

## Terms of Reference

### Development and Implementation of a Productive Use of Energy campaign in three service territories (BECS, KRECS and KIL)

#### 1.0 Background

The Rural Electrification Agency (REA) was established as a semi-autonomous Agency by the Ministry of Energy and Mineral Development through Statutory Instrument no. 75 of 2001. It functions as the secretariat of the Rural Electrification Board which carries out the Ministry of Energy and Mineral Development's Rural Electrification Programme. REA is in charge of the development and implementation of the Rural Electrification Strategy and Plan (RESP), and is now executing the RESP II, for the period 2013 – 2022.

Under the RESP II, country has been divided into 13 rural electricity service territories to ensure effective rural electrification planning and programming across the country. The service territories are managed and operated by independent utility companies that include rural electric cooperatives and private sector companies as detailed in annex I.

In all the rural territories/areas of the country, rural electrification rates remain low at about 17% as of 2017 and electricity utilization is even lower. One of the reasons for this is the lack of a demonstrable effect of access to electricity, with focus on Productive Use of Electricity (PUE). While significant progress has been made to extent the grid in rural areas, uptake/demand for electricity remain low.

It is therefore important to give incentive to the existing and potential end-users in the service territories to engage in or expand existing income-generating activities by exploiting the possibilities for Productive Uses of Electricity. It is equally very important that the economic benefits of the availability of electricity that is supported by REA become apparent to the end-users. These benefits are not always obvious and as such these productive electricity uses need to be clearly defined.

Government has made significant investments in electricity generation, about 2,500 MW of electricity is expected to be added to the national grid by the year 2020<sup>1</sup>. This therefore calls for concerted effort to create electricity demand for the current and expected generation. One of the strategies to address this demand gap will be to formulate PUE campaigns/drives to create awareness for electricity usage particularly in promotion of value addition.

To this effect, support from the Power Africa Uganda Accelerator will be utilized to support the formulation and implementation of a well-coordinated, and integrated Productive Use of Electricity campaign, specifically directed to improve/create electricity demand among existing and prospective electricity consumers for BECS, KRECS and KIL, and to guide REA in addressing information challenges to increased electricity access and use.

#### 1.1 Objective

The objective of the assignment is to support REA in developing and implementing of a Productive Use of Energy promotional campaign/strategy for current and new electricity end-users in the central, western and Rwenzori Service Territories. The selection of the three Service Territories is based on their agricultural potential with opportunities for value addition and the opportunity for tapping into cross-border trade with the Democratic Republic of Congo.

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<sup>1</sup> Uganda Electricity Transmission Company Limited

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#### 1.2 Target areas

The work will be undertaken in 3 rural Service Territories: Bundibugyo Electricity Cooperative Society BECS, Kyegegwa Rural Electricity Cooperative Society (KRECS) and Kilembe Investments Limited (KIL). For each of these 3 utilities, several load centers will be reached. 15 load centers of those mentioned below are to be selected in partnership with the Service Provides on the basis of PUE expectation and load center size:

- i. **BECS:** Karugutu, Bundibugyo Town Council, Nyahuka, Busunga and Rwebisengo;
- ii. **KRECS:** Kyegegwa Town Council, Butundizi, Banda, Galilaya, Nabingola and Mpara; and
- iii. **KIL:** Kizinda, Katerera, Kitagata, Kyarumba, Kisinga, Bwera, Bugoye and Ibanda.

#### 2.0 Scope of work

The activity will cover a number of activities that are designed to improve and maintain PUE among electricity consumers by; (a) creating awareness among all stakeholders about government's interventions/rural electrification programs for increased access to electricity for social-economic transformation, and (b) create behavioral change among the communities to embrace the use of electricity as well as productive use of electricity.

The team providing the services will coordinate with the Service Territory Development Operations department at REA and will be responsible for supporting the implementation of PUE activities the BECS, KRECS and KIL Service Territories. Specifically, the consultant will be expected to;

- i. Develop and implement a PUE strategy to define, strengthen and promote electricity usage among consumers in the 3 service territories;
- ii. Design and undertake a PUE identification survey in each of the 15 load centers focusing on:
  - a. Identify key PUE opportunities in the 3 Service Territories for subsequent packaging and promotion;
  - b. Identify equipment available in the 3 Service Territories;
  - c. Identify financial Service Providers in the 3 Service Territories that can finance PUE businesses;
  - d. Identify business development Service Providers that can support PUE entrepreneurs in the 3 Service Territories;
  - e. Undertake a brief capacity assessment of Small and Medium Enterprises (SMEs) and other end-users through interviews by analyzing their business management capabilities and practices;
  - f. Identify PUE entrepreneurs that would be further trained in PUE business development and management;
  - g. Conduct meetings with existing or start-up local leaders<sup>2</sup>, entrepreneurs, farmers' groups, Civil Society agencies and discuss the characteristics of the various sectors, their cost- benefit analyses and challenges related to business identification, start-up, on-going management and the role of electricity
  - h. Drive the communication and dissemination of PUE information to all stakeholders;

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<sup>2</sup> These must include the District Community Development Officers, the National Agricultural Advisory Services and Staff of the Operation Wealth Creation where possible PUE funding can be accessed.

