Terms of Reference (ToR)

Management Support Consultant (MSC) under Khyber Pakhtunkhwa Hydropower & Renewable Energy Development (KHRE) Program

1. BACKGROUND

The Government of Khyber Pakhtunkhwa (GoKP) is implementing the Khyber Pakhtunkhwa Hydropower & Renewable Energy Development (KHRE) Program through the Pakhtunkhwa Energy Development Organization (PEDO) with financial assistance from the World Bank. The objective of the program is to expand the province's renewable energy portfolio, improve the sustainability of public power utilities, and strengthen the institutional and operational capacity of PEDO as a provincial energy developer.

PEDO is the apex provincial entity responsible for planning, developing, and managing hydropower and renewable energy projects in Khyber Pakhtunkhwa. With the expansion of its project portfolio and transition to long-term asset ownership and operations, PEDO requires targeted institutional strengthening and management reforms to enhance efficiency, accountability, and performance in line with international best practices.

Institutional Capacity Assessment and Need for Management Support

A comprehensive institutional capacity assessment of the Pakhtunkhwa Energy Development Organization (PEDO) was conducted in 2025. The assessment examined PEDO's governance arrangements, organizational structure, operational systems, human resource capacity, procurement and contract management practices, regulatory and commercial capabilities, financial management systems, operations and maintenance arrangements, and overall readiness to support the province's expanding renewable energy agenda.

The study found that PEDO has developed substantial technical experience in hydropower development and operation over several decades and possesses important strengths, including access to significant hydropower resources in Khyber Pakhtunkhwa, established technical capability in geology, hydrology, surveying, and electrical testing, and strong backing from the provincial government. However, the assessment concluded that PEDO's institutional systems and management practices have not evolved at the same pace as its growing responsibilities and project portfolio.

Overall, the scoping study concluded that PEDO requires a structured institutional strengthening and change management program to transition into a technically proficient, commercially responsive, and professionally managed public-sector energy entity. The study recommended reforms in governance, organizational design, human resource management, procurement and contract management, regulatory affairs, financial systems, digital transformation, integrated planning, and operational management. It also emphasized the need for practical implementation support, institutionalization of systems and procedures, capacity building of staff, and adoption of international best practices across core business functions. The brief about the assessment is given at Annexure-I;

Proposed Engagement of the Management Support Consultant. PEDO intends to engage an internationally qualified Management Support Consultant (MSC) under the KHRE Program to support the development, implementation, and oversight of the recommended institutional reform program under KHRE program. The MSC will provide hands-on institutional reform and technical implementation support to help PEDO translate the assessment recommendations into practical improvements. This support will focus on operationalizing the recommended reforms, strengthening internal capabilities, and establishing sustainable systems and procedures for long-term organizational performance.

2. OBJECTIVE OF THE ASSIGNMENT

The overall objective of assignment is to support PEDO in the development, implementation, and oversight of the recommended institutional reform program. Specifically, the MSC will assist PEDO to:

- strengthen PEDO's capacity to effectively discharge its mandate;
- institutionalize systems, processes, and controls aligned with international best practices;
- align PEDO's operational and commercial frameworks with evolving power sector reforms in Pakistan; and
- support PEDO's transition into a technically proficient and commercially responsive public-sector energy entity.

3. SCOPE OF SERVICES

The MSC will assist PEDO in development, implementation and oversight of a structured institutional reform program to enable PEDO to achieve the institutional reform objectives. The consultant is expected to (i) develop a practical institutional reform program based on international best practices, the Pakistan context as well as PEDO's long term vision; (ii) provide techncial support and oversight the implementation of the program; and (iii) capacity building to PEDO. The Consultant shall adopt a collaborative approach and work closely with PEDO management and relevant functional departments, and consult with the World Bank as necessary, throughout the assignment to ensure institutional ownership of the proposed reforms. The Consultant shall facilitate knowledge transfer, build internal capacity, and progressively transfer responsibility for implementation to PEDO personnel.

The assignment shall be implemented through the following five sequential phases:

A. **Phase 1 – Inception and Mobilization**

B. **Phase 2 – Institutional Diagnostic and Baseline Assessment**

C. **Phase 3 – Institutional Reform Roadmap and Implementation Planning**

D. **Phase 4 – Technical Advisory Services for Implementation**

3. 1 <u>Phase 1 – Inception and Mobilization</u>

The objective of this phase is to establish a common understanding of the assignment, validate implementation priorities, agree on the execution methodology, and establish the governance arrangements necessary for successful implementation of the institutional reform programme. The Consultant shall undertake, inter alia, the following activities:

3.1.1 Review of Background Information

- Review the Institutional Capacity Assessment Report together with all relevant legislation, policies, manuals, regulations, organizational documents, previous consultancy outputs, and other information necessary to obtain a comprehensive understanding of PEDO's institutional environment and identify key areas for the proposed institutional reform as well opportunities to build upon existing work while avoiding duplication

3.1.2 Inception Meetings and Stakeholder Consultations

- Conduct inception meetings with PEDO management and key departments to validate the objectives, priorities, implementation expectations, and reporting arrangements for the assignment.
- Consult relevant internal stakeholders to obtain a common understanding of institutional challenges, reform priorities, implementation constraints, and expected outcomes.

