manufacturer for the majority of material and equipment, an open international approach shall be applied to attract a wide range of manufacturers and suppliers from the international market.

| <b>Attribute</b>                               | <b>Selected arrangement</b>                                     | <b>Justification Summary/Logic</b>  |
|--|---|---|
| <b>Specifications</b>                          | Conformance   | The PIU will already have specifications available and contractor must fulfil with them |
| <b>Sustainability Requirements</b>             | Yes   |   |
| <b>Contract Type</b>                           | Traditional   |   |
| <b>Pricing and costing mechanism</b>           | Schedule of Rates / Admeasurement                               |   |
| <b>Supplier Relationship</b>                   | Collaborative   |   |
| <b>Price Adjustments</b>                       | None, fixed price   |   |
| <b>Form of Contract (Terms and Conditions)</b> | State any special conditions of contract: no special conditions |   |
| <b>Selection Method</b>                        | Requests for Bids (RFB)   |   |

|                                    |   |  |
|------------------------------------|---|--|
|                                    |   |  |
| <b>Selection Arrangement</b>       | NA  |  |
| <b>Market Approach</b>             | G. Type of Competition<br>7. Open<br>8. International |  |
|                                    | H. Number of Envelopes/Stages<br>4. Single Envelope   |  |
| <b>Pre / Post Qualification</b>    | Pre-Qualification                                     |  |
| <b>Evaluation Selection Method</b> | NA  |  |
| <b>Evaluation of Costs</b>         | NA  |  |
| <b>Domestic Preference</b>         | No  |  |
| <b>Rated Criteria</b>              | NA  |  |

#### 4.1.5. Supply of Accessories

- **Contract and Estimated Cost:**  
**11.1 MUSD**
- **Procurement Approach:**

Since there is no local manufacturer for the majority of material and equipment, an open international approach shall be applied to attract a wide range of manufacturers and suppliers from the international market.

| <b>Attribute</b>                   | <b>Selected arrangement</b> | <b>Justification Summary/Logic</b>  |
|------------------------------------|-----------------------------|---|
| <b>Specifications</b>              | Conformance                 | The PIU will already have specifications available and contractor must fulfil with them |
| <b>Sustainability Requirements</b> | Yes                         |   |

|  |   |  |
|--|---|--|
| <b>Contract Type</b>                           | Traditional   |  |
| <b>Pricing and costing mechanism</b>           | Schedule of Rates / Admeasurement   |  |
| <b>Supplier Relationship</b>                   | Collaborative   |  |
| <b>Price Adjustments</b>                       | None, fixed price   |  |
| <b>Form of Contract (Terms and Conditions)</b> | State any special conditions of contract: no special conditions                         |  |
| <b>Selection Method</b>                        | Requests for Bids (RFB)   |  |
| <b>Selection Arrangement</b>                   | NA  |  |
| <b>Market Approach</b>                         | I. Type of Competition  |  |
|  | 9. Open<br>10. International<br><br>J. Number of Envelopes/Stages<br>5. Single Envelope |  |
| <b>Pre / Post Qualification</b>                | Pre-Qualification   |  |
| <b>Evaluation Selection Method</b>             | NA  |  |
| <b>Evaluation of Costs</b>                     | NA  |  |
| <b>Domestic Preference</b>                     | No  |  |
| <b>Rated Criteria</b>                          | NA  |  |

#### 4.2 Component 1 - Subcomponent 2:

Since this activity is not complex and consists of small repetitive works, and the local contractors have technical capacity to carry out the services, and in view to save high logistical costs from international contractors, an adequate geographical splitting of the

installation activities in reasonable and accessible size shall be applied to attract the local market.

Furthermore, to ensure attractiveness for the local contractors and to guarantee their conformance to the procurement procedures, the client will apply an auto reach approach whereby the local potential contractors will be invited to attend a meeting prior the bidding to be briefed on the key aspects of the bidding process.

### Market Analysis for Installation Contractors

Currently the size of the distribution component in the country exceeded 201MUSD; this number is made up of more than 4 local contractors and 8 international. The average contract amount for the local contractors is 3.6MUSD while for international is 8.5MUSD.

#### Proenergia National Installation Contractors

| <b>Name of Project</b>                                    | <b>Lot</b> | <b>Contractor</b> | <b>Contract Amount</b> |
|---|------------|-------------------|------------------------|
| Postos Administrativos                                    | Lot 1      | TesTop            | 4,243,243              |
| Postos Administrativos                                    | Lot 2      | MPI               | 2,324,324              |
| Construcao da 2 linha Bilene                              | Single     | MPI               | 1,256,757              |
| Reabilitacao da rede de distribuicao Chocas Mar           | Single     | MPI               | 3,445,946              |
| Electrificação de vilas fronteiriças Fase 2 Tete e Maputo | PACKAGE A  | TesTop            | 1,675,676              |
| Electrificação de vilas fronteiriças Fase 2 Tete e Maputo | PACKAGE B  | Engco             | 1,013,514              |
| Electrificação de vilas fronteiriças Fase 2 Tete e Maputo | PACKAGE C  | Electrotec        | 3,108,108              |
| Electrificação de vilas fronteiriças Fase 2 Tete e Maputo | PACKAGE D  | MPI               | 1,675,676              |
| Electrificação de vilas fronteiriças Fase 2 Tete e Maputo | PACKAGE E  | TesTop            | 1,675,676              |
| EDAP  | Lot 6      | Electrotec        | 6,000,000              |
| Proenergia  | Lot 5      | TesTop            | 13,086,911             |
| <b>AVERAGE</b>  |            |                   | <b>3,591,439</b>       |

