

DFID Uganda

Creating Opportunities for Sustainable Spending on Roads (CrossRoads) Programme

Terms of Reference for Secretariat

Introduction

DFID Uganda (DFIDU) is implementing a new programme, Creating Opportunities for Sustainable Spending on Roads (CrossRoads), to be jointly funded with the European Commission and the World Bank. To support the efficient and effective implementation of the programme, DFIDU is seeking to contract the services of a supplier(s) to establish and manage a Secretariat. The services that the Secretariat will perform for DFIDU are set out below.

Objective

To provide management, supervision and administration functions for the CrossRoads project in order to improve the quality of the road network in Uganda, by improving the effectiveness of the Government of Uganda's expenditure on roads.

Recipient

The recipient of the service will be the UK Department of International Development.

Scope

The Secretariat will support DFID and a new Roads Industry Council (RIC) with the management, supervision and administration of CrossRoads. It will not be responsible for the implementation of activities funded by CrossRoads (which will be undertaken by a number of implementing and contracted partners), but will act in support of DFIDU in the role of executive manager of the programme.

The Secretariat will provide skills and competences in road construction, the market systems approach, monitoring and evaluation, and procurement and accounting. The Secretariat will be able to call in additional expertise from the supplier(s) appointed, in areas such as procurement and contracting. It will have a budget to commission surveys and research, procure communication skills and develop a web portal. The total operating cost of the Secretariat is expected to be within £3 million over the five-year period.

The Secretariat will be based in Kampala. It will be the responsibility of the winning supplier(s) to locate suitable premises.

Specifically, the Secretariat will perform the following tasks:

1. *Management:* The Secretariat will support DFIDU, EC and the World Bank in the overall management of the programme. This will entail the provision

of systematic management services on an ongoing basis including: the organisation of meetings and events; supervising the preparation of work plans and budgets by implementers and their consolidation into the annual programme work plan and budget for the programme as a whole; the keeping of financial records and verification of payment claims; processing of payments for contractors and other implementers; the preparation of reports on all activities; liaison with all stakeholders and development partners, etc. These tasks will be performed in compliance with DFID procedures and formats.

2. *Secretariat for RIC:* It will act as secretariat to the RIC. This will include organising meetings of the RIC; providing briefing documents and progress reports; providing information and support to members, preparing and circulating the agenda and documents for Council meetings, keeping minutes and communicating decisions of the Council. The Secretariat will advise the RIC on procedural and management issues relating to its exercise of fiduciary responsibility and good governance, including ensuring transparency in procurement and programme funds are used to deliver public benefits.
3. *Carrying out due diligence on applications for assistance:* Under output 2 of the programme (see “background” below), public institutions are expected to apply to CrossRoads for financial and technical assistance to bring about specific policy and institutional changes. The Secretariat will carry out due diligence to ensure that there is a sound case for undertaking the activity, that the likelihood of success in priority reforms is high and that the application represents good value for money. It will present its analysis to the RIC.
4. *Procurement:* The Secretariat will assist DFIDU with the procurement processes for appointing contractors to implement outputs 3 and 4 of the programme including the drafting of appropriate contracts. It would advise DFIDU on all contractual issues.
5. *Support and supervise CrossRoads implementers and contractors:* The Secretariat will provide support to the implementing partners and contractors for CrossRoads activities. This is likely to include the provision of information, facilitating contacts between them and with other stakeholders, and other support required from time to time. It will receive regular reports from implementers, compare progress achieved with work plans and budgets, call for explanations on all significant variances from work plans and budgets and advise the RIC on an appropriate course of action.
6. *Monitoring:* The Secretariat will monitor the implementation of all CrossRoads activities on an ongoing basis through site visits, receiving reports from implementing partners and obtaining feed-back from the recipients of CrossRoads assistance. On output 1, it will work closely with the long term adviser seconded to the MWT and the transport specialist

appointed to work in the World Bank to monitor progress and develop proposals for improving effectiveness.