3.1.3 Implementation Methodology

The Consultant shall prepare a detailed implementation methodology describing how the assignment will be executed. The methodology shall include, but not be limited to:

- sequencing of activities;
- implementation approach;
- consultation methodology;
- coordination arrangements with PEDO and other stakeholders;
- quality assurance procedures;
- document review process;
- risk management arrangements;
- communication protocols; and
- mechanisms for monitoring implementation progress.

3. 1.4 Work Plan

The Consultant shall also prepare a comprehensive implementation schedule covering the entire duration of the assignment.

The work plan shall include, but not be limited to:

- major activities;
- milestones;
- deliverables;
- staffing mobilization schedule;
- dependencies;
- review points;
- approval requirements; and
- implementation timeline in the form of a detailed Gantt Chart.

3. 1.5 Change Management Framework

Recognizing that institutional reform requires effective management of organizational change, the Consultant shall prepare a comprehensive Change Management Framework covering, inter alia:

- stakeholder mapping and impact assessment;
- communication and awareness Roadmap;
- identification of reform champions;
- resistance management measures;
- institutional ownership Roadmap;
- behavioural change interventions; and
- mechanisms to sustain organizational commitment throughout implementation.

3. 1.6 Results Framework

The Consultant shall establish a preliminary Results Framework that shall serve as the basis for monitoring implementation throughout the assignment.

The framework shall include, but not be limited to:

- overall development objectives;
- expected outcomes;
- measurable outputs;
- preliminary Key Performance Indicators (KPIs);
- monitoring arrangements;
- reporting responsibilities; and
- methodology for measuring institutional improvements.

3. 1.7 Risk Management Framework

The Consultant shall establish an institutional risk management framework identifying potential implementation risks, their likely impacts, mitigation measures, responsible parties, and monitoring arrangements to facilitate timely resolution of implementation issues.

3. 1.8 Quality Assurance

The Consultant shall establish quality assurance procedures for preparation and review of all deliverables to ensure consistency, technical quality, and alignment with international good practices.

3. 1.9 Deliverable

Inception Report

The Inception Report shall include, at a minimum:

- understanding of the assignment;
- implementation methodology;

- detailed work plan and Gantt Chart;
- staffing schedule;
- stakeholder engagement plan;
- change management framework;
- preliminary Results Framework;
- risk management framework;
- quality assurance procedures; and
- reporting arrangements.

3.2 Phase 2 – Institutional Diagnostic and Baseline Assessment

The objective of this phase is to establish a comprehensive understanding of PEDO's existing institutional arrangements, operational systems, management practices, organizational capabilities, and implementation constraints. The assessment shall establish the baseline against which the effectiveness of the institutional reforms shall subsequently be measured.

The Consultant shall adopt an evidence-based approach utilizing document reviews, interviews, workshops, process mapping, benchmarking, and stakeholder consultations to identify institutional strengths, weaknesses, opportunities, risks, and reform priorities.

The assessment shall include, but not be limited to, the following areas.

3.2.1 Institutional Governance

The Consultant shall review PEDO's governance arrangements to assess whether the existing institutional framework adequately supports efficient decision-making, accountability, and organizational performance.

The review shall include, but not be limited to:

- organizational mandate and institutional responsibilities;
- governance structure and reporting arrangements;
- Board and management decision-making processes;
- delegation of authority framework;
- accountability mechanisms;
- coordination between departments;
- committee structures;
- institutional planning mechanisms; and
- alignment with the PEDO Act and applicable Government policies.

The Consultant shall identify institutional gaps, duplication of responsibilities, governance bottlenecks, and opportunities to strengthen organizational effectiveness.

3.2.2 Organizational Structure and Human Resource Management

The Consultant shall undertake a comprehensive review of PEDO's organizational structure and human resource management systems to assess whether existing institutional arrangements adequately support current and future business requirements.

The review shall include, but not be limited to:

- organizational structure and reporting relationships;
- staffing levels and workforce distribution;
- functional responsibilities;
- competency mapping;
- job descriptions;
- workforce planning;
- recruitment and retention practices;
- performance management system;
- succession planning;
- learning and development arrangements;
- HR policies and procedures; and
- organizational culture and institutional readiness for change.

The Consultant shall identify capacity gaps, organizational inefficiencies, and institutional constraints affecting organizational performance.

3.2.3 Finance, Accounting and Investment Management

The Consultant shall review PEDO's financial management systems to assess their adequacy in supporting efficient financial planning, commercial operations, investment management, and long-term organizational sustainability.

The assessment shall include, but not be limited to:

- budgeting processes;
- accounting systems;
- financial reporting arrangements;
- internal controls;
- internal audit;
- fixed asset management;
- inventory management;
- insurance arrangements;
- financial risk management;
- investment planning; and
- financial sustainability.

The Consultant shall identify institutional weaknesses and recommend areas requiring strengthening during the reform programme.

3.2.4 Tariff and Commercial Management

The Consultant shall assess PEDO's commercial readiness in light of ongoing power sector reforms and future electricity market arrangements.

The review shall include, but not be limited to:

- tariff determination processes;
- cost recovery mechanisms;
- commercial agreements;
- revenue management;
- market participation arrangements;
- CTBCM readiness;
- Direct Supply Model readiness;
- commercial risk management; and
- institutional capacity for future market participation.