#### Proenergia International Installation Contractors

| <b>Name of Project</b>                   | <b>Lot</b> | <b>Contractor</b>         | <b>Contract Amount</b> |
|--|------------|---------------------------|------------------------|
| Postos Administrativos                   | Lote 3     | SETH                      | 4,756,757              |
| Electrificação Rural Província de Niassa | Lote 1     | ANGELIQUE                 | 9,000,000              |
| Perip                                    | Lote 4     | SETH                      | 11,177,345             |
| Perip                                    | Lote 5     | SINOHYDRO                 | 9,545,200              |
| Electrificação Rural província Niassa    | Lote 2     | ANGELIQUE                 | 8,000,000              |
| Electrificação Rural Vilanculos          | Lote 3     | SETH                      | 8,300,000              |
| EDAP                                     | Lote 2     | SETH                      | 8,000,000              |
| EDAP                                     | Lote 3     | ANGELIQUE                 | 11,000,000             |
| EDAP                                     | Lote 4     | SETH                      | 8,000,000              |
| EDAP                                     | Lote 5     | SETH                      | 7,000,000              |
| EDAP                                     | Lote 7     | SETH                      | 6,000,000              |
| EDAP                                     | Lote 8     | SETH                      | 5,000,000              |
| EDAP                                     | Lote 9     | ANGELIQUE                 | 8,000,000              |
| EDAP                                     | Lote 31    | ELTEL                     | 16,000,000             |
| EDAP                                     | Lote 32    | ELECTROTEC                | 2,300,000              |
| Proenergia                               | Lote 1     | JV ELECTROTEC & VISABEIRA | 12,185,139             |
| Proenergia                               | Lote 2     | JV ROUSANT & ELEMECH      | 6,866,564              |
| Proenergia                               | Lote 3     | POWERGEN                  | 8,449,188              |
| Proenergia                               | Lote 4     | JV ELECTROTEC & VISABEIRA | 12,715,046             |
| <b>AVERAGE</b>                           |            |                           | <b>8,541,854.65</b>    |

Although we have a large number of local contractors, only 4 are actively working in contracts of average



3.5MUSD. It's evident that their capacity is lower than the international (8.5MUSD).

These numbers bring up a 33% capacity ratio for the national installation contractors and 80% for the international installation contractors from the average value of the Proenergia.

From the average contract amounts for phase I, the local contractors have 61% financial capacity to be considered. The proposal from the EDM side to motivate local involvement is to redistribute the lots into 8, smaller portions that will help both local and international contractors to mobilize the teams and equipment along the work sites. Other solution is to motivate JV's national and international wise.

We expect a significant interest from international contractors, thus we intend in the workshops to emphasize solutions as JV's between locals and subcontracting by the internationals.

Furthermore, from the experience held in the implementation phase of Proenergia, some factors affected the performance of the international contractors being:

- **Mobilization** - the timeframe to recruit and mobilize the staff was quite large and was extended due to the covid-19 restrictions that affected the entire world;
- **Covid-19** - the pandemic created a vast list of constraints, apart from the personal mobilization stated above, the lockdowns around the world affected the mobilization equipment and goods to country, delaying the defined chronograph. As solution, the international contractors are currently searching for local solutions for staff, materials and equipment.

## Market Analysis for Consultancy Services

| # | Name of Consultant                        | Country                   | EVALUATION SCORING MATRIX           |   |  |         |      |       |       |
|---|---|---------------------------|-------------------------------------|---|--|---------|------|-------|-------|
|   |   |                           | Experience in the Energy Sector (A) | Design, Supervision, Network & Service Connection Experi in the Country (B) | Experience in Working Conditions in the Region(C ) | Ranking | Cost | Total | %     |
| 1 | JV NORCONSULT & EUROMOC                   | Norway/Mozambique         | Very Good                           | Very Good   | Very Good  | 2       | 452  | 91.5  | 19.16 |
| 2 | JV SWECO/AZAROM/TECNICA ENGENHEIROS       | Sweden/Ireland/Mozambique | Very Good                           | Good  | Good   | 1       | 3774 | 95    | 19.89 |
| 3 | PLP Consulting Engineers (Pty) Ltd        | South Africa              | Good                                | Good  | Good   | 4       | 8140 | 88    | 18.43 |
| 5 | JV Tractebel Engineering GmbH & Consultec | Germany                   | Good                                | Good  | Good   | 6       | 4264 | 77    | 16.12 |
| 6 | WAPCOS Limited                            | India                     | Good                                | Good  | Good   | 5       | 4136 | 81.5  | 17.06 |
| 7 | Royal HaskoningDHV                        | Netherlands               | Satisfactory                        | Satisfactory  | Satisfactory                                       | 7       |      | 44.6  | 9.34  |

From the experience of the first phase of Proenergia, 10 consultants delivered their expression of interest but only 7 were eligible to provide the proceed in the tender. From the 10 companies, 4 of them were JV between national and international companies.

Therefore, no local interests were registered apart of JV which shows the lack of local capacity to tender. As proposed in the supply & installation contracts, it is proposed to redefine the packages of the tenders by reducing the size to allow local companies to tender.

As it was used the Low cost Selection (LCS), although the ranking of the company is 5, they provided the lowest price for two packages.

**4.2.1 Supply and Installation works Lot 1 (Maputo City, Maputo Province, Chokwe and Xai Xai delegations) • Contract and Estimated Cost: 5.84 MUSD**  
**• Procurement Approach:**

| <b>Attribute</b>                               | <b>Selected arrangement</b>  | <b>Justification Summary/Logic</b> |
|--|--|------------------------------------|
| <b>Specifications</b>                          | Conformance  |                                    |
| <b>Sustainability Requirements</b>             | No   |                                    |
| <b>Contract Type</b>                           | Traditional  |                                    |
| <b>Pricing and costing mechanism</b>           | Schedule of Rates / Admeasurement  |                                    |
| <b>Consultant Relationship</b>                 | Collaborative  |                                    |
| <b>Price Adjustments</b>                       | None, fixed price  |                                    |
| <b>Form of Contract (Terms and Conditions)</b> | State any special conditions of contract: no additional special conditions   |                                    |
| <b>Selection Method</b>                        | Requests for Bids (RFB)  |                                    |
| <b>Selection Arrangement</b>                   | NA   |                                    |
| <b>Market Approach</b>                         | K. Type of Competition<br>11. Open<br>12. International<br><br>L. Number of Envelopes/Stages<br>6. Single Envelope |                                    |

|                                    |                   |  |
|------------------------------------|-------------------|--|
| <b>Pre / Post Qualification</b>    | Pre-Qualification |  |
| <b>Evaluation Selection Method</b> | NA                |  |
| <b>Evaluation of Costs</b>         | NA                |  |
| <b>Domestic Preference</b>         | No                |  |
| <b>Rated Criteria</b>              | NA                |  |

