



THE REPUBLIC OF UGANDA

MINISTRY OF WATER AND ENVIRONMENT  
URBAN WATER SUPPLY AND SEWERAGE SERVICES DEPARTMENT

TERMS OF REFERENCE

For

**CONSULTANCY SERVICES FOR PROFESSIONALIZATION OF UMBRELLA  
AUTHORITIES**

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## **1 INTRODUCTION AND BACKGROUND INFORMATION**

### ***1.1 General Project Overview***

The Government of Uganda (GoU) through the Ministry of Water and Environment (MWE), with financial assistance from the World Bank is implementing Integrated Water Management and Development Project (IWMDP). The Project will focus on three strategic areas: (i) delivering necessary Water Supply and Sanitation infrastructure and catchment management measures in targeted areas; (ii) supporting water related institutions (MWE, local government, and service providers) establish and consolidate operational efficiency and service quality in small towns and rural areas; and (iii) strengthening national and regional capacity to improve Integrated Water Resources Management.

The Project comprises four components here listed: Component 1 –Water Supply and Sanitation in Small Town & Rural Growth Centers which will cover Support to Small Town & Rural Growth Centers and Support to Refugee & Host Communities; Component 2 –WSS in Urban Large Towns; Component 3 – Water Resource Management and Component 4 – Project Implementation & Sector Support. The proposed interventions in the IWMDP will contribute to Uganda’s achievement of the Sustainable Development Goals; SDG#3 - ensuring healthy lives and promoting well-being for all, at all ages, SDG#6 - ensuring availability and sustainable management of water and sanitation for all and SDG#10 - reducing inequalities within and among countries.

The IWMDP (Project) will contribute to Uganda’s achievement with focus on:

1. Improving access to water supply and sanitation services in urban, small town and rural areas, including refugee hosting communities in the country;
2. Improving water resources management; and
3. Institutional strengthening to ensure improved service delivery and sustainable water resources management in Uganda.

The Ministry of Water and Environment (MWE) introduced a management model that is tailored for all piped water schemes supplying large towns, small towns and rural areas. The model relies on National Water and Sewerage Cooperation (NWSC) and Six Umbrella Authorities (UAs). NWSC, a state owned parastatal, is largely managing the large towns while the UAs oversee the operational management of the water schemes in small towns and rural areas and are based in six different regions of Central, Easter, North, Mid -West, South West and Karamoja. The UAs fall under a new Support to Utility Management (SUM) Division under the Urban Water and Sewerage Services Department (UWSSD) of the MWE. All seven utilities (NWSC & the 6 UA) are regulated by a new MWE Water Utility Regulation Department (WURD).

The global objective of this model is sustainable service delivery resulting in an increase in coverage and in levels of service.

These UAs, SUM and the WURD are facing considerable challenges. In addition to limited staffing, limited logistical resources and a significant backlog of investments resulting from many years of under-investment in water systems operated by UAs, they all need to strengthen and professionalize their internal organizational capacities, structures and procedures. This need fits well in strategic area of focus no. (ii) of IWMDP stated above. The Ministry of Water and Environment, therefore, intends to use part of IWMDP funds to procure a consultant to help UAs, SUM and the WURD strengthen and professionalize their internal organizational capacities, structures and procedures.

## **1.2 Project Development Objectives**

The project development objectives (PDOs) is to (1) improve access to water supply and sanitation services; (2) strengthen capacity for integrated water resources management; and (3) enhance the operational performance of selected service providers. The Project will achieve this PDOs through three strategic areas: (i) delivering the necessary water and sanitation infrastructure in targeted areas; (ii) supporting water related institutions (MOWE, local government, and service providers) develop and strengthen measures to establish and consolidate operational efficiency and service quality in small towns and rural areas; and (iii) strengthening national and regional capacity to improve IWRM.

### Specific IWMDP objectives:

- Development of piped water supply systems that are safe, adequate, reliable and accessible.
- Improved general health conditions through reduction of water borne diseases and promotion of good practices of hygiene and sanitation targeting 100% toilet coverage.
- Empowering communities through a high degree of community engagement and capacity building for O&M of the installed facilities.
- Contribution to water resource and environmental protection through the use of appropriate technologies in water and sanitation interventions and adherence to related national guidelines.
- Development and promotion of appropriate technologies of sanitation facilities both at household level and public infrastructure including faecal sludge management systems
- Support to O&M of existing water supply systems through major renewal and expansion of infrastructure.

### 1.3 Objectives of the Consultancy

The overall objective of this consultancy is to develop the Umbrellas into Well-Performing Utilities and build the capacities of the Support to Utility Management Division and the Water Utility Regulation Department to effectively undertake the supportive and regulatory roles respectively

Through the resulting professionalization contract, the Firm will help the UAs, develop their long term financing strategy and strategic plan, implement and assimilate standard operating procedures and systems (for network, commercial, administrative, and financial management). At the Ministry of Water and Environment, the Professionalization Consultant will build the capacities of Support to Utility Management Division (SUM) as well as Water Utility Regulation Department (WURD) to undertake their oversight and regulation roles respectively. A mechanism for an efficient and effective reporting, monitoring and evaluation as well as a mechanism for rewards and sanctions shall be developed and implemented.

### 1.4 Background Information<sup>1</sup>

Since July 2017, the Ministry of Water and Environment (MWE) introduced a new management model that is tailored for piped water schemes supplying small towns and rural areas. **The model builds on the former structures and experience of the six regional “Umbrellas of Water and Sanitation” that were created between 2002 and 2014** to provide operation and maintenance (O&M) backup support services for small water supply schemes through regional support structures – the Umbrella Organizations. Under the new model, the Umbrellas – now referred to as Umbrella Authorities (UAs) – are appointed as Water Authorities. Instead of playing a supporting role as in the past, they assume direct management responsibilities for the “gazetted”, or formally registered schemes, and effectively operate as public water utilities. The Umbrella Authorities operate independently, however under the supervision and with support from the Government of Uganda represented by MWE and also supported by Development Partners (DPs) to ensure affordable water and sanitation services while ensuring sustainability of the infrastructure.

Since the gazette of July 2017, a total of 498 piped water schemes have been gazetted for management by UAs. Effective takeover of these schemes is still in progress and will continue for some time. A further increase of the number of gazetted schemes is envisaged. Uganda has a total of approximately 1,149 piped water schemes that are not managed by National Water and Sewerage Corporation (NWSC); a state-owned parastatal. They were constructed through

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<sup>1</sup> More detailed institutional information is available in a report relative to the Institutional Assessment of the UAs (Dorothy Kobel, 2019).

various projects (funded by a variety of donors, the GoU, the EU and development banks), by local governments, NGOs, UN organizations (UNICEF), UNHCR and other stakeholders.

The objective of introducing the Umbrella Authority model is to professionalize the management (O&M) of water and sanitation infrastructure and to achieve sustainable functionality by ensuring adequate maintenance, revenue collection and re-investment. The earlier management models – community management and private operators contracted by local governments – did not achieve satisfactory results in these domains due to its institutional limitations and financial capacity. Maintaining the infrastructure required continuous subsidies (for O&M backup support and for rehabilitations) while service quality remained low, mainly due to deferred maintenance and poor management practices, and no savings were made to finance the necessary capital maintenance investments.

### **1.5 Current Situation (as of May 2020)**

**Currently, there are six UAs in Uganda in six different regions<sup>2</sup>.** The table in the next section presents a set of descriptive data of each UA, mainly in terms of size and performance. As mentioned earlier, each UA oversees managing dozens of water supply schemes belonging to the different areas under their jurisdiction, as well an increasing number of faecal sludge treatment plants. As the UA model is quite new, there are several different degrees of management ranging from employees directly managing, to scheme/private operators contracted and paid a percentage of collected revenue. The role of the contracted operators is limited to day-to-day routine technical and commercial tasks.

About 220 water schemes of the 498 *gazetted for* UA management are directly managed by the UAs using personnel or operators contracted and directly paid by UA. In all these schemes, customers are billed, and revenue is collected using the *Pegasus* (locally developed) billing and revenue collection system where most customers pay electronically through mobile money systems, easy money or directly to UAs accounts through the bank accounts. About 278 are in the process of takeover; are not yet fully taken over by a UA but receive minimum support of the UA and still managed by local government/communities.

Another 651 schemes have not yet been *gazetted* and do not receive UA type of support as they are managed by the local authorities. The process scheme gazetting and take over is also not streamlined. Although there is a criterion for gazetting systems for management by NWSC

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<sup>2</sup> Namely the Central, Eastern, Karamoja, Mid-Western, Northern and South Western regions. In each region, the UA will then operate in all districts to which the designated areas belong.

and UAs, it is largely disregarded and has been turned political. There is also no standard procedure for system gazetting and takeover. The proposed consultancy is expected to review the criteria and standardize the system.

In addition of the UA and local operators, there are *Water & Sanitation Committees* who used to oversee the systems. Under the new UA model, they have some supervising role representing customers' interests (like a model that we can find as well in other African countries and in Central and South America). These committees receive a small percentage of revenues to cover minimum costs.