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- i. Develop a manual on entrepreneurship and business development that will guide the training of entrepreneurs identified in how to start and manage a PUE business. This manual will be used to reinforce core messages in business identification, start up and management;
- j. Coordinate and manage the preparation, publication and dissemination of the PUE strategy-information, products and services, including the preparation of one blog to be featured on the REA website;
- k. Arrange for and hold 5-day trainings in each of the 15 load centers for PUE entrepreneurs, ensuring that these include at least 2 days of technical and business handholding;
- l. Develop relationships with journalists, financial institutions (Micro-Finance Institutions and Savings and Credit Cooperative Organisations) in the area who can support and help sustain the PUE campaign, and key players in the energy sector.
- m. Support the Service Providers to improve their PUE awareness creation capacity so that in the long run they should develop their own innovative methodologies in terms of efficiently and effectively achieving publicity of PUE programmes in an innovate way.

#### 2.1 Development Impact

The implementation of a campaign/strategy on PUE is expected to lead to the following among others:-

- Strengthening consumer awareness on advantages and benefits of electricity, energy efficiency and safety aspects;
- Boosting electricity demand through the promotion of productive use of electricity, thereby improving the viability of the new distribution lines;
- Increased awareness on productive use of electricity, especially for women;
- Increase in new businesses directly started due to the presence of electricity;
- Improvement in the performance of existing businesses, in terms of value addition, sales and overall turnover as well as for the service providers;
- Increased electricity usage, as individuals appreciate the role electricity can play in improving the quality of their lives;
- Improvement in the health conditions of end-users as clean energy is utilized;
- Increase in the incomes of households and businesses utilizing electricity;
- Reduced default rates (and less disconnections) as more end-users are able to earn more than they spend on the electricity, due to using it productively;
- Promotion of health and safety in the participating communities as modern and efficient electrical appliances are promoted;
- Increased access to Business Development Services (BDS) in areas where such services would previously be inaccessible.

#### 3.0 Deliverables and reporting requirements

The following reports shall be submitted to the client:

- (a) An inception report: the inception report shall detail the objectives of the assignment, the methodology to be followed to achieve the objectives, assignment work schedule, and the consultant team to undertake the assignment, and how it will be deployed (i.e. overall understanding of the assignment);
- (b) Identification survey report;

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- (c) A manual on entrepreneurship and business development that will guide the training of entrepreneurs identified in how to start and manage a PUE business. This manual will be used to reinforce core messages in business identification, start up and management with a profile of potential end-user consumers for PUE in the two service territories
- (d) A draft final report after completion of the assignment detailing the activities undertaken, lessons learnt, and challenges faced and any recommendations for further improvement of the PUE program;
- (e) A final report taking into consideration comments received from PAUESA and REA.

Report	Content	Timing
Inception Report	The objectives of the assignment, the methodology to be followed to achieve the objectives, assignment work schedule, and the consultant team for the assignment, and how it will be deployed.	Two weeks after commencement of work
Identification Survey report	Detailing key PUE opportunities, financial and business development services available, PUE equipment opportunities, PUE entrepreneurs identified, etc.	One month after inception report has been submitted
Draft and final report	Upon completion of the assignment detailing the results obtained and reporting on lessons learnt, and analyzing the difficulties faced and any suggestions for further improvement of the program. The final report will summarize the contents of the monthly reports as well.	At end of the assignment

#### Annex I: List of targeted Service Territories (ST) and Service Providers (SP)

	ST	DISTRICTS	Service Provider
1	CENTRAL	Kampala, Wakiso, Mukono, Mpigi, Butambala, Gombe, Buikwe, Kayunga, Nakasongola, Luwero, Nakaseke, Mityana, Kiboga, Kyakwanzi, Kyegegwa, & Mubende, Kalangala	Umeme Ltd, Kyegegwa Rural Electricity Cooperative Society Ltd & Kalangala Infrastructure Services (KIS) and Umeme Ltd.
2	WESTERN	Kasese, Rubirizi, Mitoma, Shema, Buhwenju, & Bushenyi	Kilembe Investments Ltd and Umeme Ltd.
3	RWENZORI	Bundibugyo, Ntoroko, Kabarole	Bundibugyo Electricity Cooperative Society (BECS) and Umeme Ltd.