**4.2.1 Supply and Installation works Lot 2 (Inhambane delegation) • Contract and Estimated Cost: 4.56 MUSD • Procurement Approach:**

| <b>Attribute</b>                               | <b>Selected arrangement</b>  | <b>Justification Summary/Logic</b> |
|--|--|------------------------------------|
| <b>Specifications</b>                          | Conformance  |                                    |
| <b>Sustainability Requirements</b>             | No   |                                    |
| <b>Contract Type</b>                           | Traditional  |                                    |
| <b>Pricing and costing mechanism</b>           | Schedule of Rates / Admeasurement  |                                    |
| <b>Consultant Relationship</b>                 | Collaborative  |                                    |
| <b>Price Adjustments</b>                       | None, fixed price  |                                    |
|  |  |                                    |
| <b>Form of Contract (Terms and Conditions)</b> | State any special conditions of contract: no additional special conditions |                                    |
| <b>Selection Method</b>                        | Requests for Bids (RFB)  |                                    |
| <b>Selection Arrangement</b>                   | NA   |                                    |

|                                    |  |  |
|------------------------------------|--|--|
| <b>Market Approach</b>             | M. Type of Competition<br>13. Open<br>14. International<br><br>N. Number of Envelopes/Stages<br>7. Single Envelope |  |
| <b>Pre / Post Qualification</b>    | Pre-Qualification  |  |
| <b>Evaluation Selection Method</b> | NA   |  |
| <b>Evaluation of Costs</b>         | NA   |  |
| <b>Domestic Preference</b>         | No   |  |
| <b>Rated Criteria</b>              | NA   |  |

**4.2.2 Supply and Installation works Lot 3 (Beira, Chimoio and Tete delegations) • Contract and Estimated Cost: 9.12 MUSD • Procurement Approach:**

| <b>Attribute</b>                               | <b>Selected arrangement</b>  | <b>Justification Summary/Logic</b> |
|--|--|------------------------------------|
| <b>Specifications</b>                          | Conformance  |                                    |
| <b>Sustainability Requirements</b>             | No   |                                    |
| <b>Contract Type</b>                           | Traditional  |                                    |
| <b>Pricing and costing mechanism</b>           | Schedule of Rates / Admeasurement  |                                    |
| <b>Consultant Relationship</b>                 | Collaborative  |                                    |
| <b>Price Adjustments</b>                       | None, fixed price  |                                    |
| <b>Form of Contract (Terms and Conditions)</b> | State any special conditions of contract: no additional special conditions |                                    |
| <b>Selection Method</b>                        | Requests for Bids (RFB)  |                                    |

|                                    |   |  |
|------------------------------------|---|--|
|                                    |   |  |
| <b>Selection Arrangement</b>       | NA  |  |
| <b>Market Approach</b>             | O.Type of Competition<br>15. Open<br>16. International<br><br>P. Number of Envelopes/Stages<br>8. Single Envelope |  |
| <b>Pre / Post Qualification</b>    | Pre-Qualification   |  |
| <b>Evaluation Selection Method</b> | NA  |  |
| <b>Evaluation of Costs</b>         | NA  |  |
| <b>Domestic Preference</b>         | No  |  |
| <b>Rated Criteria</b>              | NA  |  |

**4.2.3 Supply and Installation works Lot 4 (Quelimane and Mocuba delegation) • Contract and Estimated Cost: 9.52 MUSD • Procurement Approach:**

| <b>Attribute</b>                     | <b>Selected arrangement</b>       | <b>Justification Summary/Logic</b> |
|--------------------------------------|-----------------------------------|------------------------------------|
| <b>Specifications</b>                | Conformance                       |                                    |
| <b>Sustainability Requirements</b>   | No                                |                                    |
| <b>Contract Type</b>                 | Traditional                       |                                    |
| <b>Pricing and costing mechanism</b> | Schedule of Rates / Admeasurement |                                    |
| <b>Consultant Relationship</b>       | Collaborative                     |                                    |
| <b>Price Adjustments</b>             | None, fixed price                 |                                    |

|  |  |  |
|--|--|--|
| <b>Form of Contract (Terms and Conditions)</b> | State any special conditions of contract: no additional special conditions |  |
| <b>Selection Method</b>                        | Requests for Bids (RFB)  |  |
| <b>Selection Arrangement</b>                   | NA   |  |
| <b>Market Approach</b>                         | Q. Type of Competition<br>17. Open<br>18. International                    |  |
|  | R. Number of Envelopes/Stages<br>9. Single Envelope                        |  |
| <b>Pre / Post Qualification</b>                | Pre-Qualification  |  |
| <b>Evaluation Selection Method</b>             | NA   |  |
| <b>Evaluation of Costs</b>                     | NA   |  |
| <b>Domestic Preference</b>                     | No   |  |
| <b>Rated Criteria</b>                          | NA   |  |