**In terms of legal status**, the UAs have been corporatized to separate them from direct Government (MWE) financial management. UAs are all *companies limited by guarantee*, a status commonly used by NGOs or cooperatives. This status should evolve in the future to transform UAs as standard corporations (public utilities).

In terms of governance, five of the UAs have maintained their governance structure in which an Executive Committee, as appointed by the General Assembly, is charged with management oversight. The General Assembly is constituted by the representatives from each of the schemes (these include; water users and local leadership) coming together and electing the Executive Committee which becomes the governing board with management oversight of Umbrella Authority. The UAs will be required to constitute competent Boards. In order to ensure a competent and qualified Board, it is proposed that the Board Members are a combination of Ministry appointees and membership by virtue of office/position. In Mid-Western Umbrella a competent and qualified Board has been constituted. It is composed of three top members of the executive (the chair, secretary and treasurer) and Ministry membership by virtue of office/positions. Board development, training and mentorship are ongoing at the Mid-Western Umbrella with support from the Conrad N. Hilton Foundation, being implemented by the Water and Sanitation for the Urban Poor (WSUP)<sup>3</sup>. GIZ is considering providing support for Northern umbrella. This assignment is expected to cooperate and coordinate with any ongoing support to umbrellas to synergize efforts.

**At the MWE level**, the **Support to Utility Management (SUM)** Division of the Urban Water and Sewerage Services Department (UWSSD) is charged with supervision, coordination, backup support and capacity building while the Water Utility Regulation Department (WURD) is mandated to conduct technical and commercial regulation of the UAs. MWE has signed a

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<sup>3</sup> Please refer to <https://www.wsup.com/advisory/projects/building-well-performing-and-financially-viable-utilities/> for more information on this support.

performance *contract with* each of the UA. The UAs financial statements and annual reports will also be subject to annual audits by the office of the Auditor General.

**In terms of size and organization**, the UAs are not big organizations as of today. They employ 10 to 18 people at the regional level, with core staff being contracted directly by MWE, plus between 40 and 100 people contracted as scheme operators. The Table 1 below describes structure and key performance of UAs

**Table 1: Key UA Figures (as of March 2019)**

Size	Central	Eastern	Karamoja	Mid-Western	Northern	South Western
# Schemes under UA						
# Schemes with UA gazetted as W&S Authority	126	58	37	62	85	130
Currently Directly managed	53	33	20	41	47	30
% of direct management	50.5%	61.1%	54.1%	70.7%	61.8%	28.6%
Other Supported (not direct)	20	20	n.a.	30	15	n.a.
Population in Served Areas	490,000	310,000	120,000	380,000	320,000	160,000
Active connections in directly managed Schemes	13,700	8,500	1,500	8,200	5,600	3,300
<i>Metered</i>	96%	92%	100%	98%	98%	100%
<b>UA Staff</b>						
UA Staff regional level (not schemes staff)	18	14	10	17	16	13
<b>Sales</b>						
Monthly Water Vol Sold - m3 est.	113,000	50,000	14,000	67,000	45,000	28,000
Monthly Water revenues collected – UGX million	286	110	20	140	85	35
<b>Average Consumption &amp; Tariff</b>						
Average Monthly Consumption - m3	8.2	5.9	9.3	8.2	8.0	8.5
Average Tariff UGX/m3	2,978	3,014	2,646	2,612	2,698	1,786
<b>Financial &amp; Network Performance Indicators</b>						
NRW	35%	37%	39%	30%	25%	35%
Cost recovery	98%	75%	36%	84%	79%	57%

Collection efficiency	85%	73%	54%	80%	70%	70%
Water availability (1)	92%	89%	95%	95%	95%	99%

**In terms of size**, there are four UAs (Central, Mid –Western, Eastern and Northern) covering a population over 300,000 people in their directly managed schemes, and two smaller ones with population between 100,000 and 200,000 (Karamoja and South Western).

Given the population numbers in the schemes directly managed and their number, the average population in such schemes is between 5,000 and 9,000.

**In terms of connections and metering**, the number of active connections managed by the UAs is currently estimated at about 62,187(as of May 2020). Metered connections represent almost 100% of the active connection, which is a positive trend since acceptance of meters continues to be a challenge in small towns and rural areas.

**In terms of staff**, as already mentioned, the UAs employ only 10 to 18 people at the regional level. The core staff usually includes one manager, one commercial officer, one engineer one admin/accountant, one social mobilizer and one water quality analyst. In addition, they either employ or sub-contract the local scheme operators.

**In terms of consumption and sales**, we can observe big differences between the UAs not only due to differences of size. The biggest UA is the Central one with monthly sales (March 2019 figure) amounting to UGX 286 million: an estimated UGX 3,432 or USD 0.9 million. The **average consumption** is more or less similar in all regions, with the exception of the Eastern region (one of the biggest in terms of population and active connections) where the figure (5.9 m<sup>3</sup>) is 30% less than the average of the other regions. The **average tariff** is also quite different: around 3,000 UGX/m<sup>3</sup> in Central and Eastern region; around 2,650 UGX/m<sup>3</sup> (10% lower) in Karamoja, Mid-Western and Northern region; and 1,800 UGX/m<sup>3</sup> only in South Western region. The latter is due to the high percentage of gravity flow schemes (without pumping costs) in this region.

**In terms of basic performance indicators**, Table 2 below identifies the following groups of UAs - Good, Bad and Critical - in function of the different types of performance<sup>4</sup>.

We can observe that **OPEX recovery** is only acceptable for the Central region, while considering that this indicator only reveals the minimum cost recovery, as it does not include *return on* and *return of investment*.

**Non-Revenue Water** is very high in all AU's. It is currently reported as an average of 37.2%. The Northern region is reported as the best performing with an average NRW of 25%.

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<sup>444</sup> The water availability reported by the UAs has not been included as it relates to the water scheme and not to the customer connection (i.e. it is not a full measure of service availability/interruption).

**Collection rates** are at or below 85%, and at dysfunctional level for Karamoja. In addition, these are aggregated figures at the UA level, which hide some disparities at the scheme level (mainly for the newly taken over schemes for which some time is needed to catch up in terms of performance).

MWE has put in place quite detailed information reporting for all UAs and their schemes through a web-based “Utility Performance Monitoring and Information System” (UPMIS). Monthly reporting is improving but data are still incomplete (especially for new schemes) and require formal validation.

**Table 2: A few basic UA performance indicators**

<b>Indicators</b>	<b>GOOD</b>	<b>BAD</b>	<b>WORSE</b>
<b>OPEX recovery</b>	Central (98%)	Mid-West (84%), North (79%), East (75%)	South West (57%) Karamoja (36%)
<b>NRW</b>		North (25%)	Mid-West (30%), Central (35%) South West (35%), East (37%) Karamoja (39%)
<b>Collection rate</b>		Central (85%), Mid-West (80%), East (73%), North (70%), South West (70%)	Karamoja (54%)

## **2 SCOPE OF THE ASSIGNMENT**

### **2.1 General Scope of the Assignment**

Under this consultancy, a private firm or a consortium of firms will be contracted to undertake the following:

- i. Through consultations and stakeholder participation, assess the Water Utility Regulation Department, the Support to Utility Management Division, the 6 umbrellas as well as schemes under their management and come up with an assessment report, develop a long term strategic plan including recommendations for improvements at the Water Utility Regulation Department level, the Support to Utility Management Division level, the umbrella level and scheme level. For the umbrellas, the assessment should take into account their existing status including the status of any ongoing support provided by other development partners. This strategic plan should include the performance improvement plan prioritized into short term, medium term and long term interventions clearly specifying the

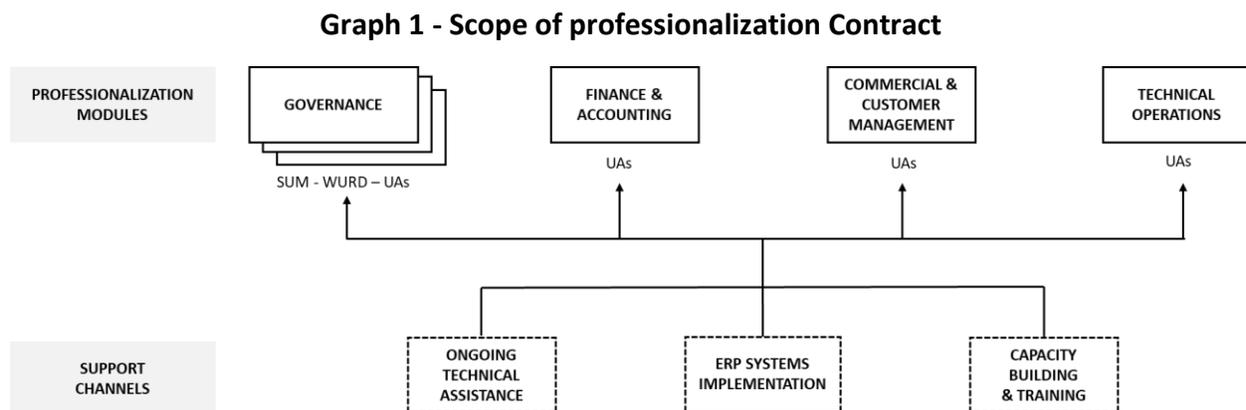
expected gains in the performance indicators once the plan is implemented. The consultant will develop and document a sustainable financing strategy for the Water Utility Regulation Department, the Support to Utility Management Division and the umbrella Authorities.