7. *Evaluation:* It will commission baseline and after surveys to measure outcomes of activities, focusing on Outputs 2, 3 and 4 as well as develop appropriate survey instruments to track the purpose level indicators of the programme.
8. *Knowledge management/ information generation:* The Secretariat will act as the communication hub and knowledge centre for CrossRoads. Over time it will be required to build up a base of credible data on the system of road construction and maintenance so that it becomes the trusted source of information and advice for policy makers, institutions such as UNRA, the industry and the wider public. Its activities will include:
 - systematic gathering of data on progress to improve the road network
 - building up a profile of the cost base of Uganda's road construction industry and documenting the reasons for its lack of efficiency and competitiveness
 - Identifying and prioritising the policy and institutional reforms that are needed for the industry to increase its competitiveness and the legislative, regulatory, procedural and capacity building actions that will help to bring them about
 - data on the structure of output of the industry, its capabilities and access to finance and skills
 - commissioning research to cover knowledge gaps
 - data management of all CrossRoads activities, using electronic data management techniques
 - synthesising information and performing data analysis to feed into reports, briefing notes and other information products for presentation to: GoU; DFIDU World Bank and the EC and other development partners; industry stakeholders and the wider public
9. *Dissemination, Communication and Influencing:* it would utilise the services of professional communication specialists to disseminate information and lessons learned from CrossRoads activities to influence public and private sector stakeholders in the industry and communicate issues of interest to the public through the mass media. It would establish itself as a respected and authoritative source of information on all issues related to the road construction industry and use its influence to support the objectives of CrossRoads.
10. *Support the RIC in influencing and building a wider constituency in support of reform:* As directed by the RIC, it would hold seminars and events and communicate through the mass media to help forge a larger constituency in

support of reform in the road sector. It would enable networking between members of the constituency and provide them with support to influence policy through evidence based dialogue.

Method

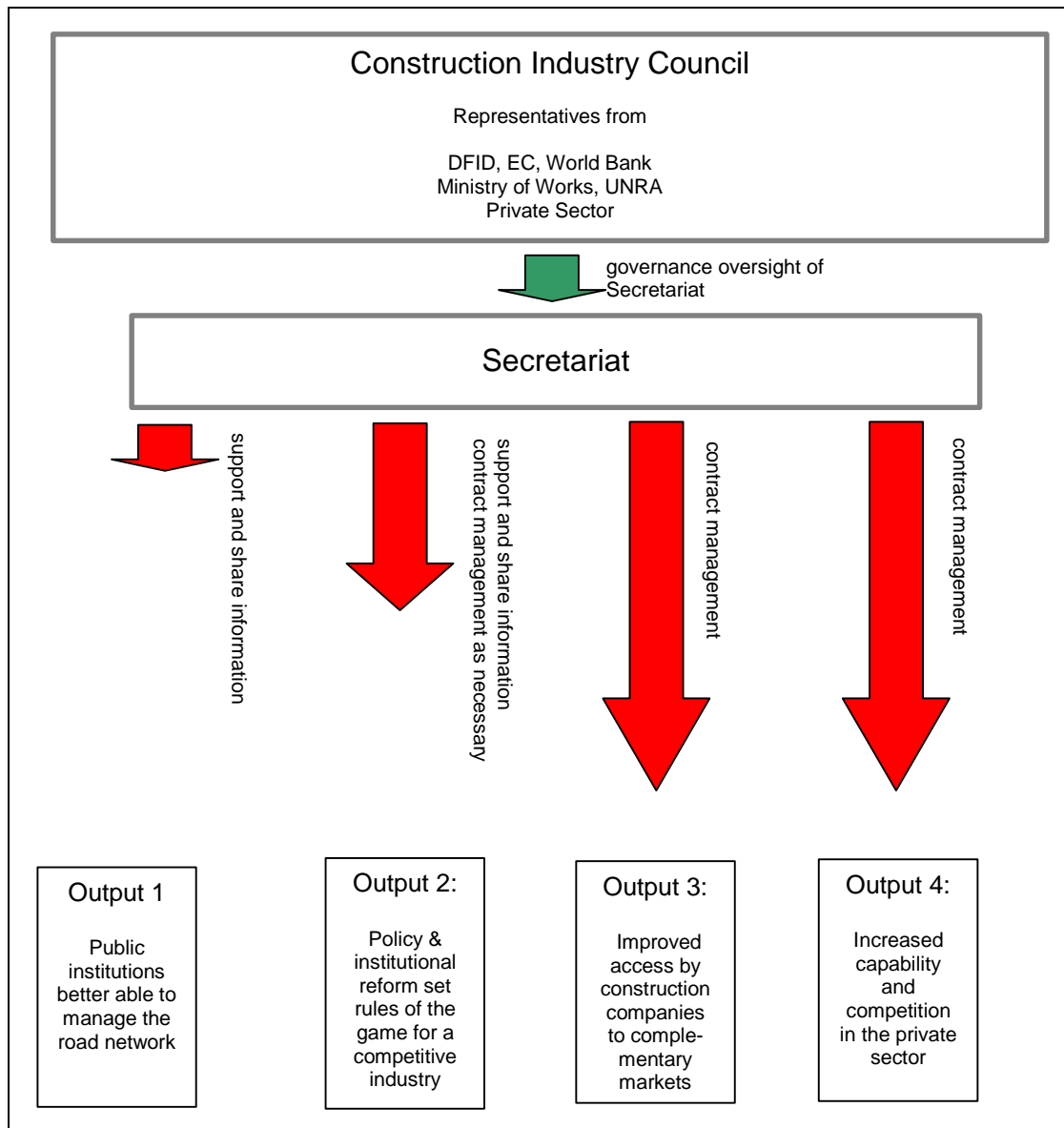
The experience of programmes that have piloted the market systems approach is that progress in bringing about policy and institutional change, developing complementary markets and increasing capability and competition in the private sector may be uneven. Policy and institutional change may be blocked by vested interest or progress hampered by low capacity in the public sector. The private sector may be slow to respond to changes in policy and institutional change or the incentives provided by the programme. And, new threats may emerge that could derail the effectiveness of the programme or new developments provide opportunities for delivering faster progress.