## Supply and

### 4.2.4 Installation works Lot 5 (Nampula, Angoche and Nacala delegations) • Contract and Estimated Cost: 6.88 MUSD • Procurement Approach:

| Attribute                                      | Selected arrangement  | Justification Summary/Logic |
|--|---|-----------------------------|
| <b>Specifications</b>                          | Conformance   |                             |
| <b>Sustainability Requirements</b>             | No  |                             |
| <b>Contract Type</b>                           | Traditional   |                             |
| <b>Pricing and costing mechanism</b>           | Schedule of Rates / Admeasurement   |                             |
| <b>Consultant Relationship</b>                 | Collaborative   |                             |
| <b>Price Adjustments</b>                       | None, fixed price   |                             |
| <b>Form of Contract (Terms and Conditions)</b> | State any special conditions of contract: no additional special conditions  |                             |
| <b>Selection Method</b>                        | Requests for Bids (RFB)   |                             |
| <b>Selection Arrangement</b>                   | NA  |                             |
| <b>Market Approach</b>                         | S. Type of Competition<br>19. Open<br>20. International<br><br>T. Number of Envelopes/Stages<br>10. Single Envelope |                             |
| <b>Pre / Post Qualification</b>                | Pre-Qualification   |                             |
| <b>Evaluation Selection Method</b>             | NA  |                             |

## Supply and

|                            |    |  |
|----------------------------|----|--|
| <b>Evaluation of Costs</b> | NA |  |
| <b>Domestic Preference</b> | No |  |
| <b>Rated Criteria</b>      | NA |  |

### 4.2.5 Installation works Lot 6 (Pemba delegations) • Contract and Estimated Cost: 4.56 MUSD • Procurement Approach:

| <b>Attribute</b>                               | <b>Selected arrangement</b>  | <b>Justification Summary/Logic</b> |
|--|--|------------------------------------|
| <b>Specifications</b>                          | Conformance  |                                    |
| <b>Sustainability Requirements</b>             | No   |                                    |
| <b>Contract Type</b>                           | Traditional  |                                    |
| <b>Pricing and costing mechanism</b>           | Schedule of Rates / Admeasurement  |                                    |
| <b>Consultant Relationship</b>                 | Collaborative  |                                    |
| <b>Price Adjustments</b>                       | None, fixed price  |                                    |
| <b>Form of Contract (Terms and Conditions)</b> | State any special conditions of contract: no additional special conditions |                                    |
| <b>Selection Method</b>                        | Requests for Bids (RFB)  |                                    |
| <b>Selection Arrangement</b>                   | NA   |                                    |



## Supply and

|                                    |   |  |
|------------------------------------|---|--|
| <b>Market Approach</b>             | U.Type of Competition<br>21. Open<br>22. International<br><br>V.Number of Envelopes/Stages<br>11. Single Envelope |  |
| <b>Pre / Post Qualification</b>    | Pre-Qualification   |  |
| <b>Evaluation Selection Method</b> | NA  |  |
| <b>Evaluation of Costs</b>         | NA  |  |
| <b>Domestic Preference</b>         | No  |  |
| <b>Rated Criteria</b>              | NA  |  |

### 4.2.6 Installation works Lot 7 (Lichinga and Cuamba delegation) • Contract and Estimated Cost: 4.32 MUSD • Procurement Approach:

| <b>Attribute</b>                     | <b>Selected arrangement</b>       | <b>Justification Summary/Logic</b> |
|--------------------------------------|-----------------------------------|------------------------------------|
| <b>Specifications</b>                | Conformance                       |                                    |
| <b>Sustainability Requirements</b>   | No                                |                                    |
| <b>Contract Type</b>                 | Traditional                       |                                    |
| <b>Pricing and costing mechanism</b> | Schedule of Rates / Admeasurement |                                    |
| <b>Consultant Relationship</b>       | Collaborative                     |                                    |
| <b>Price Adjustments</b>             | None, fixed price                 |                                    |

## Supply and

|  |   |  |
|--|---|--|
| <b>Form of Contract (Terms and Conditions)</b> | State any special conditions of contract: no additional special conditions  |  |
| <b>Selection Method</b>                        | Requests for Bids (RFB)   |  |
| <b>Selection Arrangement</b>                   | NA  |  |
| <b>Market Approach</b>                         | <p>W. Type of Competition<br/>23. Open<br/>24. International</p> <p>X. Number of Envelopes/Stages<br/>12. Single Envelope</p> |  |
| <b>Pre / Post Qualification</b>                | Pre-Qualification   |  |
| <b>Evaluation Selection Method</b>             | NA  |  |
| <b>Evaluation of Costs</b>                     | NA  |  |
| <b>Domestic Preference</b>                     | No  |  |
| <b>Rated Criteria</b>                          | NA  |  |

### 4.3 Component 3: Design and Supervision of Works • Contract and Estimated Cost: 3.1 MUSD • Procurement Approach:

Considering the simplicity and repetitiveness of the design and supervision consultancy services related to small networks expansion and installation of service connections to the households and since there is enough capacity in the local market, it becomes important to encourage participation of local consultants and therefore the large

national project coverage will be split into packages with reasonable geographical limitations. By applying this approach, the project will save costs which could be incurred by unnecessary engagement of international consultant.

Since the assignments will be very simple and repetitive, a Least Cost Selection method (LCS) will be sufficient to select the consultant since the most complex evaluation criteria such as, detailed technical methodology and work plan will not be required in the bidding process, which will also allow to significantly save the time for tendering and evaluation.