- ii. Support in implementing the developed performance improvement plan, clearly documenting what has been implemented and the performance gains achieved
- iii. Help the UAs develop, implement and assimilate standard operating procedures and systems.
- iv. Develop and support the implementation of an efficient and effective reporting, monitoring and evaluation system.
- v. Propose and support the implementation of a rewards and sanctions mechanism to reward good performance and penalize poor performance
- vi. Build the capacities of the Support to Utility Management Division and the Water Utility Regulation Department to effectively undertake the supportive and regulatory roles respectively

The professionalization contract will focus on the building and improvement of the following main domains (the **professionalization modules**):

1. Corporate Governance and Internal Organization module focusing on a) Support to Utility Management Division, b) Water Utility Regulation Department and c) Umbrella Authorities
2. Accounting & Financial management
3. Technical Operations
4. Commercial management

The graph below illustrates the four main domains (the **professionalization modules**) the professionalization contract will focus on



The finance & accounting, commercial and technical operations modules are mainly targeting the UAs, while the Governance module is designed to include capacity building of the Support Utility Management (SUM) division and the Water Utility Regulation Department (WURD) of the Ministry of Water and Environment (MWE). The SUM division is specifically in charge of monitoring the UAs' performance, and providing them institutional, financial and technical support. On the other hand, the WURD regulates compliance to standards of service of the UA's with a view of improving service levels.

The strengthening of that "external" governance, support and monitoring is essential to the successful development of the UAs. The objective of the contracted Firm's support will be to ensure these functions can be fulfilled by SUM and WURD according to best practices and to optimize that support given the staff and budget constraints of MWE. Given the role of the SUM Division, the Firm will ensure that the latter is actively involved in the different actions of UAs' professionalization.

We detail below in the next sections the major focus areas and major activities of the different modules to be implemented by the Firm. We will detail eventually the different support channels.

## **2.2 The Governance and Internal Organization Module**

### ***2.2.1 Major Activities to be implemented by the firm***

The major activities to be undertaken by the firm, under this module, are coordination and technical assistance in legal, institutional and corporate governance. The firm shall,

- a. Lead and participate in assessing the Water Utility Regulation Department, the Support to Utility Management Division, the 6 umbrellas as well as schemes under their management and come up with an assessment report
- b. Develop and document long term strategic plans and a sustainable financing strategy for the Water Utility Regulation Department, the Support to Utility Management Division and the umbrella Authorities. The firm will later on support the implementation of the plan including improvements at the Water Utility Regulation Department level, the Support to Utility Management Division level, the umbrella level and scheme level. The firm will document the performance improvement activities undertaken in all the modules and all the performance gains realized.

- c. Provide advice and recommendations on the governance structure of Water Utility Regulation Department, the Support to Utility Management Division and the umbrella Authorities and constitution of each of UAs in respect to their new role as a water authority, the support to utility management division and the Water Utility Regulation Department.
- d. Review the Memoranda and Articles of Association of the Umbrella Authorities, recommend any amendments / changes to support operations, amend and file the Memoranda and Articles of Association of each of the Umbrella Authorities with the Registrar of companies.
- e. Provide the services of an experienced “company secretary” to support the 6 Umbrella Authority Boards in fulfilling their functions and meeting their legal obligations in addition to providing legal advice on any other matters arising during execution of the assignment.
- f. Build Board capacity through training, mentoring performance assessment and basic secretarial support. The Consultant shall attend the initial board meetings and conduct trainings in corporate governance, the board & management roles, accountabilities and responsibilities of the Board and the dynamics of good Boards.
- g. Coordinate the implementation of the professionalization consultancy with all the other firms, the MWE, Development partners that are involved in this or other support to Umbrella Authorities to ensure harmonized and cost effective supports
- h. Review and assess (as well as recommend improvements) the organizational flowchart, the definition and allocation of roles and responsibilities within the SUM division, WUR Department and the Umbrella Authorities. The Firm will assess the staff numbers and expertise (HR component), as well as equipment and tools in line with the work volume and the role of the SUM division, WURD and UA – and issue recommendations with that respect.
- i. Review and assess the current criteria for system gazetting and takeover and recommend improvements and standardize the process.
- j. Develop and support the implementation of an efficient and effective reporting, monitoring and evaluation system.
- k. Propose and support the implementation of a rewards and sanctions mechanism to reward good performance and penalize poor performance
- l. Consolidate all the standard operation procedures developed in all the modules into the Umbrella Authority Operations’ Manual

### 2.2.2 Major Focus Areas for Support to Utility Management Division

The consultant shall majorly focus on the roles of the division (including the scope and nature of the support the division should render to utilities) and thereby determine the needs and budget of the division in terms of staff (number and expertise); equipment, tools and processes. The consultant shall provide technical assistance to the division to ensure the roles and processes are fulfilled and the capacity of the division staff is built to take on the roles on their own later on. The table 5 summarizes the major focus areas and activities to be undertaken by the firm.

**Table 5: major focus areas and activities to be undertaken by the firm with SUM division**

No.	Focus Area	Activities
1	<b>Role of SUM division</b>	<p>Given the global functions of the division, the contracted Firm will list in detail its potential areas and lines of work for the next 3 years, such as:</p> <ul style="list-style-type: none"> <li>i. The set-up of the UAs boards and their follow-up and monitoring of activities;</li> <li>ii. The provision of secretariat services to those boards;</li> <li>iii. The UAs' performance monitoring &amp; assessment (see below);</li> <li>iv. The UAs' network/Infrastructure planning and procurement;</li> <li>v. Global legal, technical and financial support.</li> </ul>
2	<b>Organizational Structure</b>	<p>The contracted Firm will review and assess (as well as recommend improvements) the organizational flowchart, the definition and allocation of roles and responsibilities within the SUM division.</p> <p>The Firm will assess that staff numbers and expertise (HR component), as well as equipment and tools in line with the work volume and the role of the SUM division – and issue recommendations with that respect.</p>
3	<b>Monitoring &amp; Benchmarking Performance</b>	<p>With respect to UA performance monitoring and benchmarking, the SUM division can rely on UPMIS - an online MIS system where each scheme can submit its key operational data. UPMIS produces standard performance reports.</p> <p>The contracted Firm will review the data and reports available on UPMIS and assess their use by SUM. In particular, the Firm will assess:</p> <ul style="list-style-type: none"> <li>I. The methods used to analyze-process the data (e.g. reference</li> </ul>

		<p>to normative values; benchmarking; single/multi-factor productivity analysis;</p> <p>II. The scope and quality of the analytical results (in terms of identification and explanation of inefficiencies);</p> <p>III. How the results are shared with – and explained/commented by the UA;</p> <p>IV. How the findings lead to the definition of action plans to remedy identified inefficiencies.</p>
<b>4</b>	<b>Global Support to the UAs</b>	The Firm will identify in detail the areas of active support to the UAs (financial management, network operations, legal support and commercial operations), assess and make recommendations to optimize that support. These recommendations will include for example SUM staff training, adoption of new methods and tools, etc.
<b>5</b>	<b>Coordination with other support programs</b>	There are other international support programs for UAs' operations (mainly WUSP/CHF, <i>WaterAid and, GIZ</i> ), the contracted Firm will take notice of these programs or any other program, adapt its own UA support program and priorities, and ensure coordination and collaboration with and through MWE to ensure complementarity and synergy.

### **2.2.3 Major Focus Areas for WURD**

The consultant shall majorly focus on the roles of the department and thereby determine the needs and budget of the department in terms of staff (number and expertise); equipment, tools and processes. The consultant shall provide technical assistance to the department to ensure the roles and processes are fulfilled and the capacity of the department staff is built to take on the roles on their own later on. The table 6 summarizes the major focus areas and activities to be undertaken by the firm.

