Terms of Reference

For

A Study on Efficiency Gains in Infrastructure Investments Projects in Tanzania

Dar es Salaam, March 2015

1. Background

Tanzania is among the African countries expected to become one of the fastest-growing economies in the world. Key drivers will be the ongoing natural gas discoveries, regional integration supported by an extension of infrastructure networks.

In recent years, the country has engaged in massive investments in infrastructure especially in transport, energy and water sectors. Transport infrastructure (roads, railways, airports and ports) has witnessed impressive development in the recent years. Investment in these infrastructure has eased access and connectivity for social economic activities and contribute to reducing poverty. Similarly, there has been huge investment in energy infrastructure including transmission, generation and distribution. The same pattern has been observed for water infrastructure investment.

Despite the notable investment, implementation of infrastructure projects has experienced challenges, particularly in terms of its quality, value for money, sustainability and return on investment. These challenges have impaired the economy’s productive capacity and long term sustainability. To address this, the PER Champions Group meeting held on 27th February 2015, approved a study on efficiency Gains in Infrastructure Investments Projects in Tanzania to be conducted in 2015.

2. Purpose

Assess government’s current approaches in managing infrastructure investments projects and identify weaknesses in order to ensure value for money for future infrastructure investment.
3. Objective and Scope

3.1 Objective

The objective of the study is to assess infrastructure investment costs, project completion time, quality, procurement procedures and economic impact on other sectors.

3.2 Scope

The study shall cover selected infrastructure investments projects in the transport, energy and water sectors in Tanzania Mainland for the past ten years.

4. Specific Tasks:

The consultant (expert team) shall perform the following tasks among others:

i. Identify all infrastructure projects which are of works in nature executed in the last five to ten years in the sectors of Transport, Energy and Water;

ii. Populate the intended projects to form the main list of projects for study (sampling frame) and Extract a short list of projects that are within 80 – 100 percent of their completion and establish a sample for study;

iii. For each selected project, the consultant shall assess the following:

   a) projects procurement process or procedures;
   b) Nature of projects (design and built, target cost, EPC, conventional, PPP, unsolicited etc);
   c) Source of funding (GoT, DPs, Loan, PPP, Mix credit, Grant etc);
   d) Contract price;
   e) Project completion cost;
   f) Cost over-runs;
g) Contract completion time;  
h) Actual completion time;  
i) Time over-runs; and  
j) Unit cost of construction for each project

The consultant (expert team) will undertake analysis based on collected variables and apply professionalism to establish unit cost for each sector and compare with other countries within EAC and SADC. Also, the consultant shall develop performance monitoring indicators that will assist in future plans and performance of infrastructure projects.

4.1 List of relevant documents

The following list of documents will be of relevancy to the study among others:

i. MTEF from Ministries of Transport, Works, Energy & Minerals and Water;
ii. Project progress report from implementing agencies;
iii. Project completion report from implementing agencies;
iv. Financial tracking report from the Ministry of Finance IFMS;
v. Programme documents from Development Partners;
vi. Projects contracts including addendums;
Vii. Projects design documents and
viii. PER review documents from responsible ministries.

4.2 List of stakeholders for consultation.

The following stakeholders will be consulted for information and documentation among others:

i. Ministry of Finance;
ii. Ministry of Works;
iii. Ministry of Transport;
iv. Ministry of Energy and Minerals;
v. Ministry of Water;
vi. The World Bank;
vii. EU Delegation;
viii. Embassy of China;
ix. JICA;
x. DANIDA;
xi. SIDA;
xxii. KOICA;
xx. MCC;
xiv. TANROADS;
xxv. RAHCO;
xxvi. TAA;
xxvii. TBA;
xxviii. REA;
xxix. ROAD FUND;
xx. PPRA;
xxxi. TANESCO;
xxii. NCC;
xxiii. EWURA and
xxiv. TPDC.

5. Key Deliverables

The study should deliver the following:-

i. An inception report showing understanding of the TOR and methodology for undertaking the assignment. This report will be discussed at the inception meeting with a technical team.

ii. A draft report containing statistical annexes in a format that allows further analyses. This report will be discussed by the stakeholders.

iii. A final report incorporating stakeholders’ comments in electronic copy and four hard copies submitted to the Government for endorsement.

6. Qualifications

The study will be financed by the World Bank subject to competitive selection process using World Bank procurement guidelines with GoT consultation. The consultant team shall have the following qualifications:
i. At least Master’s Degree in Engineering, Economics and expertise in Financial and Investments Analysis in infrastructure projects;

ii. Proven experience in public investment management of at least ten years;
iii. Knowledge of Government of Tanzania operations; and

iv. Proven experience in carrying out similar studies in developing countries.

7. Timeline

The submission of the reports should meet the following timeframe:

Inception Report - End of May, 2015
Final Report - End of September, 2015