| <b>Attribute</b>                               | <b>Selected arrangement</b>   | <b>Justification Summary/Logic</b> |
|--|---|------------------------------------|
| <b>Specifications</b>                          | TOR   |                                    |
| <b>Sustainability Requirements</b>             | No  |                                    |
| <b>Contract Type</b>                           | A. Traditional  |                                    |
| <b>Pricing and costing mechanism</b>           | Lum sum for design<br>Time-based contract for supervision   |                                    |
| <b>Consultant Relationship</b>                 | Collaborative   |                                    |
| <b>Price Adjustments</b>                       | None, fixed price   |                                    |
| <b>Form of Contract (Terms and Conditions)</b> | State any special conditions of contract: no additional special conditions                                  |                                    |
| <b>Selection Method</b>                        | Request for Proposals (RFP)   |                                    |
| <b>Selection Arrangement</b>                   | NA  |                                    |
| <b>Market Approach</b>                         | Y. Type of Competition<br>1. Open<br>2. International<br>Z. Number of Envelopes/Stages<br>13. Two Envelopes |                                    |
| <b>Pre / Post Qualification</b>                | NA  |                                    |
| <b>Evaluation Selection Method</b>             | A. Least Cost Based Selection (LCS)   |                                    |
| <b>Evaluation of Costs</b>                     | NA  |                                    |

|                            |  |  |
|----------------------------|--|--|
| <b>Domestic Preference</b> | NA   |  |
| <b>Rated Criteria</b>      | List the type of criteria to be used (mandatory) |  |

## 5. Component 2

### 5.1. Subcomponent B

**Supply and Installation works for Energy Efficient Lighting • Contract and Estimated Cost: 10 MUSD • Procurement Approach:**

| <b>Attribute</b>                               | <b>Selected arrangement</b>  | <b>Justification Summary/Logic</b> |
|--|--|------------------------------------|
| <b>Specifications</b>                          | Conformance  |                                    |
| <b>Sustainability Requirements</b>             | No   |                                    |
| <b>Contract Type</b>                           | Traditional  |                                    |
| <b>Pricing and costing mechanism</b>           | Schedule of Rates / Admeasurement  |                                    |
| <b>Consultant Relationship</b>                 | Collaborative  |                                    |
| <b>Price Adjustments</b>                       | None, fixed price  |                                    |
| <b>Form of Contract (Terms and Conditions)</b> | State any special conditions of contract: no additional special conditions |                                    |
| <b>Selection Method</b>                        | Requests for Bids (RFB)  |                                    |
| <b>Selection Arrangement</b>                   | NA   |                                    |

| S/N                                 | Item Description                   | Estimated cost MUSD | Market Approach      | Selection Method | Procurement Category | Review by Bank (Prior / Post) | Expected Proposals Submission Date | Responsibility |
|-------------------------------------|------------------------------------|---------------------|----------------------|------------------|----------------------|-------------------------------|------------------------------------|----------------|
| <b>COMPONENT 1 - SUBCOMPONENT 1</b> |                                    |                     |                      |                  |                      |                               |                                    |                |
| 1.                                  | Supply of transformer and LV panel | 9.3                 | International - Open | RFB              | Goods                | Prior                         | 15 <sup>th</sup> March, 2022       | DEP            |
| 2.                                  | Supply of poles                    | 15.2                | International - Open | RFB              | Goods                | Prior                         | 20 <sup>th</sup> March, 2022       | DEP            |
| 3.                                  | Supply of cables and conductor     | 19.4                | International - Open | RFB              | Goods                | Prior                         | 22 <sup>th</sup> March, 2022       | DEP            |
| 4.                                  | Supply of meter                    | 7.5                 | International - Open | RFB              | Goods                | Prior                         | 30 <sup>th</sup> March, 2022       | DEP            |
| 5.                                  | Supply of Accessories              | 11.1                | International - Open | RFB              | Goods                | Prior                         | 10 <sup>th</sup> April, 2022       | DEP            |
| <b>COMPONENT 1 - SUBCOMPONENT 2</b> |                                    |                     |                      |                  |                      |                               |                                    |                |

|                                    |   |  |
|------------------------------------|---|--|
| <b>Market Approach</b>             | AA. Type of Competition<br>25. Open<br>26. International<br><br>BB. Number of Envelopes/Stages<br>14. Single Envelope |  |
| <b>Pre / Post Qualification</b>    | Pre-Qualification   |  |
| <b>Evaluation Selection Method</b> | NA  |  |
| <b>Evaluation of Costs</b>         | NA  |  |
| <b>Domestic Preference</b>         | No  |  |
| <b>Rated Criteria</b>              | NA  |  |

|                                     |   |   |                       |                                    |                     |       |                              |     |
|-------------------------------------|---|---|-----------------------|------------------------------------|---------------------|-------|------------------------------|-----|
| 6.                                  | International Supply Installation<br>LOT 1 to 7<br>Lot4 - 9.52;<br>Lot6 - 4.56;                           | RFB works<br>(Lot1 - 5.84;<br>Lot2 - 4.56;<br>Lot 3 - 9.12;<br>Lot5 - 6.88;<br>Lot7 - 4.32) | and 44.4 - Open works | Prior 27 <sup>th</sup> March, 2022 | DEP                 |       |                              |     |
| <b>COMPONENT 1 - SUBCOMPONENT 3</b> |   |   |                       |                                    |                     |       |                              |     |
| 7.                                  | Supervision of Works Package 1  | 1.5   | International - Open  | QCBS                               | Consultant services | Prior | 20 <sup>th</sup> April, 2022 | DEP |
| 8.                                  | Supervision of Works Package 2  | 1.6   | International - Open  | QCBS                               | Consultant services | Prior | 20 <sup>th</sup> April, 2022 | DEP |
| <b>COMPONENT 2</b>                  |   |   |                       |                                    |                     |       |                              |     |
| 9.                                  | Energy Efficient Lighting   | 10<br>(Lot1 - 4.0;<br>Lot2 - 3.0;<br>Lot3 - 3.0)  | International - Open  | RFB                                | works               | Prior | 10 <sup>th</sup> May, 2022   | DEP |
| 10.                                 | Purchase of hardware computers, customization, software licensing and training for the upgrade of the ERP | 8.0   | International - Open  | RFB                                | Goods               | Prior | 20 <sup>th</sup> April 2022  | DEP |

I. Procurement Plan for Goods and Works and non-consulting services (first 18 months).

## Appendix 1

### Letter of Acceptance of the World Bank's Anti-Corruption Guidelines and

**Sanctions Framework** Date: \_\_\_\_\_

Invitation of Bids/Proposals No. \_\_\_\_\_

To: \_\_\_\_\_

We, along with our sub-contractors, sub-consultants, service providers, suppliers, agents (whether declared or not) consultants and personnel, acknowledge and agree to abide by the World Bank's policy regarding Fraud and Corruption (corrupt, fraudulent, collusive, coercive, and obstructive practices), as set out and defined in the World Bank's Anti-

Corruption Guidelines<sup>1</sup> in connection with the procurement and execution of the contract (in case of award), including any amendments thereto.