The Consultant shall identify institutional, commercial, and regulatory gaps affecting PEDO's commercial transition.

3.2.5 Procurement and Contract Management

The Consultant shall undertake a comprehensive review of PEDO's procurement and contract management functions to assess their effectiveness in supporting timely, transparent, and efficient implementation of projects in accordance with applicable procurement regulations and international best practices.

The review shall include, but not be limited to:

- procurement and contracts cell organization, roles, and administrative and functional reporting to the head of PEDO;
- the procurement and contract cell headed by a person of appropriate seniority.
- The cell staffed with experienced procurement and contract management staff.
- Appropriate career, job and salary grade for procurement and contract management staff.
- procurement planning and budgeting;
- bidding procedures and evaluation processes;
- procurement processing, approvals, governance and internal controls and auditing;
- standard bidding documents and procurement templates;
- contract administration practices;
- management of variations, claims and disputes;
- FIDIC contract administration;
- procurement risk management;
- contract performance monitoring; and
- institutional capacity for managing large and complex procurements.

The Consultant shall identify institutional weaknesses, process inefficiencies, and capacity gaps affecting procurement performance and contract administration.

3.2.6 ERP, PMIS and Digital Transformation

The Consultant shall assess PEDO's existing digital systems and information management arrangements to determine their adequacy in supporting integrated institutional management and informed decision-making.

The assessment shall include, but not be limited to:

- existing ERP systems;
- standalone software applications;
- business processes;
- project monitoring systems;
- finance systems;
- HR information systems;
- procurement systems;
- inventory management;
- operations and maintenance systems;
- document management;
- management reporting;
- data governance;
- cybersecurity arrangements; and
- digital maturity.

The Consultant shall undertake Business Process Review to identify opportunities for process simplification, automation, and integration prior to recommending future digital solutions.

3.2.7 Legal and Regulatory Framework

The Consultant shall review the legal, regulatory, and institutional framework governing PEDO's operations to assess whether the existing framework adequately supports its evolving mandate and future business requirements.

The review shall include, but not be limited to:

- applicable legislation;
- corporate governance instruments;
- internal regulations;
- delegation of authority;
- regulatory compliance;
- licensing requirements;
- commercial approvals;
- contractual obligations; and

- institutional responsibilities under the evolving power sector framework.

The Consultant shall identify legal and regulatory gaps that may affect implementation of the proposed institutional reforms and recommend appropriate measures to strengthen PEDO's internal legal and regulatory framework.

3.2.8 External Institutional Interfaces

The Consultant shall assess PEDO's institutional interfaces with external organizations whose decisions, approvals, regulations, or coordination influence PEDO's operational effectiveness and implementation of institutional reforms.

The assessment shall include, but not be limited to:

- mapping of key external stakeholders;
- review of approval processes affecting PEDO;
- assessment of institutional coordination mechanisms;
- identification of regulatory and administrative dependencies;
- identification of policy and procedural bottlenecks affecting implementation;
- assessment of external risks that may delay or constrain implementation of reforms; and
- recommendations for improving coordination, consultation mechanisms, and implementation pathways.

The Consultant's role shall identify external dependencies, implementation constraints, coordination requirements, and practical measures that would facilitate successful implementation of reforms within PEDO.

3.2.9. Baseline Performance Assessment

Based on the institutional diagnostic, the Consultant shall establish a comprehensive institutional baseline that shall serve as the foundation for monitoring implementation throughout the assignment.

The baseline assessment shall include, but not be limited to:

- institutional maturity assessment;
- baseline Key Performance Indicators (KPIs);
- functional performance indicators;
- benchmarking against comparable organizations;
- implementation priorities;
- institutional risks; and
- measurable indicators for tracking institutional improvements during implementation.

3.2.10 Deliverable

Institutional Diagnostic and Baseline Assessment Report

The report shall include, but not be limited to:

- comprehensive institutional assessment;

- baseline performance indicators;
- institutional maturity assessment;
- preliminary KPIs;
- gap analysis;
- benchmarking results;
- implementation priorities; and
- recommendations to be addressed during the reform planning phase.

3.3 Phase 3 – Institutional Reform and Implementation Planning

Following approval of the Diagnostic and Baseline Assessment Report, the Consultant shall prepare a comprehensive Institutional Reform roadmap and Implementation Plan including costs estimate to each of the recommended reform activities to guide PEDO's transition into a technically proficient, commercially responsive, and professionally managed public-sector energy organization. The Institutional Reform Program shall provide an integrated framework for implementation, clearly defining the reform priorities, sequencing, responsibilities, timelines, resource requirements, and performance indicators needed to operationalize and monitor the approved reforms.

The Consultant shall prepare, inter alia, the following:

3.3.1 Institutional Reform Roadmap

The Consultant shall develop a phased institutional reform roadmap describing the sequence of reforms, implementation priorities, dependencies, milestones, and expected outcomes over the duration of the assignment. The roadmap shall clearly distinguish between immediate, medium-term, and longer-term institutional reforms, including but not limited to below reforms.