CrossRoads will therefore be implemented as a unified programme with a single oversight body (the RIC) and management and monitoring mechanism (the Secretariat) able to use resources flexibly across its interventions. This will enable it to alter the strategic direction of the programme and the use of resources to respond to the actual progress being achieved by the interventions and new threats and opportunities as they emerge.

The Secretariat will implement the programme to:

- Develop a vision of what an efficient road construction would look like and the outcomes and impacts it will deliver
- Mobilise committed, capable and influential individuals and organisations that share the vision.
- Identify the issues that will motivate policy and institutional change and a stronger response from the private sector.
- Understand the political economy of change and the measures that are needed to overcome potential resistance to change.
- Monitor progress across interventions effectively and anticipate new threats and opportunities
- Act decisively to respond to uneven progress and new threats and opportunities by altering strategic priorities and shifting resources to where they will provide the best value for DFIDU's money.

Diagram: governance structure, and Secretariat activities



Reporting

The Secretariat will prepare, within the first 6 months of commencement, an Inception Report setting out in detail the vision of the programme, what it will deliver, an updated CrossRoads log frame, updated and fully costed terms of reference for the implementation phase, and a work plan for the first year.

Thereafter, it will produce reports quarterly covering all aspects of the CrossRoads programme for DFIDU and the RIC. Annually, it will provide a consolidated report that will facilitate DFID's annual review. At mid-term and project completion, it will prepare reports to facilitate independent evaluations commissioned by DFIDU.

Timeframe

This contract is set to run for five years from May 2010. The Secretariat will provide services throughout the project life. The Secretariat will be expected to provide an inception report by November 2010.

Coordination

The overall coordinator of the work of the service provider will be the DFID Uganda Regional Growth, Trade and Investment Adviser, Rob Rudy (rudyr@dfid.gov.uk).

Background

The poor condition of Uganda's road network is a major impediment to continuing economic growth and poverty reduction. Poor people's economic opportunities and access to markets and service delivery agencies is substantially hindered by the poor state of the road network.

The Government of Uganda (GoU) recognises this and is reforming relevant public institutions and increasing spending on roads. However, the cost of building roads has more than doubled recently threatening to undermine the effectiveness of GoU expenditure. The Ministry of Works and Transport (MWT) and the Uganda National Roads Authority (UNRA) need to complete the reform process and improve policies and institutions. A more efficient and competitive road construction industry is needed to ensure better value for money for GoU expenditure.

DFIDU, the World Bank and the European Commission (EC) have joined forces to support GoU complete the reform process and to develop a more competitive roads construction industry. CrossRoads is a five year programme, which will be co-funded by DFID (£15.2 million) and the European Commission (EUR 3 million), and work alongside the World Bank's Transport Sector Development Programme. Its goal **is to improve the quality of the road network**. Its **purpose is to improve the effectiveness of GoU expenditure on roads**.

A Roads Industry Council (RIC) will be appointed by DFIDU to exercise oversight of the programme. It is expected to play the role of bringing together the private and public sectors to bring about a more capable and competitive construction industry. The RIC would test the most effective way that the two can work together and learn lessons from the activities supported by CrossRoads on what makes for effective intervention to overcome government and market failures that are preventing efficient market outcomes. The RIC will consist of a small group of influential individuals with in-depth expertise of the challenges and opportunities facing Uganda's road construction industry recruited by DFIDU.