We declare and warrant that we, along our sub-contractors, sub-consultants, service providers, suppliers, agents (whether declared or not), consultants and personnel, are not subject to, and are not controlled by any entity or individual that is subject to, a temporary suspension, early temporary suspension, or debarment imposed by a member of the World Bank Group, including, inter alia, a cross-debarment imposed by the World Bank Group as agreed with other international financial institutions (including multilateral development banks), or through the application of a World Bank Group finding of non-responsibility on the basis of Fraud and Corruption in connection with World Bank Group corporate procurement. Further, we are not ineligible under the laws or official regulations of *[Insert name of Employer as per bidding document]* or pursuant to a decision of the United Nations Security Council.

We confirm our understanding of the consequences of not complying with the World Bank's Anti-Corruption Guidelines, which may include the following:

- a. rejection of our Proposal/Bid for award of contract;
- b. in the case of award, termination of the contract, without prejudice to any other remedy for breach of contract; and
- c. sanctions, pursuant to the Bank's Anti-corruption Guidelines and in accordance with its prevailing sanctions policies and procedures as set forth in the Bank's Sanctions Framework. This may include a public declaration of ineligibility, either indefinitely or for a stated period of time, (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;<sup>2</sup> (ii) to be a nominated<sup>3</sup> sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project.

We understand that we may be declared ineligible as set out above upon:

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<sup>1</sup> *Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by International Bank for Reconstruction and Development Loans and the International Development Agency Credits and Grants*, dated October 15, 2006, and revised in January 2011 and July 2016, as they may be revised from time to time.

<sup>2</sup> For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

<sup>3</sup> A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

- a. completion of World Bank Group sanctions proceedings according to its prevailing sanctions procedures;
- b. cross-debarment as agreed with other international financial institutions (including multilateral development banks);
- c. the application of a World Bank Group finding of non-responsibility on the basis of Fraud and Corruption in connection with World Bank Group corporate procurement; or
- d. temporary suspension or early temporary suspension in connection with an ongoing World Bank Group sanctions proceeding.

For avoidance of doubt, the foregoing effects of ineligibility do not extend to a sanctioned firm's or individual's execution of its ongoing Bank-financed contracts (or its ongoing sub-agreements under such contracts) that are not the subject of a material modification, as determined by the Bank.

We shall permit, and shall cause our sub-contractors, sub-consultants, agents (whether declared or not), personnel, consultants, service providers or suppliers, to permit the Bank to inspect<sup>4</sup> all accounts, records, and other documents relating to the procurement process and/or contract execution (in the case of award), and to have them audited by auditors appointed by the Bank.

We agree to preserve all accounts, records, and other documents (whether in hard copy or electronic format) related to the procurement and execution of the contract.

Name of the Bidder/Consultant: \_\_\_\_\_

Name of the person duly authorized to sign the Bid/Proposal on behalf of the Bidder/Consultant:

Title of the person signing the Letter: \_\_\_\_\_

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<sup>4</sup> Inspections in this context are usually investigative (i.e., forensic) in nature: they involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data, and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third-party verification of information.





**PROCUREMENT PLAN Mozambique : Sustainable Energy and Broadband Access in Rural Mozambique Project**

**General Information**

**Country:** Mozambique **Bank's Approval Date of the Original Procurement Plan:** 2021-10-13  
**Revised Plan Date(s):** (comma delineated, leave blank) 2022-07-26  
**Project ID:** P175295 **GPN Date:** 2021-10-06  
**Project Name:** Sustainable Energy and Broadband Access in Rural Mozambique Project  
**Loan / Credit No.:** / , IDA / D9340  
**Executing Agency:** Electricity of Mozambique

**WORKS**

| Activity Reference No. / Description  | Loan / Credit No. | Component   | Review Type | Method           | Market Approach      | Procurement Process         | Prequalification (Y/N) | High SEA/SH Risk | Procurement Document Type                                | Estimated Amount (US\$) | Actual Amount (US\$) | Process Status       | Draft Pre-qualification Documents |        | Prequalification Evaluation Report |        | Draft Bidding Document / Justification |            | Specific Procurement Notice / Invitation |        | Bidding Documents Issued |        | Proposal Submission / Opening / Minutes |            | Bid Evaluation Report and Recommendation for Award |            | Signed Contract |            | Contract Completion |
|---|-------------------|---|-------------|------------------|----------------------|-----------------------------|------------------------|------------------|--|-------------------------|----------------------|----------------------|-----------------------------------|--------|------------------------------------|--------|--|------------|--|--------|--------------------------|--------|---|------------|--|------------|-----------------|------------|---------------------|
|   |                   |   |             |                  |                      |                             |                        |                  |  |                         |                      |                      | Planned                           | Actual | Planned                            | Actual | Planned                                | Actual     | Planned                                  | Actual | Planned                  | Actual | Planned                                 | Actual     | Planned  | Actual     | Planned         | Actual     |                     |
| MZ-EDM-257601-CW-RFB / Supply and Installation Service                      | /                 | On-grid Peri-urban and Rural Grid Electrification | Prior       | Request for Bids | Open - International | Single Stage - One Envelope |                        |                  | Request for Bids - Works (without pre-qualification) SPD | 44,400,000.00           | 0.00                 | Under Implementation |                                   |        |                                    |        | 2022-05-23                             |            | 2022-05-28                               |        |                          |        |   | 2022-07-09 |  | 2022-08-08 |                 | 2022-09-12 | 2023-03-11          |
| MZ-EDM-279122-CW-RFB / Supply and Installation of IMS                       | IDA / D9340       | EDM operational performance                       | Prior       | Request for Bids | Open - International | Single Stage - One Envelope |                        |                  | Request for Bids - Works (without pre-qualification) SPD | 20,000,000.00           | 0.00                 | Canceled             |                                   |        |                                    |        | 2022-02-28                             |            | 2022-03-05                               |        |                          |        |   | 2022-04-16 |  | 2022-05-16 |                 | 2022-06-20 | 2022-12-17          |
| MZ-EDM-286779-GO-RFB / Rehabilitation and Upgrade of Network Infrastructure | IDA / D9340       | EDM operational performance                       | Prior       | Request for Bids | Open - International | Single Stage - One Envelope |                        |                  | Other (with field or explanation)                        | 10,000,000.00           | 0.00                 | Under Implementation |                                   |        |                                    |        | 2022-04-11                             | 2022-05-17 | 2022-04-16                               |        |                          |        |   | 2022-05-28 |  | 2022-06-27 |                 | 2022-08-01 | 2023-01-28          |