3.3.2 Organizational Reform

The Consultant shall develop recommendations for strengthening PEDO's organizational structure and governance arrangements, including:

- revised organizational structure;
- reporting relationships;
- functional responsibilities;
- decision-making arrangements;
- delegation of authority;
- governance mechanisms;
- staffing strategy; and
- organizational transition plan.

3.3.3 Institutional Frameworks

The Consultant shall prepare or revise institutional frameworks necessary to strengthen organizational performance, including:

- Human Resource Management Framework;

- Financial Management Framework;
- Investment Management Framework;
- Procurement and Contract Management Framework;
- Tariff and Commercial Framework;
- Legal and Regulatory Framework;
- Risk Management Framework;
- Asset Management Framework; and
- Performance Management Framework.

3.3.4 Standard Operating Procedures

The Consultant shall prepare or update Standard Operating Procedures (SOPs), operational manuals, templates, guidelines, and standardized documentation necessary to institutionalize the proposed reforms and improve consistency across the organization.

3.3.5 Digital Transformation Strategy

The Consultant shall prepare a comprehensive Digital Transformation Strategy covering:

- ERP Functional Requirements;
- PMIS Functional Requirements;
- system architecture;
- implementation strategy;
- data governance;
- cybersecurity;
- business process integration;
- implementation sequencing; and
- future scalability.

3.3.6 Capacity Development Strategy

The Consultant shall prepare a comprehensive capacity development programme designed to strengthen institutional capabilities required for successful implementation of the proposed reforms and long-term sustainable development of PEDO.

The programme shall include:

- competency development;
- structured training programmes;
- mentoring arrangements;
- coaching;
- knowledge transfer;
- development of internal trainers; and
- institutional learning mechanisms.

3.3.7 Change Management and Communication

The Consultant shall finalize the Change Management Strategy by preparing a detailed implementation plan describing:

- stakeholder engagement activities;
- communication programmes;
- behavioural change initiatives;
- institutional ownership arrangements;
- reform champion network;
- monitoring of organizational readiness; and
- measures for sustaining institutional commitment throughout implementation.

3.3.8 Results Framework

The Consultant shall finalize the Results Framework by establishing measurable outcomes and Key Performance Indicators (KPIs) for each reform area.

The framework shall include:

- baseline values;
- annual and end-of-assignment targets;
- means of verification;
- reporting frequency;
- responsible departments;
- monitoring methodology; and
- performance review arrangements.

3.3.9 Implementation Planning

The Consultant shall prepare a detailed implementation plan identifying:

- implementation activities;
- sequencing of reforms;
- interdependencies;
- required approvals;
- resource requirements;
- implementation risks;
- mitigation measures;
- responsibilities of PEDO;
- responsibilities of the Consultant; and
- implementation milestones.

3.3.10 Deliverable

Institutional Reform Roadmap and Implementation Plan

The Consultant shall integrate all recommendations into a single institutional reform programme, which tentatively cover the below. The final program will be discussed and approved by PEDO during the contract execution..

- Institutional Governance, Organizational Structure and Human Resource Management.
- Strategic Planning.
- Finance, Accounting and Investment Management.
- Tariff and Commercial Management.
- Procurement and Contract Management.
- ERP, PMIS and Digital Transformation.
- Legal and Regulatory Frameworks.

The Consultant shall ensure that recommendations developed under each functional area are fully coordinated, mutually consistent, and aligned with the overall institutional reform objectives and implementation roadmap.

3.4 <u>Phase 4 – Technical Advisory Services for Implementation</u>

Following the completion and approval of the Institutional Reform Program (IRP) and Implementation Plan, the Consultant shall serve as the PEDO's Technical Advisor during the implementation phase. The consultant shall provide independent technical advisory services to support PEDO in implementing the approved reform program. The Consultant shall not be responsible for implementing reform activities, managing implementation contracts, or assuming the responsibilities of PEDO or its implementation consultants. Instead, the Consultant shall provide strategic guidance, technical oversight, quality assurance, monitoring and evaluation, and capacity-building support to facilitate effective implementation and achievement of the intended reform outcomes.

3.4 .1 Technical Support for Program Implementation

The Consultant shall provide ongoing technical advice to support implementation of the Institutional Reform Program. The Consultant shall:

- advise PEDO on implementation strategies, priorities, and sequencing of reform initiatives;
- assist in translating the approved implementation roadmap into detailed implementation activities;
- provide technical advice on institutional, operational, organizational, regulatory, commercial, financial, and digital transformation initiatives;
- advise on implementation approaches, methodologies, and good international practices;
- assist PEDO in resolving technical and institutional issues arising during implementation;
- review implementation schedules and recommend adjustments where necessary;

- support coordination of interrelated reform initiatives;
- provide technical advice to senior management and the Steering Committee on strategic implementation issues.

3.4 .2 Technical Oversight and Quality Assurance

The Consultant shall provide independent technical oversight to ensure implementation remains consistent with the approved Institutional Reform Program. The Consultant shall:

- review implementation activities undertaken by PEDO and other consultants;
- review technical deliverables prepared under individual reform initiatives;
- verify consistency with the approved reform strategy and implementation plan;
- assess the technical quality, completeness, and practicality of implementation outputs;
- identify implementation gaps, inconsistencies, and technical risks;
- recommend corrective actions to improve implementation performance;
- advise the Utility on acceptance of key technical deliverables.