Informed by the market systems approach¹, CrossRoads will implement a set of interventions that will improve the functioning of the system of road construction in Uganda. The programme will deliver four outputs:

- Output 1: Public institutions better able to manage the road network, including through better planning, regulation and promotion of road safety. These activities will be implemented by the WB through the Transport Sector Development Program (TSDP). The main instrument used will be the World Bank's Transport Sector Development Programme (TSDP), a \$191 million loan to GoU which the MWT and UNRA will be able to draw down with the Bank giving its consent. The EC will provide complementary assistance to UNRA.
- Output 2: Policy and institutional reforms will help to set appropriate rules of the game for a competitive industry. Whilst Output 1 will help build capacity, this output will help MWT and UNRA undertake specific policy and institutional reforms. The public bodies will apply to the Secretariat for financial and technical assistance. The Secretariat will need to work actively with the public institutions and with the RIC to support the generation of strong proposals. The Secretariat will carry out due diligence and send the request to the RIC for approval. The public bodies will need to report on progress on outputs to the Secretariat which will monitor outcomes.
- Output 3: Improved access by construction companies to complementary markets, including for finance and equipment hire. This will be achieved by providing incentives to increase lending and leasing and support development of equipment hire markets. The Secretariat will let a contact to a credible and capable contractor to deliver this output.
- Output 4: Increased capability and competition in the private sector. The programme will help establish a vocational training scheme, develop markets for business development services, support business membership organisations, and facilitate links between Ugandan and international construction companies. The Secretariat will let one or more contracts to credible and capable suppliers to deliver this output.

Conflict of Interest

The Secretariat will represent the interests of the DFIDU vis-à-vis partners and implementing agents of CrossRoads. The successful bidder will therefore be disqualified from bidding for any interventions implemented as part of CrossRoads and complementary activities funded by the World Bank and EC. Potential conflicts may also arise from time to time between the commercial

¹ The approach is documented in 'A Synthesis of the Making Markets Work Better for the Poor (M4P) Approach' and its accompanying documents 'Perspectives on the M4P Approach' and 'The Operational Guide to the M4P Approach', DFID and SDC, 2008. (<http://www.m4pnetwork.org/node/62>)

interests of the Secretariat and the commercial interests of potential or actual providers of services to CrossRoads. Any such conflicts will be resolved by DFIDU who will decide on the most equitable course of action.

Annex: Selection Criteria

Objective	Description of Criteria	Weight
1. Commercial	<ul style="list-style-type: none"> Competitiveness of consultant rates in relation to market and value for money (7) Methodology and benchmarking of consultant rates (1) Financial Plan (1) Approach/methodology to deliver output based deliverables and vfm (2) Payments linked to agreed outputs in log frame (2) Methodology for ensuring programme will be delivered in line with agreed costs (2) Financial Risk/ contingency incorporated into costs (1) Demonstration of VFM over the life of the programme (2) Example of quarterly performance report (2) 	20%
2. Quality of personnel	<ul style="list-style-type: none"> <u>the skills and abilities of the team</u> proposed to run the Secretariat. Do they have strong skills among their proposed permanent staff in the areas of road engineering, market systems, monitoring and evaluation, accounting, procurement and programme management (20) <u>thematic knowledge</u> in a wide range of possible subjects in the fields road engineering, financial and market systems, either internally available to the bidding supplier/s, or through call-down or similar arrangements with appropriate suppliers or consultants (10) <u>local knowledge</u>: understanding of the Ugandan road construction industry, through local experience or local partners or other means (10) 	40%
3. Methodology and track record	<ul style="list-style-type: none"> <u>Adherence to ToRs</u>; appreciation of project design; clarity and evidence base for linking approach to results (10) <u>Evidence of innovation</u> in approach to delivery of outputs and in track record (5) <u>track record in implementing market systems</u> or “making markets work for the poor approaches” (5) <u>track record in delivering policy and institutional reforms</u> in the road construction industry, including through mobilising constituencies to support reform and influencing activities, and including by working closely with government and public officials (5) <u>track record in improving the performance of the private road construction industry</u> (5) 	30%
6. Project Management Competencies	<ul style="list-style-type: none"> <u>knowledge of DFID and EC procurement procedures</u> and financial reporting systems (4) <u>experience in the financial and operational management</u> of programmes of a similar size (3) ability to implement an insightful <u>monitoring and evaluation system</u> (3) 	10%
	Total	100 %