**GOODS**

| Activity Reference No. / Description   | Loan / Credit No. | Component   | Review Type | Method           | Market Approach      | Procurement Process         | Prequalification (Y/N) | Estimated Amount (US\$) | Actual Amount (US\$) | Process Status         | Draft Pre-qualification Documents |        | Prequalification Evaluation Report |        | Draft Bidding Document / Justification |            | Specific Procurement Notice / Invitation |            | Bidding Documents Issued |        | Proposal Submission / Opening / Minutes |            | Bid Evaluation Report and Recommendation for Award |            | Signed Contract |            | Contract Completion |            |
|--|-------------------|---|-------------|------------------|----------------------|-----------------------------|------------------------|-------------------------|----------------------|------------------------|-----------------------------------|--------|------------------------------------|--------|--|------------|--|------------|--------------------------|--------|---|------------|--|------------|-----------------|------------|---------------------|------------|
|  |                   |   |             |                  |                      |                             |                        |                         |                      |                        | Planned                           | Actual | Planned                            | Actual | Planned                                | Actual     | Planned                                  | Actual     | Planned                  | Actual | Planned                                 | Actual     | Planned  | Actual     | Planned         | Actual     | Planned             | Actual     |
| MZ-EDM-257699-GO-RFB / Supply of Accessories   | /                 | On-grid Peri-urban and Rural Grid Electrification | Prior       | Request for Bids | Open - International | Single Stage - One Envelope |                        | 11,100,000.00           | 0.00                 | Canceled               |                                   |        |                                    |        | 2022-06-06                             |            | 2022-06-11                               |            |                          |        |   | 2022-07-23 |  | 2022-08-22 |                 | 2022-09-26 |                     | 2023-03-25 |
| MZ-EDM-257703-GO-RFB / Supply of Transformers and LV Panels  | /                 | On-grid Peri-urban and Rural Grid Electrification | Prior       | Request for Bids | Open - International | Single Stage - One Envelope |                        | 9,300,000.00            | 0.00                 | Under Implementation   |                                   |        |                                    |        | 2022-05-30                             |            | 2022-06-04                               |            |                          |        |   | 2022-07-16 |  | 2022-08-15 |                 | 2022-09-19 |                     | 2023-03-18 |
| MZ-EDM-257703-GO-RFB / Supply of Poles   | /                 | On-grid Peri-urban and Rural Grid Electrification | Prior       | Request for Bids | Open - International | Single Stage - One Envelope |                        | 15,200,000.00           | 0.00                 | Under Review           |                                   |        |                                    |        | 2022-05-30                             |            | 2022-06-04                               |            |                          |        |   | 2022-07-16 |  | 2022-08-15 |                 | 2022-09-19 |                     | 2023-03-18 |
| MZ-EDM-257706-GO-RFB / Supply of Cables and Conductors   | /                 | On-grid Peri-urban and Rural Grid Electrification | Prior       | Request for Bids | Open - International | Single Stage - One Envelope |                        | 19,400,000.00           | 0.00                 | Under Implementation   |                                   |        |                                    |        | 2022-06-06                             |            | 2022-06-11                               |            |                          |        |   | 2022-07-23 |  | 2022-08-22 |                 | 2022-09-26 |                     | 2023-03-25 |
| MZ-EDM-257707-GO-RFB / Supply of Meters  | /                 | On-grid Peri-urban and Rural Grid Electrification | Prior       | Request for Bids | Open - International | Single Stage - One Envelope |                        | 7,500,000.00            | 0.00                 | Under Implementation   |                                   |        |                                    |        | 2022-06-06                             | 2022-03-17 | 2022-06-11                               | 2022-03-21 |                          |        |   | 2022-07-23 | 2022-05-20   | 2022-08-22 |                 | 2022-09-26 |                     | 2023-03-25 |
| MZ-EDM-282863-GO-RFB / Supply of Ready Boards, Pole Top Boxes and Accessories for Service Connection | IDA / D9340       | On-grid Peri-urban and Rural Grid Electrification | Prior       | Request for Bids | Open - International | Single Stage - One Envelope |                        | 26,000,000.00           | 0.00                 | Pending Implementation |                                   |        |                                    |        | 2022-03-14                             |            | 2022-03-19                               |            |                          |        |   | 2022-04-30 |  | 2022-05-30 |                 | 2022-07-04 |                     | 2022-12-31 |
| MZ-EDM-282866-GO-RFB / Supply of MV Insulators   | IDA / D9340       | On-grid Peri-urban and Rural Grid Electrification | Prior       | Request for Bids | Open - International | Single Stage - One Envelope |                        | 9,000,000.00            | 0.00                 | Under Review           |                                   |        |                                    |        | 2022-03-31                             |            | 2022-04-05                               |            |                          |        |   | 2022-05-17 |  | 2022-06-16 |                 | 2022-07-21 |                     | 2023-01-17 |
| MZ-EDM-284609-GO-RFB / Supply and Installation of IMS  | IDA / D9340       | EDM operational performance                       | Prior       | Request for Bids | Open - International | Single Stage - One Envelope |                        | 10,000,000.00           | 0.00                 | Under Implementation   |                                   |        |                                    |        | 2022-03-22                             | 2022-04-29 | 2022-03-27                               | 2022-05-05 |                          |        |   | 2022-05-08 |  | 2022-06-07 |                 | 2022-07-12 |                     | 2023-01-08 |