3.4 .3 Monitoring and Evaluation (M&E)

The Consultant shall establish and support implementation of a Monitoring and Evaluation (M&E) framework for the Institutional Reform Program. The Consultant shall:

- develop an M&E framework aligned with the reform objectives;
- establish baseline performance indicators and targets;
- develop Key Performance Indicators (KPIs) for monitoring institutional reform progress;
- monitor implementation progress against approved milestones and performance indicators;
- maintain a program performance dashboard;
- assess implementation effectiveness and institutional performance improvements;
- monitor achievement of expected reform outcomes and benefits;
- identify implementation constraints and recommend mitigation measures;
- prepare periodic monitoring reports for management and the Steering Committee.

3.4 .4 – Risk Management and Corrective Action

The Consultant shall support PEDO in proactively managing implementation risks. The Consultant shall:

- identify implementation risks and issues;
- maintain a program risk register;
- assess the impact of implementation risks;
- recommend mitigation measures;

- monitor implementation of agreed corrective actions;
- identify emerging risks affecting achievement of reform objectives.

3.4 .5 Support to Procurement and Consultant Coordination

Where implementation requires additional consulting services or external contractors, the Consultant shall:

- prepare or review Terms of Reference and technical specifications;
- assist PEDO during procurement of implementation consultants;
- provide technical support during proposal evaluation, when requested;
- review implementation consultants' work plans;
- coordinate technical interfaces between different implementation consultants;
- review consultant outputs and recommend improvements where necessary.

3.4 .6 Capacity Building and Knowledge Transfer

The Consultant shall strengthen the Utility's capability to manage institutional reforms by:

- mentoring designated Utility staff;
- conducting technical workshops and training sessions;
- supporting establishment of program management and monitoring processes;
- developing guidance documents and implementation manuals;
- facilitating knowledge transfer throughout implementation;
- documenting lessons learned and good practices.

3.4 .7 Reporting and Decision Support

The Consultant shall provide regular technical reports to support management decision-making. The Consultant shall prepare:

- monthly implementation progress reports;
- quarterly technical advisory reports;
- annual implementation performance reviews;
- technical advisory notes on specific issues referred by the Utility;
- implementation risk reports;
- evaluation reports;
- executive presentations to the Steering Committee and senior management

ADAPTIVE SCOPE AND REFINEMENT

Given the institutional reform nature of this assignment, it is recognized that certain organizational, operational, commercial, regulatory, digital, governance, HR, or capacity-related issues may only become fully evident during the inception and diagnostic phases.

Accordingly, the Consultant may identify and recommend additional reform measures, implementation activities, or analytical work that are directly related to achieving the objectives of this assignment. Such recommendations shall:

- be supported by findings from the diagnostic assessment;
- remain aligned with the objectives and intended outcomes of the assignment;
- be prioritized based on impact, feasibility, and implementation requirements; and
- be submitted to PEDO for review and approval before being incorporated into the implementation plan.

This provision is intended to facilitate refinement of the implementation approach as institutional needs become clearer. It shall not be construed as permitting an open-ended expansion of the contractual scope, additional unrelated assignments, or entitlement to additional compensation unless expressly approved by PEDO through the applicable contractual procedures.

4. KEY DELIVERABLES

Description	Deliverable	Timeline in weeks (since Mobilization Date)
Phase 1 – Inception and Mobilization	Inception Report - Approved by PEDO	8
Phase 2 – Institutional Diagnostic and Baseline Assessment	Institutional Diagnostic and Baseline Assessment Report – Approved by PEDO	18
Phase 3 – Institutional Reform Roadmap and Implementation Planning	Institutional Reform Roadmap and Implementation Plan - Approved by PEDO	30
Phase 4 – Technical Advisory Services for Implementation	**Section 3.4.7 - Deliverables**	60
Status updates, key issues, recommendations	Monthly Progress Reports	Monthly
Status updates, key issues, recommendations	Quarterly Progress Report	Quarterly

5. REPORTING AND COORDINATION

The Consultant shall report to the Project Manager;

- **Project Manager (PM):** The PM shall be the Consultant's primary point of contact and shall be responsible for day-to-day coordination, review of progress, facilitation of access to relevant information and departments, and monitoring of implementation.

  The PM will be following the PEDO internal reporting mechanism as given below;

- **Chief Engineer (CE), KHRE Program:** The CE shall provide oversight, review key deliverables, resolve implementation issues, and monitor overall progress of the assignment.
- **Chief Executive Officer (CEO), PEDO:** The CEO shall provide overall strategic guidance and oversight. Major deliverables, recommendations, and reform proposals shall be presented to the CEO for review and approval, as appropriate.
- **Executive Committee of PEDO**: the Executive Committee will provide strategic oversight of the reform program, review and approve key outputs, and guide implementation priorities. Only those matters that fall outside the Executive Committee's delegated authority will be recommended by EC to the PEDO Policy Board, as applicable.

The Consultant shall submit all reports and deliverables through the Project Manager, who shall coordinate the review process with the Chief Engineer, KHRE Program, and other relevant PEDO departments before onward submission to the CEO, PEDO, where required.