**Table 6: major focus areas and activities to be undertaken by the firm with WURD**

<b>No.</b>	<b>Focus Area</b>	<b>Activities</b>
<b>1</b>	<b>Role of WURD</b>	The mandate of WURD is more cross-cutting in nature that extends beyond the UA's to other utilities in the water supply service provision. As such the unique role of WURD under this project to be provided by the contracted firm will also be geared at making the

		<p>UA's better performing entities.</p> <p>In this regard, the objective of the task is to improve the performance of the UA's to ensure that they become better performing and in turn also contribute to the improvement in achievement of agreed targets in the Performance Contracts.</p>
<b>2</b>	<b>Monitoring &amp; Benchmarking Performance</b>	<p>Performance Monitoring of Utilities is one of the key functions of WURD. UPMIS has been established to facilitate WURD in carrying out this role for the sector. The efficiency of this database therefore has vital implications to carrying out this function. The output from UPMIS is also heavily relied upon for sector reporting and yet the system has experienced some challenges and hence has not been very reliable.</p> <p>The contracted Firm will review the UPMIS platform and assess the system processes in line with WURD mandate. In particular, the Firm will:</p> <ol style="list-style-type: none"> <li>I. Review the UPMIS system snag list developed by WURD and SUM</li> <li>II. Update the UPMIS system in line with the snag list above</li> <li>III. Upgrade the UPMIS system to avail platform for reporting by other Utilities beyond UA's. eg NWSC, KIS, etc</li> </ol>
<b>3</b>	<b>Tariff setting</b>	<p>Economic regulation, including tariff determination, is a key function of WURD. The contracted Firm will review the tariff review and setting policy and procedure of the WURD as well as the capacity of WURD to undertake this function. The firm will make recommendation to improvement to processes and procedures, as well as organizational and capacity building requirements to ensure that WURD can play its economic regulations functions adequately.</p>
<b>4</b>	<b>System gazette criteria and take over process</b>	<p>Review and assess the current criteria for system gazetting and takeover and recommend improvements and standardize the process.</p>

### 2.2.4 Major Focus Areas for Umbrella Authorities

The consultant shall majorly focus on the roles of UA and thereby determine the needs and budget of the UA in terms of staff (number and expertise); equipment, tools and processes. The consultant shall provide technical assistance to the UA to ensure the roles and processes are fulfilled and the capacity of the department staff is built to take on the roles on their own later on. The table 7 summarizes the major focus areas and activities to be undertaken by the firm.

**Table 7: major focus areas and activities to be undertaken by the firm with WURD**

No.	Focus Area	Activities
1	UA Board	<p>The UAs did not yet comply with their legal obligation to form new members-boards. The current “Executive Committees” are in some cases inactive or their term of office has expired. The contracted Firm will support the practical implementation of these boards. In particular, it will:</p> <ul style="list-style-type: none"> <li>I. Propose Guidelines and Processes for the <i>selection</i> of the board members;</li> <li>II. Draft a <i>Board Governance Manual</i> (applicable to all UAs) that will cover the following aspects: Vision, Mission and Values incl. Code of conduct; Board charter (Roles and responsibilities); Board calendar/meetings; Terms.</li> </ul>
2	Strategy	<p>The contracted Firm will review and assess existing strategic plans. These plans should precisely define the global objectives of the UA, the related action plans with means, milestones and responsibilities. They should be prepared in conjunction with realistic business plans. The plans will specifically take into account the optimization of the progressive take-over of the numerous schemes not yet managed by the UAs. The consultant will also help to develop and implement procedures to <i>follow up the plans, review and regularly update them.</i></p>
3	Performance Contracts	<p>Performance contracts between the Ministry and the UAs are a legal obligation. The 3 year contracts have been entered with each of the UA’s.</p> <p>The contracted Firm will support the UAs in developing the tools, means and procedures required to comply with the different obligations of the contract.</p>
4	Organizational	<p>The contracted Firm will review and assess (as well as recommend</p>

	<b>Structure</b>	<p>improvements) the organizational flowchart, the definition and allocation of roles and responsibilities within the UA, and the coordination of work between the senior managers.</p> <p>In particular, the Firm will assess how the UA is organized to manage and support high numbers of different schemes over a large territory, with appropriate clustering/areal management arrangements.</p>
5	<b>Communication &amp; reporting</b>	<p>The UA needs to have the tools and put in place a policy and guidelines to communicate with: (i) the customers; (ii) the local schemes; (iii) the regional stakeholders (in particular district local governments); and (iv) the Ministry. The contracted Firm will assess and recommend the appropriate tools (website; social media; dedicated platforms/reports; etc.) and policies for communicating with these three groups given the different nature of the communications (operational focus for schemes; technical &amp; billing service focus for customers; reporting focus for Ministry) <i>–please refer also to the Enterprise Resources System Module and to Commercial and Network Operations Module</i></p> <p>In terms of reporting, the Firm will review the requirements in terms of content-format-periodicity of the current reporting system, and ensure the UA is able to generate periodically the required data with a good quality level (assessment of the data generation process).</p>
6	<b>Tariffs</b>	<p>On basis of the information collected under the “Commercial/Customer management” support, the contracted Firm will assess and propose improvements of a tariff determination (in close collaboration with MWE). This should include the development and/or improvement of a tariff estimation, formulation procedure as well as the process for UAs to apply/propose tariff revisions to MWE. This will be premised on a review of previous attempts in developing such models. Eg. The business planning tool for small towns.</p> <p>Given the socio-economic conditions in the areas managed by the UAs, special attention will be paid to <i>affordability</i> issues when</p>

		<p>assessing and proposing tariff design.</p> <p>The proposed tariff models will be developed in close collaboration with the MWE’s Water Utility Regulation Department.</p>
<b>6</b>	<b>Procurement</b>	The Firm will develop and draft “Standard Operating Procedures and Guidelines for Procurement” (applicable to all UAs – in close collaboration with MWE to ensure compliance with MWE/sector rules). This will include handling of framework contracts (for supplies and subcontractors), outsourcing of tasks, and the use of “force account” (direct implementation of minor works by UA staff).
<b>7</b>	<b>Legal support</b>	The Firm will review the legal procedures related to land disposal in the areas/schemes taken over by the UAs, identify the sources of potential blockages and problems – and propose solutions to overcome them (close collaboration with MWE legal staff).
<b>8</b>	<b>Coordination with other support programs</b>	The Firm will adapt its own UA support program and priorities in function of the areas and magnitude of support provided by the other international programs, in close coordination and collaboration with MWE.
<b>9</b>	<b>Reporting, Monitoring, Evaluation, Rewards &amp; Sanctions, and Regulatory framework</b>	The firm will study the available Reporting, Monitoring and Evaluation framework and develop a robust Reporting, Monitoring, Evaluation, Rewards & Sanctions, and Regulatory framework that suits the strategic direction.

## 2.3 The Finance & Accounting Module

### 2.3.1 Major Activities to be implemented by the firm

The major activities to be undertaken by the accounting and financial management consultancy firm shall be undertaken in two phases:

**Phase 1:** The firm shall develop, introduce and implement improved accounting and financial management practices, processes, controls and routines. The firm shall further provide

Technical Specifications of the required computerized accounting system and support the Ministry during the selection of the most suitable system and its procurement before introducing the system. The computerized accounting system shall be bought by the Ministry of Water and Environment and NOT by the contracted firm. This activity should be undertaken early enough within the phase to ensure the Ministry procures the system early enough for phase 2

**Phase 2:** Support the Ministry to Select (choose the most suitable), procure, install, configure, customize, operationalize and provide technical support for the successful introduction of a new computerized accounting system suited to Umbrellas of Water and Sanitation (24months). ***Phase 2 will overlap with Phase 1 as the entire assignment will take 24 months. In summary, the following are the activities to be undertaken by the firm***

1. Participate in assessment of the Water Utility Regulation Department, the Support to Utility Management Division, the 6 umbrellas as well as schemes under their management and in compilation of the assessment report, development and implementation of the long term strategic plan focusing on Accounting & Financial Management.
2. Develop and gain Ministry & Umbrella board approval for the new chart of accounts and coding structure
3. Develop and gain Ministry & UWS board approval for key accounting policies and a finance manual
4. Support the transition to the new accounting and finance policies by providing appropriate personnel to work with the 6 UWS in budgeting for the remainder of the current financial year of the assignment in accordance with the new chart of accounts and coding structure, create opening balances for all relevant accounts, clarifying and training staff to operate within the new scheme of delegation and segregated responsibilities, introduce and implement new processes including approvals, data entry, and month end and reporting (management accounts) processes, review existing record keeping systems and support UWS into transitioning to record keeping in line with the new finance manual, review and report to the project board on adherence to finance manual requirement, timeliness of processes and quality of record keeping, financial data management and reporting.
5. Training and capacity building of UWS staff
6. Support routine accounting processes by providing a chartered accountant to support the UWS in month end processes and the production of management reports.
7. Conduct a light-touch internal audit of the application and adherence to the new finance policies and procedures by UWS by an individual who is not directly involved in the development and implementation of the above processes.

8. Select, install, configure, customize, operationalize and provide technical support for the successful introduction of a new accounting system suited to Umbrellas of Water and Sanitation. The firm shall oversee and provide support in the implementation of the new system, routine accounting processes and preparation for external audits.
9. Participate in the development and support the implementation of an efficient and effective reporting, monitoring and evaluation system.
10. Participate in proposing and support the implementation of a rewards and sanctions mechanism to reward good performance and penalize poor performance

### **2.3.2 Major focus Areas for the firm**

The consultant shall majorly focus on the finance and accounting roles of UA and thereby determine the needs and budget of the UA in terms of staff (number and expertise); equipment, tools and processes. The consultant shall provide technical assistance to the UA to ensure the roles and processes are fulfilled and the capacity of the department staff is built to take on the roles on their own later on. The table 9 summarizes the major focus areas and activities to be undertaken by the firm.