**NON CONSULTING SERVICES**

| Activity Reference No. / Description | Loan / Credit No. | Component | Review Type | Method | Market Approach | Procurement Process | Prequalification (Y/N) | Estimated Amount (US\$) | Actual Amount (US\$) | Process Status | Draft Pre-qualification Documents |        | Prequalification Evaluation Report |        | Draft Bidding Document / Justification |        | Specific Procurement Notice / Invitation |        | Bidding Documents Issued |        | Proposal Submission / Opening / Minutes |        | Bid Evaluation Report and Recommendation for Award |        | Signed Contract |        | Contract Completion |        |
|--------------------------------------|-------------------|-----------|-------------|--------|-----------------|---------------------|------------------------|-------------------------|----------------------|----------------|-----------------------------------|--------|------------------------------------|--------|--|--------|--|--------|--------------------------|--------|---|--------|--|--------|-----------------|--------|---------------------|--------|
|                                      |                   |           |             |        |                 |                     |                        |                         |                      |                | Planned                           | Actual | Planned                            | Actual | Planned                                | Actual | Planned                                  | Actual | Planned                  | Actual | Planned                                 | Actual | Planned  | Actual | Planned         | Actual | Planned             | Actual |

**CONSULTING FIRMS**

| Activity Reference No. / Description                          | Loan / Credit No. | Component                                       | Review Type | Method                           | Market Approach      | Contract Type | Estimated Amount (US\$) | Actual Amount (US\$) | Process Status         | Terms of Reference |            | Expression of Interest Notice |            | Short List and Draft Request for Proposals |        | Request for Proposals as Issued |        | Opening of Technical Proposals / Minutes |        | Evaluation of Technical Proposal |        | Combined Evaluation Report and Draft Negotiated Contract |        | Signed Contract |        | Contract Completion |        |
|---|-------------------|---|-------------|----------------------------------|----------------------|---------------|-------------------------|----------------------|------------------------|--------------------|------------|-------------------------------|------------|--|--------|---------------------------------|--------|--|--------|----------------------------------|--------|--|--------|-----------------|--------|---------------------|--------|
|   |                   |   |             |                                  |                      |               |                         |                      |                        | Planned            | Actual     | Planned                       | Actual     | Planned                                    | Actual | Planned                         | Actual | Planned                                  | Actual | Planned                          | Actual | Planned  | Actual | Planned         | Actual | Planned             | Actual |
| MZ-EDM-257611-CS-QCBS / Supervision Works Package 1           | /                 | Technical Assistance and Implementation Support | Prior       | Quality And Cost-Based Selection | Open - International |               | 1,500,000.00            | 0.00                 | Under Implementation   | 2022-05-23         | 2022-03-21 | 2022-06-13                    | 2022-03-24 | 2022-07-27                                 |        |                                 |        | 2022-08-24                               |        | 2022-09-23                       |        | 2022-10-28   |        | 2022-12-02      |        | 2023-12-02          |        |
| MZ-EDM-257613-CS-QCBS / Supervision Works Package 2           | /                 | Technical Assistance and Implementation Support | Prior       | Quality And Cost-Based Selection | Open - International |               | 1,600,000.00            | 0.00                 | Under Implementation   | 2022-05-23         | 2022-03-21 | 2022-06-13                    | 2022-03-24 | 2022-07-27                                 |        |                                 |        | 2022-08-24                               |        | 2022-09-23                       |        | 2022-10-28   |        | 2022-12-02      |        | 2023-12-02          |        |
| MZ-EDM-305863-CS-QCBS / Fiber Optic Network Commercialization | IDA / D9340       | EDM operational performance                     | Prior       | Quality And Cost-Based Selection | Open - International |               | 500,000.00              | 0.00                 | Pending Implementation | 2022-07-29         |            | 2022-08-19                    |            | 2022-10-02                                 |        |                                 |        | 2022-10-30                               |        | 2022-11-29                       |        | 2023-01-03   |        | 2023-02-07      |        | 2024-02-07          |        |

**INDIVIDUAL CONSULTANTS**

| Activity Reference No. / Description          | Loan / Credit No. | Component                                       | Review Type | Method                          | Market Approach | Contract Type | Estimated Amount (US\$) | Actual Amount (US\$) | Process Status | Terms of Reference |            | Invitation to Identify/Selected Consultant |        | Draft Negotiated Contract |        | Signed Contract |        | Contract Completion |        |
|---|-------------------|---|-------------|---------------------------------|-----------------|---------------|-------------------------|----------------------|----------------|--------------------|------------|--|--------|---------------------------|--------|-----------------|--------|---------------------|--------|
|   |                   |   |             |                                 |                 |               |                         |                      |                | Planned            | Actual     | Planned                                    | Actual | Planned                   | Actual | Planned         | Actual | Planned             | Actual |
| MZ-EDM-278406-CS-INDV / Management Consultant | IDA / D9340       | Technical Assistance and Implementation Support | Prior       | Individual Consultant Selection | Open            |               | 200,000.00              | 0.00                 | Canceled       | 2022-02-23         | 2022-02-17 | 2022-04-13                                 |        | 2022-05-04                |        | 2022-06-08      |        | 2022-12-05          |        |