The Consultant shall conduct monthly progress review meetings with the Project Manager and the Chief Engineer, KHRE Program, and shall make presentations to the CEO, PEDO, and senior management at key milestones or as directed by CEO PEDO.

6. CLIENT SUPPORT AND FACILITIES PROVIDED

PEDO shall provide:

- Office space, internet access, and administrative support at headquarters
- Access to all relevant documentation and personnel
- Facilitation for site visits and stakeholder meetings

The Consultant shall be responsible for their own boarding& lodging, transport, insurance, logistics, and technical equipment.

7. KEY EXPERT REQUIREMENTS AND LEVEL OF EFFORT

The assignment is expected to be undertaken by a team comprising of following key experts as below: of consulting firm must demonstrate prior experience in public-sector institutional reform, utility advisory, and World Bank-funded projects. Minimum key expert staff but not limited to the following:

Position	Level of effort (working days)
Institutional Expert / Team Leader	150
HR & Org Development Expert	140

Financial Management Expert	140
Procurement & Contract Management Expert	100
Legal & Regulatory Expert	100
Tariff & Commercial Expert	100
ERP & ICT Specialist	100

Travel requirements

The Consultant is expected to undertake three to four visits to Pakistan for implementation of the assignment. Each visit is expected to involve an on-site stay of approximately two to three weeks, depending on the specific activities, stakeholder engagements, workshops, reviews, and implementation support requirements during the respective phase of the assignment.

8. DURATION AND LOCATION

- **Duration**: The assignment is expected to be completed within a period of eighteen months.
- **Location**: Primary base at PEDO Headquarters, Peshawar. Travel to field sites and PEDO plants offices across Khyber Pakhtunkhwa may be required.

9. CONSULTANT'S QUALIFICATION REQUIREMENTS

9.1 Firm's qualifications

- Minimum ten (10) years of relevant experience in public-sector institutional reforms, organizational strengthening, and power sector advisory services.
- Successful completion of at least three (03) similar assignments during the last ten (10) years in three countries, preferably in the power and renewable energy sectors.
- Demonstrated experience in providing advisory, institutional strengthening, and implementation support services in areas including institutional reforms, financial management, procurement and contract management, ERP systems, legal/regulatory frameworks, and tariff/commercial matters
- Demonstrated availability of qualified multidisciplinary experts relevant to the assignment.
- Experience in developing countries and strong knowledge of the Pakistan's power sector regulatory environment shall be considered an advantage.
- Demonstrated experience in tariff/regulatory financial analysis, preferably with prior work involving NEPRA-regulated entities, CPPA-G, NTDC/NGC, or DISCOs.
- Prior experience working with or reporting to Government of Pakistan ministries/divisions, multilateral donors (World Bank, ADB, GIZ, KfW), or similar public-sector reform programs is highly desirable.

- Sound financial standing, and no conflict of interest with any of the Entities' existing third-party assessors .

9.2 Key Experts

Position	Minimum Qualification & Experience	Role
Team Leader / Institutional Reform Specialist	Master's Degree in Public Administration, Management, Engineering, Business Administration, or related discipline with at least 12 years of professional experience, including institutional reform, organizational transformation, and change management assignments, preferably in the power, infrastructure, or public sector. Experience of leading multidisciplinary consultancy assignments shall be preferred.	Shall lead the overall assignment and be responsible for strategic direction, stakeholder engagement, institutional reform planning, change management, quality assurance, and coordination of all workstreams. The Team Leader shall ensure integration of all functional areas, supervise the technical dvisory during implementation of institutional reforms, oversee delivery of all reports and deliverables, and act as the primary focal point for PEDO throughout the assignment.
HR / Organizational Development Expert	Master's Degree in Human Resource Management, Business Administration, Public Administration, or related discipline with at least 10 years of relevant experience in organizational restructuring, job evaluation, workforce planning, performance management, and institutional capacity development.	Shall lead the review and reform of PEDO's organizational structure, workforce planning, competency frameworks, job descriptions, performance management systems, succession planning, capacity development programmes, and institutional change management initiatives. The expert shall provide technical advice during t implementation and institutionalization of HR-related reforms.

Tariff, Commercial & Market Expert	Master's Degree in Finance, Economics, Energy Economics, Business Administration, or professional qualifications such as ACCA, CFA, or CA with at least 10 years of relevant experience in utility finance, electricity tariffs, commercial operations, electricity market reforms, or regulatory affairs in the power sector.	Shall assess PEDO's commercial readiness and tariff-related functions, including regulatory tariff frameworks, electricity market participation, CTBCM preparedness, Direct Supply Models, revenue models, commercial arrangements, and future business opportunities. The expert shall provide technical advice during development and implementation of commercial and market-related institutional reforms.
Legal & Regulatory Expert	LLB or LLM with at least 10 years of relevant experience in legal and regulatory matters relating to the power, infrastructure, or public sector, including regulatory compliance, contractual matters, and institutional governance.	Shall review PEDO's legal and regulatory framework and identify institutional and regulatory requirements necessary for implementation of the proposed reforms. The expert shall support review of applicable legislation, regulations, policies, governance instruments, approvals, and regulatory compliance requirements affecting PEDO's operations and institutional development.
Financial Management Expert	Master's Degree in Finance, Business Administration, or professional qualifications such as CA, ACCA, or CFA with at least 10 years of relevant experience in financial management, budgeting, investment planning, financial reporting, and internal controls in large organizations or infrastructure projects.	Shall review and strengthen PEDO's financial management framework, including budgeting, accounting, internal controls, asset management, investment planning, financial sustainability, and financial reporting arrangements. The expert shall provide technical advice during implementation of institutional reforms relating to financial management and investment decision-making processes.
Procurement & Contract	Master's Degree in Project Management, Procurement Management, Engineering,	Shall assess and strengthen procurement and contract management functions, including