**Table 9: major focus areas and activities to be undertaken by the firm**

<b>No.</b>	<b>Focus Area</b>	<b>Activities</b>
<b>1</b>	<b>Financial reporting</b>	<p>The contracted Firm will support the UAs in the shifting process from cash-flow based accounting and reporting to accrual-based accounting and corporations financial statements reporting (incl. standard records keeping system for all financial data (debit/credit/trial).</p> <p><i>Please refer as well to ERP systems component for the financial software implementation</i></p>
<b>2</b>	<b>Financial Policies &amp; Procedures Manual</b>	<p>The contracted Firm will develop and draft a manual of financial policies and procedures according to best practices and applicable to all UAs (in close collaboration with the SUM division of MWE). The manual will cover aspects such as:</p> <ul style="list-style-type: none"> <li>I. Treasury management;</li> <li>II. Revenues and Expenditures control;</li> </ul>

		<ul style="list-style-type: none"> <li>III. Charts of accounts (ledger);</li> <li>IV. Reconciliations of accounts;</li> <li>V. Budget preparation, control and reporting;</li> <li>VI. Human resources;</li> <li>VII. Control of physical assets</li> </ul>
<b>3</b>	<b>Business Planning</b>	<p>The Firm will develop standard Business Planning tools to allow the UAs to match their legal obligations (annual and 3-year business plan) and to support their strategy.</p> <p>Once elaborated, the Firm will support the UAs' staff in the preparation of such plans in terms of required analytical methodology and information requirements. The Firm will also support the UAs with respect to the practical use of these plans as a reference and benchmark of the ex post effective operational accomplishments.</p>
<b>4</b>	<b>Asset register</b>	<p>The Firm will assess existing asset register information for improvement or creation of such register according to best practice. The final version of the register should not be restricted to accounting and financial information but open to other systems (e.g. GIS/GPS) and maintenance information to include locational and technical (e.g. asset condition) information.</p>
<b>5</b>	<b>Stores management</b>	<p>Stores management is mainly manual as of today. The Firm will identify the required information and put in place the procedures allowing to feed a stores management system</p>

## **2.4 The Commercial & Customer Management Module**

### ***2.4.1 Major Activities to be implemented by the firm***

The main objective of this module is to develop UAs into viable business entities for Water service delivery through improved operating efficiency by ensuring that the service is provided at acceptable standards, at reasonable costs and is promptly paid for. The firm will help put in all UAs a system to ensure bills are accurately generated, cost effectively distributed and customer complaints are minimized & promptly addressed and commercial losses minimized.

The firm will undertake the following tasks:

1. Participate in assessment of the Water Utility Regulation Department, the Support to Utility Management Division, the 6 umbrellas as well as schemes under their management and in compilation of the assessment report, development and implementation of the long term strategic plan focusing on Commercial and Customer Management.
2. Develop an effective marketing and customer service charter for each Umbrellas of Water and Sanitation accommodative of levels of income, culture, level of education, and level of necessity. The charter should clearly state service commitments to customers, obligations of customers and their rights so as to demand for services, effective customer complaints system, notifications before service interruptions, marketing plan. The consultant shall come up with a branding strategy for UWS including assets and people. The initiatives outlined in this Charter should illustrate UWS dedication to provide better services delivery. The consultant shall also conduct Umbrella of Water and Sanitation the community/stakeholder sensitization meetings to educate the public of their rights and obligations to water supply.
3. The consultant shall assess existing revenue generating practices for respective UWS. The consultant should focus on how UWS can increase revenue from existing customers/methods of improving sales or revenue/reducing arrears, how to attract customers (small & big) and fast, payment & billing modalities, revenue collection methods, target setting, and rewarding customers.
4. Assessment of NRW average levels for each Umbrella of Water and Sanitation, propose ways to limit water losses especially commercial losses. The consultant shall be required to carry out a detailed commercial losses audit (i.e. unpaid bills, water that is unbilled or incorrectly billed due to poor metering or poor customer records) in each) water supply system and obtain relevant customer data, water usage and check the status of water services, including function of meters. The consultant should then conduct stakeholder sensitization meetings to advise and provide guidance to customers on water security and the practice of good water use, limiting waste.
5. Conduct a comprehensive review of the existing tariff structures for each of the six Umbrellas of water and sanitations. Examine methods used to determine the tariff and compare with utilities in Uganda (NWSC) and around the world; given level of development, propose whether UWS should have a uniform tariff with exception of pro-poor class.
6. Examine effectiveness of the billing and revenue collection system being used by the UWS. The Firm will assess the functionality and content of the database system, which is

- being used in all UWS, identify challenges, and propose improvements for its design and liaise with the system developer for implementation.
7. The consultant firm is expected to develop a monitoring and evaluation matrix (framework) for Umbrellas of water and sanitation. The contracted consultant should identify critical indicators specific to measurement of UWS commercial services performance. The framework should be able to track down arrears, revenue lost due to defaulting, commercial losses, and any other relevant information. The consultant will develop a report framework / format specific for measuring commercialization progress.
  8. The consultant shall devise ways of providing water and sanitation services to the urban poor. UWS should identify the categorization of the Urban poor and proportion/coverage in respective areas of jurisdictions, put in place specific programs to serve the urban poor, and special arrangements to address payment of bills, new connections fees by the urban poor.
  9. The contracted firm shall provide Capacity-building of UWS through regular meetings, formalized training programs. The Firm will provide training materials that will include best practices. Shorter certified training modules will also be delivered to groups of scheme operators, focusing on commercial/customer care management aspects. Training on technical commercial aspects for water utilities with a view of improving performance of Umbrella of Water and Sanitation's. All training programs will include an Umbrella of Water and Sanitation component at their conclusion.
  10. The Firm will suggest applicable and affordable Enterprise management or resource planning systems that are required to improve effectiveness of the UWS commercial function e.g. customer relationship management systems (CRM). The consultant shall procure, implement, and advise the UWS on their practical configuration for day-to-day operations and management use.
  11. The firm will participate in the development and support the implementation of an efficient and effective reporting, monitoring and evaluation system.
  12. It will also participate in proposing and support the implementation of a rewards and sanctions mechanism to reward good performance and penalize poor performance

#### ***2.4.2 Major focus Areas for the firm***

The consultant shall majorly focus on the commercial operations roles of UA and thereby determine the needs and budget of the UA in terms of staff (number and expertise); equipment, tools and processes. The consultant shall provide technical assistance to the UA to ensure the roles and processes are fulfilled and the capacity of the department staff is built to take on the roles on their own later on. The table 13 summarizes the major focus areas and activities to be undertaken by the firm.

**Table 13: major focus areas and activities to be undertaken by the firm implementing the Commercial Management Module**

No.	Focus Area	Activities
1	<b>Policies &amp; Procedures</b>	<p>The Firm will develop standard policies, terms and procedures with respect to tariffs and charges, rights and obligations, customer management procedures for: connections, disconnections, repairs, complaints, penalties, customer deposits, metering, etc.</p>
2	<b>Customer knowledge</b>	<p>The Firm will help the UAs to acquire better knowledge of their customer consumption behavior. A main source of information for that purpose is the billing database. In a first step, the Firm will assess the functionality and content of the new database system, which has been introduced recently in all UAs, identify challenges and possibly propose improvements for its design.</p> <p>The customer location, consumption and billing data will be analyzed in detail to put in evidence distribution patterns by range of consumptions. The analysis will then be used to adapt tariff designs, demand management, and commercial policies in general.</p> <p>The consultants will also support the UAs to make reasonably accurate demand forecasts by category to improve business and network operations planning, and regularly adapt them.</p> <p>The Firm will also design, in collaboration with the UA, a <i>customer satisfaction survey</i>, support the UAs to carry it out, interpret the results and take the appropriate measures to respond to the main concerns expressed in the surveys.</p> <p>The Northern and Mid-Western Umbrellas have got <i>refugee camps</i> in their geographical areas. The Firm will support these UAs for the assessment of W&amp;S demand in these camps, for the elaboration of a service plan for them and for financial arrangements (subsidies to compensate for refugees who cannot pay for water or alternatively cash-based support to refugees).</p>
3	<b>Complaints processing</b>	<p>The Firm will assess and propose improvements with respect to the management of complaints in terms of communication channels,</p>

		registering of complaints by nature, and operational processing until final resolution.
<b>4</b>	<b>Communication</b>	The Firm will review and assess the existing channels for communication with the customers (telephone lines, website, and social media). The consultants will propose standard policies and guidelines to handle and process customer communications (responses to customers concerns; proactive information to customers, etc.), define and support the implementation of required means and processes.
<b>5</b>	<b>Bill collection efficiency</b>	The Firm will analyze the customer arrears (customer typology by periods) and propose an action plan for improving permanently bill collection efficiency in collaboration with accounting (integrated approach based on reimbursement plan, disconnection options, restricted service taking into account socio-economic factors, etc.)
<b>6</b>	<b>Demand Management</b>	The Firm will help the UAs to develop water savings/DSM campaigns, carry them out, assess their impact and adapt them.

## **2.5 The Technical Operations Module**

### ***2.5.1 Major Activities to be implemented by the firm***

The major aim of the technical operations' consultancy is to develop, introduce, implement and transfer knowledge on, improved standard operating procedures for technical operations of the 6 UWS for network operations and maintenance as well as assets and stock management.