Management Expert	Business Administration, or related discipline with at least 10 years of relevant experience in procurement and contract management of infrastructure or development projects. Experience in FIDIC contracts and MDB-funded procurement (e.g., World Bank, ADB, or other development partners) shall be preferred.	procurement planning, bidding processes, contract administration, FIDIC practices, claims management, procurement governance, and institutional procurement capacity. The expert shall provide technical advice during implementation of procurement and contract management reforms and capacity-building initiatives.
ERP & ICT Specialist	Master's Degree in Information Technology, ICT, Computer Science, Information Systems, or related discipline with at least 10 years of relevant experience in ERP systems, PMIS implementation, business process reengineering, digital transformation, and institutional information management systems.	Shall lead the digital transformation workstream by undertaking business process reviews, defining ERP and PMIS functional requirements, recommending digital solutions, and supporting implementation planning for institutional management systems. The expert shall ensure that proposed digital solutions are aligned with PEDO's institutional reforms and operational requirements.

Note: The Consultant may propose additional non-key experts or support personnel, as considered necessary, to effectively deliver the assignment within the proposed methodology and work plan. However, the qualifications and experience of the Key Experts specified above shall form the minimum requirements for the assignment.

10. Selection Method

Selection shall follow a Quality- and Cost-Based Selection (QCBS) method

11. ROLES, RESPONSIBILITIES AND IMPLEMENTATION DEPENDENCIES

The Consultant shall be responsible for undertaking the analyses, preparing recommendations, designing institutional and business process reforms,

PEDO shall retain responsibility for:

- Approval of reports, recommendations, and implementation plans;

- Adoption of organizational structures, policies, procedures, and governance arrangements;
- Decisions requiring approval of the PEDO Board, Energy & Power Department, Government of Khyber Pakhtunkhwa, Cabinet, or other competent authorities;
- Allocation of financial, human, and other institutional resources;
- Issuance of administrative orders, notifications, and implementation directives; and
- Coordination with external government agencies and stakeholders where formal institutional decisions are required.

The Consultant shall identify implementation dependencies, decision points, and approval requirements during assignment planning. These shall be reflected in the implementation roadmap, work plan, and RACI matrix to facilitate timely execution of the reform program.

ANNEXURE – I

Assessment Methodology

- The assessment was conducted through a review of relevant legislation, policies, manuals, annual reports, procurement documents, HR regulations, and power sector planning documents related to PEDO and the energy sector.
- In-depth consultations were held with current and former PEDO officials using an open-ended questionnaire designed to assess institutional strengths, weaknesses, operational challenges, and future requirements.

- The findings were validated through data triangulation and analysed using As-Is process mapping, SWOT analysis, gap analysis, and a transition framework to identify institutional reforms required for future growth.

Overall Assessment

PEDO possesses substantial technical experience in hydropower development and has successfully commissioned and operated several hydropower projects across the province. However, institutional systems have not evolved at the same pace as the organisation's growing responsibilities. The study found that weaknesses in planning, governance, regulatory management, procurement, contract administration, and human resource management are constraining PEDO's ability to function as a modern energy development organisation. While PEDO has strong technical foundations and significant hydropower potential available in the province, institutional reforms are required to improve efficiency, autonomy, and project delivery. The detailed assessment highlighted the following key institutional, organizational, and operational findings;

i. **Governance and Institutional Structure**

Corporate Status and Governance

- Although PEDO has been established as a corporate entity under the PEDO Act 2020, it continues to operate largely as an autonomous government-controlled organisation. This has limited its operational flexibility and decision-making autonomy.
- While the Board of Directors benefits from strong government representation and oversight, there is scope to enhance the balance of governance arrangements to support greater adoption of corporate-sector practices and decision-making approaches.
- The study observed that the transition envisaged under the PEDO Act has not been fully implemented, creating institutional bottlenecks and slowing organisational development.
- **Policy and Strategic Direction**
    - The absence of a provincial energy policy, energy plan, and integrated planning framework has created uncertainty in the overall direction of the energy sector and has weakened long-term planning within PEDO.
    - The study notes that PEDO is operating without a clearly defined provincial energy roadmap that aligns generation, transmission, distribution, and power sales strategies.

ii. **Planning and Project Management**

Integrated Planning

- One of the most significant findings of the study is the absence of an integrated planning process within PEDO. Different departments operate independently, resulting in poor coordination between project development, procurement, financing, grid connectivity, and operations.

- Weak planning practices have contributed to project delays, increased costs, inefficient resource utilisation, and operational challenges after project commissioning.