The firm will also participate in assessment of the Water Utility Regulation Department, the Support to Utility Management Division, the 6 umbrellas as well as schemes under their management and in compilation of the assessment report, development and implementation of the long term strategic plan focusing on technical operations.

It will also participate in the development and support the implementation of an efficient and effective reporting, monitoring and evaluation system.

And also participate in proposing and support the implementation of a rewards and sanctions mechanism to reward good performance and penalize poor performance

### 2.5.2 Major focus Areas for the firm

The consultant shall majorly focus on the technical operations roles of UA and thereby determine the needs and budget of the UA in terms of staff (number and expertise); equipment, tools and processes. The consultant shall provide technical assistance to the UA to ensure the roles and processes are fulfilled and the capacity of the department staff is built to take on the roles on their own later on. The table 11 summarizes the major focus areas and activities to be undertaken by the firm.

**Table 11: major focus areas and activities to be undertaken by the firm**

No.	Focus Area	Activities
1	Performance Improvement Plan (PIP)	Develop and participate in the implementation of a performance improvement plan at the umbrella and scheme level.
2	Standard Operating Procedures	The Firm will develop Standard Operating procedures for: <ul style="list-style-type: none"> <li>I. Network operations and maintenance,</li> <li>II. Assets and stock management,</li> <li>III. New connections, disconnections, etc.</li> </ul>
3	Network mapping & Assets	The consultants will assess the existing information and data with respect to network map and asset inventories (location, type, condition, etc.), propose measures (analysis, staff, tools, budget) in order to rely on a comprehensive network mapping allowing to locate customers and assets ( <i>please refer as well to ERP systems component</i> ).
4	NRW	The Firm will make a reasonably accurate assessment of NRW, identify the major sources of technical and commercial losses, and propose an action plan for NRW reduction with related means, milestones and responsibilities (taking into account the findings customer knowledge analysis, network plans and planned capex procurement).
5	Energy efficiency	Water pumping energy efficiency will be assessed and improvement options proposed (acquisitions of types of equipment, maintenance, and budget).
6	Static Plant Maintenance Unit	The firm will assess the requirement for establishment of a suitable Static Plant Maintenance Unit including the personnel, equipment and location. The firm shall also develop guidelines

		based on best practices of other water utilities for the operations of the unit.
7	CAPEX	Planning & Coordination of CAPEX (with MWE) will be assessed and improvements options proposed and discussed with UA and MWE. The Firm will then support the implementation of improved methodologies and procedures for the realization follow up and ex post assessment of CAPEX.
7	Schemes/Reporting By schemes	The Firm will assess and propose improvements (procedures, communication tools, etc.) for the management of - and reporting by schemes with respect to routine maintenance and repairs, emergencies management, identification of priorities, etc.
8	Prepaid Meters operations	The firm will study the available pre-paid meters operations and options and recommend a strategic direction the umbrellas should take
9	Reporting, Monitoring, Evaluation, rewards and sanctions	The firm will study the existing systems of reporting, Monitoring, Evaluation, rewards and sanctions and propose improvements including remote monitoring of the Systems.

## **2.6 Mode of Support/Support channels**

The successful firm will execute the assignment through technical assistance, implementation of different enterprise resource planning (ERP) systems, and Capacity building & hands-on training. For each professionalization module, the consultant will assess, develop and implement a support plan consisting of TA, training and ERP elements as appropriate.

### **2.6.1 Technical Assistance**

The Firm will provide ongoing technical assistance over the contract period through a team of local and international experts, to be present partly at the national and partly at the regional (UA HQ) level. The permanent presence of a project team leader is required.

Overall project management, development of ERP systems and training modules (see below) will be provided at the national level, in close day-to-day cooperation with the MWE SUM Division and WURD, with frequent consultations of the UA Managers and taking feedback from implementation experience at the UA level into account.

The consultant's experts will travel regularly to the UAs in order to (i) conduct assessments and consultations; (ii) hold regional trainings according to the training plan to be developed; (iii) support the initial introduction of new ERP systems; (iv) provide on-the-job support and coaching during the implementation phase of new systems and governance structures; (v) collect first-hand information on field experience, feedback and challenges encountered.

There will be regular quarterly joint review and planning meetings between MWE, the consultant and the UA Managers and representatives of already ongoing assignments under UAs. These will be the platform to review progress and performance, discuss challenges, agree on adjustments of the professionalization strategy if necessary, agree on priorities for the following phase, and make decisions on activities such as training workshops and short-term consultancies.

### ***2.6.2 Implementation of Enterprise Management or Resource Planning (ERP) systems***

Different **Enterprise management or resource planning (ERP) systems** are required to improve the effectiveness of the UAs main functions: (i) Finance & Accounting, (ii) Technical operations and (iii) Commercial management. The Firm will review existing systems, recommend & advise the UAs on the most appropriate systems, support the selection and procurement where necessary and advise the UAs on their practical configuration and implementation for day-to-day and management use support the implementation of improved/new systems. The systems shall be bought by the Ministry of Water and Environment and NOT by the contracted firm. This activity should be undertaken early enough during this assignment to enable practical training and monitoring of their usage. Coordination with other UAs and MWE is crucial to favor the homogenization of systems selection and implementations. The following types of systems will be included in the review and proposals:

- i. Billing and Revenue Collection System (web-based software currently being introduced)
- ii. Customer Relationship Management
- iii. Network design & Mapping
- iv. CAPEX and Maintenance Planning
- v. Asset and stores management
- vi. Human Resources management
- vii. Finance & Accounting
- viii. Performance Monitoring and Reporting (enhancements of existing UPMIS system)
- ix. Business Plan Development & Tariff setting/design

x. Procurement & Disposal of Assets

Special attention will be paid to the practical **implementation, communication between the systems and integration** in the UA in the day-to-day management and operational processes. More generally, the form will propose a plan to maximize the *digitalization* of all processes with the UA.

### **2.6.3 Capacity Building/Training**

The contracted Firm will:

1. Assess baseline capacity building/training needs of UA staff and local scheme operators;
2. Develop detailed capacity building/training programs for the SUM Division and for the UA staff (progressive development with different levels of knowledge) in following fields: Customer management, Accounting & Finance, Business Planning, Tariff design, NRW, Maintenance and Capex planning;
3. Develop training programs on regulation aspects to contribute to improvement of performance of the UA's. (enforcing service standards, technical audits, NRW, tariff review mechanisms)
4. Develop certified training modules (short courses) adapted for local scheme operators, both for technical O&M and commercial/ customer care aspects;
5. Prepare materials;
6. Perform training with related evaluations;
7. Ensure practical implementation of knowledge in relation to tasks defined in other modules.

### **2.7 Important General Principles for the Conduct of the Assignment**

The contracted Firm will respect the following four main principles for conducting the assignment:

1. The contracted Firm will take into account - when relevant – and optimize the possibilities of standardizing/homogenizing the operational tools (e.g. billing, accounting, network management systems) and procedures e.g. governance, financial (including in particular tariff assessments, setting and applications), operational, commercial for the UAs;
2. There are other international programs supporting the UAs. Identifying in detail their areas and actions of support – and optimizing the coordination with such programs to adapt the priorities and intensity of the professionalization support in specific domains is essential to the assignment.

3. Strong collaboration/ coordination between the contracted Firm, the UAs and the SUM division of MWE is required. The contracted firm will be responsible for the organization of such interactions.

There will be regular (at least quarterly) joint review and planning meetings between MWE, the consultant and the UA Managers. These meetings will be formally documented and will be the platform to review progress and performance, to discuss challenges, and to agree on adjustments of the professionalization strategy if necessary and on priorities for the following quarter.

4. Not only the contracted Firm will make assessments and recommendations, it will follow up and support the UAs in the practical and day-to-day implementation of the solutions and improvements; assess their impact and adapt them when needed.

### 3 THE REQUIRED FIRM

#### 3.1 Introduction

The Ministry would like to procure,

- i. either a single firm or a consortium of firms with the necessary expertise to undertake all the assignment covering all the four professionalization modules
- ii. The Firm/firms must meet the minimum requirements for each of the professionalization module. The Summarized requirements of the firm/firms is presented in section 3.2 while detailed requirements for each of the professionalization module is presented in the sections that follow

#### 3.2 Summarized Requirements

##### 3.2.1 *Minimum Requirements of the Firms*

The summarized minimum requirements of the firm are presented in table 3 below.

**Table 3: Summarized minimum requirements of the firm**

NO.	Professionalization Module	Minimum Requirements of the Firm Implementing the Module
1	Governance and Internal Organization Module	<ol style="list-style-type: none"> <li>I. 10 years of experience in management of or concession contracts with or providing consultancy services to service utilities</li> <li>II. Experience in working with Ugandan or in Sub Sahara African utilities</li> </ol>

		<ul style="list-style-type: none"> <li>III. at least 1 similar project in institutional setup or restructuring or professionalization of service utilities</li> <li>IV. At least 1 similar project in governance such as board setup and development in service utilities.</li> <li>V. Financially able to undertake the task (copies of audited financial statements of the last three years must be provided)</li> <li>VI. Not be subject to any dispute putting at risk that viability.</li> </ul>
2	Accounting & Financial Management Module	<ul style="list-style-type: none"> <li>I. 10 years of experience in providing accountancy, tax, audit and consultancy services to private sector or public sector or parastatal organizations in Uganda or in Sub Sahara Africa.</li> <li>II. At least three assignments completed in the last five years that are similar in scope to the current assignment.</li> <li>III. Experience in helping business through a transformation of their accounting and finance function and in the implementation of new accounting or ERP systems,</li> <li>IV. Have senior staff and decision makers based in Uganda who are able to take action in response to Client feedback.</li> <li>V. Financially able to undertake the task (copies of audited financial statements of the last three years must be provided)</li> <li>VI. Not be subject to any dispute putting at risk that viability.</li> </ul>
3	Technical Operations Module	<ul style="list-style-type: none"> <li>I. 10 years of experience in technical operations of conventional piped water supply systems or providing consultancy services to Ugandan or in Sub Sahara African utilities</li> <li>II. 3 assignments completed in the last five years that are similar in scope to the current assignment.</li> <li>III. Experience in helping business through a transformation of their technical function and in the implementation of ERP systems</li> <li>IV. Should present project management and quality assurance procedures that demonstrate its ability to plan control and manage projects to time, quality and budget and to the satisfaction of the client</li> <li>V. Financially able to undertake the task (copies of audited financial statements of the last three years must be</li> </ul>

		provided) VI. Not be subject to any dispute putting at risk that viability.
4	Commercial Management Module	<ul style="list-style-type: none"> <li>I. 10 years of experience in commercial operations or providing commercial consultancy services to Ugandan or in Sub Sahara African utilities</li> <li>II. 3 assignments completed in the last five years that are similar in scope to the current assignment.</li> <li>III. Experience in helping business through a transformation of their commercial function and in the implementation of ERP systems</li> <li>IV. Should present project management and quality assurance procedures that demonstrate its ability to plan control and manage projects to time, quality and budget and to the satisfaction of the client</li> <li>V. Financially able to undertake the task (copies of audited financial statements of the last three years must be provided)</li> <li>VI. Not be subject to any dispute putting at risk that viability</li> </ul>

### 3.2.2 Minimum and Mandatory Personnel requirement

The total personnel time required for the assignment **over the two years contract period for all the 4 modules is** illustrated in the tentative breakdown in the table below. These are **indicative figures**. The Firm shall customize its proposal according to its own assessment of the assignment. The summarized minimum and mandatory personnel requirements are presented in table 4 below:

**Table 4: summarized minimum and mandatory personnel requirements. (The person months with the exception of those that are required for 24 months are indicative. The firm should therefore customize its proposal)**

NO.	REQUIRED EXPERTS	NO. OF EXPERTS	PERSON MONTHS
	<b>Governance and Internal Organization Module</b>		
1	Team Leader	1	24
2	Institutional Development and Governance Expert	1	6

3	Legal Expert	1	6
4	Procurement Expert	1	6
5	Monitoring and Evaluation expert	1	6
	<b>Accounting &amp; Financial Management Module</b>		
5	Financial Management Expert	1	24
6	Chartered Accountant	1	12
7	Internal Auditor	1	6
8	IT/Enterprise management or resource planning systems (ERP) Expert	1	12
	<b>Technical Operations Module</b>		
9	Network operations expert	1	24
10	Electro-mechanical expert	1	6
11	Water Treatment Process Expert	1	6
12	Sanitation Expert	1	6
	<b>Commercial Management Module</b>		
13	Commercial expert	1	24
14	Product and service development expert	1	6
15	Economist	1	6
16	Sociologist/ Social Scientist	1	6
		16	186

### 3.3 Detailed Requirements for the Governance and Internal Organization Module

#### 3.3.1 *Minimum Requirements of the Firm*

The firm must have at least 10 years of experience in management of or concession contracts with or providing consultancy services to service utilities. It must have undertaken at least 1 project in institutional setup or restructuring and at least 1 project in governance such as board setup and development in water utilities. It must be financially able to undertake the task (copies of audited financial statements of the last three years must be provided) and not be subject to any dispute putting at risk that viability. It will demonstrate experience in working with Ugandan or in Sub Sahara African utilities

#### 3.3.2 *Minimum and Mandatory Personnel requirement*

As a minimum, the firm is expected to provide a team leader, Institutional & Governance Expert, Legal expert and a procurement expert. The firm may suggest any other personnel it feels it will require in executing the assignment. Table 8 below shows the minimum and mandatory personnel required and the estimated duration of the assignment.

**Table 8: minimum and mandatory personnel required for the Governance and internal organization module**

No.	Required Experts	No. of experts	Minimum qualification & experience of the Expert	Person Months
1	Team Leader	1	<ul style="list-style-type: none"> <li>I. University Degree in Economics, Civil or Water engineering;</li> <li>II. At least 15 years' experience in the water sector</li> <li>III. At least 5 years of experience providing technical assistance to water utilities;</li> <li>IV. Experience of at least 5 projects as a team leader involving a multitude of other professionals &amp;</li> <li>V. At least 3 years' experience in African utilities or utility regulators</li> </ul>	24
2	Institutional Development and Governance Expert	1	<ul style="list-style-type: none"> <li>I. University Degree in Human Resources Management, Economics, Organization Development or equivalent ;</li> <li>II. At least 10 years' experience in the water sector,</li> <li>III. At least 5 years of experience in institutional development or governance capacity building of water utilities;</li> <li>IV. Experience of at least 3 projects in the similar role in African utilities or utility regulators.</li> </ul>	6
3	Legal Expert	1	<ul style="list-style-type: none"> <li>I. University degree in law,</li> <li>II. A diploma from Uganda's Law Development Centre</li> <li>III. A certificate allowing him/her to practice law in Uganda.</li> <li>IV. Must have at least 10 years in legal practice</li> <li>V. At least 3 years supporting boards.</li> </ul>	24
4	Procurement Expert	1	<ul style="list-style-type: none"> <li>I. University degree in Procurement,</li> <li>II. At least 10 years in procurement practice</li> <li>III. At least 3 years' experience in service utilities.</li> </ul>	6
5	Monitoring and Evaluation,	1	<ul style="list-style-type: none"> <li>I. At least a bachelor's degree in Social Sciences or Statistics or Economics</li> <li>II. A post graduate qualification in Monitoring and Evaluation.</li> <li>III. At least 10 years in M &amp; E practice</li> <li>IV. At least 3 years in service utilities.</li> </ul>	6

### 3.4 Detailed requirements for the Accounting & Financial Management Module

#### 3.4.1 Minimum Requirements of the Firm

The firm must have at least 10 years of experience in providing accountancy, tax, audit and consultancy services to private sector or public sector or parastatal organizations in Uganda or in Sub Sahara Africa, at least three assignments completed in the last five years that are similar in scope to the current assignment. The firm should demonstrate experience in helping business through a transformation of their accounting and finance function and in the implementation of new accounting or ERP systems, have worked with both mature and start up enterprises of a similar scale to the UWS, have worked with public sector and parastatal organizations.

It should present project management and quality assurance procedures that demonstrate its ability to plan control and manage projects to time, quality and budget and to the satisfaction of the client and have senior staff and decision makers based in Uganda who are able to take action in response to Client feedback. It should be financially able to undertake the task (copies of the financial statements of the last three years must be provided) and not be subject to any dispute putting at risk that viability.

#### 3.4.2 Minimum and Mandatory Personnel requirement

As a minimum, the firm is expected to provide a Financial Management Expert, a chartered Accountant, Internal Auditor and an IT/Enterprise management or resource planning systems (ERP) Expert. The firm may suggest any other personnel it feels it will require in executing the assignment. Table 10 below shows the minimum and mandatory personnel required and the estimated duration of the assignment.

**Table 10: minimum and mandatory personnel required for the Accounting and Financial Management module**

No.	Required Experts	No. of experts	Minimum qualification & experience of the Expert	Person Months
1	Financial Management Expert	1	<p>I. University degree in Economics/Finance/Accounting, Business administration.</p> <p>II. At least 15 years' broad professional experience in financial- and management accounting with commercial companies or utilities or government entities</p> <p>III. At least 5 years of experience in Water &amp;</p>	24