Project Evaluation and Technical Planning

- The study found that PEDO's in-house capability for technical and financial evaluation of large projects is limited due to the shortage of specialised professionals and structured review mechanisms.
- Feasibility study guidelines exist for mini and micro hydropower projects, but similar frameworks for medium and large hydropower projects are not available, increasing the risk of project delays and cost overruns.
- The existing Panel of Experts mechanism was considered weak and insufficient for evaluating large and technically complex projects.

Owner's Engineer Arrangements

- The roles of consultant and Owner's Engineer are currently combined in many projects. The study considers this approach unsuitable for large-scale projects where both functions should remain independent to ensure effective oversight and project management.

iii. Regulatory Affairs and Tariff Management

- PEDO does not have a dedicated Regulatory Affairs Department despite operating in a highly regulated energy sector.
- Regulatory matters, tariff petitions, and engagements with institutions such as NEPRA, CPPA and PPIB are often managed through external consultants, increasing project costs and reducing institutional learning.
- Limited understanding of regulatory requirements has resulted in delays in tariff approvals and, in some cases, electricity being supplied to the national grid without approved tariffs.
- The study also highlighted that several projects have not been included in the Indicative Generation Capacity Expansion Plan (IGCEP), creating uncertainty regarding project implementation and future commercial viability.

iv. Public-Private Partnership (PPP)

- While the Public Private Partnership Act 2020 exists, practical implementation remains limited and no PPP projects are currently operational under PEDO.
- Existing PPP arrangements have not attracted sufficient private investment due to concerns regarding returns, risk allocation, and overall investment attractiveness.
- The study identifies PPPs as a significant opportunity for mobilising private capital, reducing government funding requirements, and accelerating renewable energy development.

v. Procurement and Contract Management

Procurement

- PEDO follows procurement procedures based on KPPRA rules and donor requirements; however, the organisation lacks specialised procurement professionals with expertise in large-scale and international procurements.
- Procurement processes are affected by delays in opening Letters of Credit, customs clearance issues, import restrictions, and weak procurement risk assessment mechanisms.
- Absence of structured procurement risk management increases the likelihood of delays, cost escalations, quality issues, and implementation challenges.

Contract Management

- Contract management was identified as one of the weakest institutional functions within PEDO. The organisation lacks specialists with expertise in contract administration, claims management, and FIDIC-based project execution.
- Weak contract management practices increase the risk of disputes, litigation, project delays, and financial losses.

vi. Human Resource Management

Organisational Structure and Staffing

- The study found that PEDO's organisational structure requires reassessment to ensure that personnel are deployed according to their qualifications, experience, and technical competencies.
- In several instances, employees are assigned responsibilities outside their areas of expertise, reducing efficiency and affecting project outcomes.
- Job descriptions for many positions are either unclear or insufficiently defined, creating ambiguity in roles and responsibilities.

Recruitment and Workforce Planning

- Human resource planning is weak and lacks a structured mechanism for forecasting future staffing requirements, particularly for project operations and maintenance.
- The study noted concerns regarding political influence in recruitment, promotions, and O&M staffing decisions, which can affect merit-based decision-making and organisational performance.
- Shortages of specialised professionals in key technical and managerial positions continue to affect project implementation and operational efficiency.

HR Systems and Policies

- Although ERP implementation has commenced, the system remains underdeveloped and is not being utilised to its full potential.
- PEDO currently lacks a Human Resource Information System (HRIS), limiting its ability to undertake workforce planning, performance management, and succession planning.

- Several essential HR policies, including whistleblowing, grievance handling, anti-harassment, gender protection, and reward and punishment mechanisms, are either absent or insufficiently developed.

Training and Capacity Building

- The study identified significant gaps in technical and managerial training across the organisation.
- PEDO does not have a dedicated training centre and relies largely on outsourced training programmes.
- A structured capacity-building framework, departmental master trainers, and standardised training manuals were identified as important institutional requirements.

vii. Operations and Maintenance (O&M)

- O&M practices have improved through increased localisation; however, staffing shortages and delayed recruitment continue to affect operational performance.
- The absence of integrated planning has resulted in delays in recruiting O&M personnel before plant commissioning, reducing operational readiness.
- Existing O&M manuals primarily focus on mini and micro hydropower projects and do not adequately address the requirements of medium and large hydropower facilities.
- The study highlights the need for systematic training, updated O&M procedures, improved emergency preparedness, and enhanced disaster management capabilities.

viii. Technical Capacity

- PEDO possesses a strong technical base, including expertise in geology, hydrology, surveying, and electrical testing, which supports project development and implementation activities.
- The organisation has the technical capability to undertake site investigations, feasibility studies, hydrological assessments, and equipment testing, making it well positioned for technical project evaluation.
- These strengths provide a solid foundation upon which broader institutional and managerial capacities can be developed.

ix. Environmental and Social Management

- Environmental and social management systems require strengthening to address the growing complexity of hydropower development projects.
- The study found that policies related to environmental protection, biodiversity conservation, minimum environmental flows, tree replacement, and ecological safeguards remain weak or inadequately defined.
- Social challenges relating to land acquisition, compensation, resettlement, community engagement, and local stakeholder management continue to create implementation risks for projects.
- Stronger environmental and social assessment procedures are required to reduce project risks and improve community acceptance.