			<p>Sanitation within Sub-Saharan Africa;</p> <p>IV. Experience in technical assistance contracts to utilities (including to small/mid-sized utilities).</p> <p>V. Possession of CPA/ACCA and member to the Institute of Certified Public Accountants - Uganda (ICPA – Uganda) is MUST.</p> <p>VI. Experience in capacity building projects with SMEs</p> <p>VII. Experience and expertise in a number of computer accounting packages</p>	
2	Chartered Accountant	01	<p>I. University degree in Finance/Accounting, Business administration.</p> <p>II. 10years' broad professional experience in financial- and management accounting with commercial companies or utilities or government entities</p> <p>III. At least 3 years of experience in Water &amp; Sanitation within Sub-Saharan Africa;</p> <p>IV. Experience in technical assistance contracts to utilities (including to small/mid-sized utilities).</p> <p>V. Possession of CPA/ACCA and member to the Institute of Certified Public Accountants - Uganda (ICPA – Uganda) is MUST.</p> <p>VI. Experience in capacity building projects with SMEs</p> <p>VII. Experience and expertise in a number of computer accounting packages.</p>	12
3	Internal Auditor	1	<p>I. University degree in Finance/Accounting, Business administration.</p> <p>II. 10years' broad professional experience in financial- and management accounting/auditing with commercial companies or utilities or government entities 3 of which should be in W&amp;S within Sub-Saharan Africa;</p> <p>III. Experience in auditing contracts to utilities (including to small/mid-sized utilities). Possession of CPA/ACCA and member to the Institute of Certified Public Accountants - Uganda (ICPA – Uganda) is MUST.</p> <p>IV. Experience and expertise in a number of computer accounting packages.</p>	6
4	IT/Enterprise	1	<p>I. University degree in IT or Equivalent</p>	12

	management or resource planning systems (ERP) Expert		II. 10 year experience in ERP/Billing systems (with references in the W&S sector/small & mid-sized utilities)	
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### 3.5 Detailed requirements for the Technical Operations Module

#### 3.5.1 Minimum Requirements of the Firm

The firm must have at least 10 years of experience in technical operations of conventional piped water supply systems or providing consultancy services to Ugandan or in Sub Sahara African utilities, at least three assignments completed in the last five years that are similar in scope to the current assignment. The firm should demonstrate experience in helping business through a transformation of their technical function and in the implementation of new accounting or ERP systems, have worked with both mature and start up enterprises of a similar scale to the UWS, have worked with public sector and parastatal organizations. It should present project management and quality assurance procedures that demonstrate its ability to plan control and manage projects to time, quality and budget and to the satisfaction of the client. It should be financially able to undertake the task (copies of the financial statements of the last three years must be provided) and not be subject to any dispute putting at risk that viability.

#### 3.5.2 Minimum and Mandatory Personnel requirement

As a minimum, the firm is expected to provide a Network Operations Expert, an Electro-mechanical expert, Water Treatment/Process Expert and Sanitation Expert. The firm may suggest any other personnel it feels it will require in executing the assignment. Table 12 below shows the minimum and mandatory personnel required and the estimated duration of the assignment.

**Table 12: minimum and mandatory personnel required for the Technical Operations module**

No.	Required Experts	No. of experts	Minimum qualification & experience of the Expert	Person Months
1	Network operations expert	1	I. A university degree in Civil/Water Engineering or other relevant discipline. II. At least 15 years working experience in the water sector III. 10 years' experience in operating water supply and sanitation infrastructure.	24

			<ul style="list-style-type: none"> <li>IV. experience of at least 3 projects in capacity building/technical assistance to water utilities; at least 3 years' experience in</li> <li>V. Experience as Project Manager or Team Leader on not less than 3 previous projects</li> <li>VI. Experience in implementation of projects with African utilities or utility regulators</li> <li>VII. Shall be a Registered Engineer in Uganda or any other recognized engineering society.</li> </ul>	
2	Electro-mechanical expert	1	<ul style="list-style-type: none"> <li>I. A university degree in electrical/Mechanical or Instrumentation Engineering or other relevant discipline</li> <li>II. Minimum of 10 years working experience in the water sector</li> <li>III. At least 5 years' specialist experience in design/installation/operation/maintenance of electromechanical equipment for water supply projects.</li> <li>IV. The position holder should have prior experience in design/installation of SCADA systems.</li> <li>V. Shall be a Registered Engineer in Uganda or any other recognized engineering society.</li> </ul>	6
3	Water Treatment Process Expert	1	<ul style="list-style-type: none"> <li>I. A university degree in Water/Environmental/Process Engineering or other relevant discipline.</li> <li>II. Minimum of 10 years working experience in the water and sanitation sector</li> <li>III. At least 5 years' experience in water treatment process design/operation on conventional and small scale water supply systems</li> </ul>	6

4	Sanitation Expert	1	IV. Minimum of a Bachelor's degree in Civil/Environmental/Sanitary Engineering or an equivalent. V. Minimum of 10 years working experience. VI. 5 years' specialist experience in design or operation of sanitation systems including faecal sludge and solid waste treatment plants, public and institutional toilets etc.	6
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### 3.6 Detailed requirements for the Commercial and Customer Management Module

#### 3.6.1 Minimum Requirements of the Firm

The firm must have at least 10 years of experience in commercial operations or providing commercial consultancy services to Ugandan or in Sub Sahara African utilities in which it must have undertaken at least 3 assignments completed in the last five years that are similar in scope to the current assignment. It must demonstrate experience in helping business through a transformation of their commercial function and in the implementation of ERP systems.

It should present project management and quality assurance procedures that demonstrate its ability to plan control and manage projects to time, quality and budget and to the satisfaction of the client. It must be financially able to undertake the task (copies of the financial statements of the last three years must be provided) and not be subject to any dispute putting at risk that viability

#### 3.6.2 Minimum and Mandatory Personnel requirement for the Commercial Management module

As a minimum, the firm is expected to provide a Commercial Expert, Product and service development expert, Economist and Sociologist/ Social Scientist. The firm may suggest any other personnel it feels it will require in executing the assignment. Table14 below shows the minimum and mandatory personnel required and the estimated duration of the assignment.

**Table 14: minimum and mandatory personnel required for the Commercial Management module**

No.	Required Experts	No. of experts	Minimum qualification & experience of the Expert	Person Months
1	Commercial Expert	1	I. The Commercial Expert should have a bachelor's	24

			<p>degree in Commerce, Marketing, Business Administration, Development Studies, Economics, Institutional Development or Management.</p> <p>II. Post graduate qualification in the related field is a must.</p> <p>III. At least 10 years of experience in similar consultancy work with demonstrable knowledge of the Water Sector.</p> <p>IV. At least 5 year experience in commercial management of W&amp;S sector in SSA/emerging countries (including small/mi-sized utilities)</p>	
2	Product and service development expert	1	<p>I. Bachelors in Business Administration, Commerce with a major in marketing and experience of at least 3 years in product and service development strategies.</p> <p>II. Post graduate qualification in the related field is a must.</p> <p>III. Must have performed a similar assignment in any government supported department, programs, ministries</p>	6
3	Economist	1	<p>I. Bachelors in Economics.</p> <p>II. Post graduate qualification in the related field is a must.</p> <p>III. At least 10 years working experience</p> <p>IV. At least 5 years' experience in a related assignment.</p> <p>V. Must have practical research and analytical skills</p>	6
4	Sociologist/ Social Scientist	1	<p>I. Graduate qualification in Sociology, Social Sciences, and Development Studies.</p> <p>II. At least 10 years working experience.</p> <p>III. At least 5 years' experience of executing research work for community development projects and or for socio-economic development aspects and the tasks of the sociologist / social scientist</p>	6

## 4 EXPECTED DELIVERABLES

### 4.1 Language, Quantity and Timing of Major Reports

The Consultant shall prepare all reports and documents in English language and shall submit a softcopy (in word and pdf) and 15 hardcopies. For the Umbrella operations manual, the consultant shall submit 70 hard copies. One hard and one soft copy shall be sent directly to the World Bank Task Team Leader (TTL) while the remaining copies shall be sent to the client addressed to:

The Project Coordinator – Integrated Water Management and Development Project

Plot 22/28 Port Bell Road, Luzira

Kampala, Uganda

The World Bank copies shall be addressed to:

The Task Team Leader - Integrated Water Management and Development Project

World Bank Uganda Country Office

Rwenzori House, Plot 1, Lumumba Avenue, Kampala

The timing and quantities of the major reports is summarised in table 15 below:

**Table 15: Timing of Major Reports**

No.	Description	Timing from contract start (Months)	No of copies
A	Inception report	1	15
B	Initial findings Report	4	15
C	Organisation structure of WURD, SUM and UA with clear job descriptions	5	15
D	Reviewed and filed Memoranda and Articles of Association of the Umbrella Authorities	5	15
E	Technical specifications and recommendations on the most suitable options & on Integration of Enterprise management or resource planning (ERP) systems	5	15

F	Standard Operating Procedures, Guidelines and Manuals	7	15
G	Long term strategic plan, a three year Performance Improvement Plan and a long term financing strategy	10	15
H	Training Modules and training materials	10	15
I	Reporting, Monitoring, Evaluation, Rewards and Sanctions framework	10	15
J	Report on implementation of Enterprise management or resource planning (ERP) systems	13, 16,19,24	15
K	Quarterly Progress reports and Final report	13, 16,19,24	15
L	Bankable Project Proposal	16	15
M	light-touch Internal Audit	20	15
N	Umbrella Operations Manual	24	70
O	Water network maps detailing location of major infrastructure	13, 16,19,24	3 per network

The expected deliverables for each of the modules is summarised in this section. Some of these deliverables (such as inception report, initial findings report, Quarterly reports etc.) are expected to be consolidated and presented as one deliverable while other deliverables (such as Reviewed and filed Memoranda and Articles of Association of the Umbrella Authorities, Light touch internal audit report, Water network maps and technical specifications & report on implementation of Enterprise management or resource planning (ERP) systems) are specific for particular modules.

#### **4.2 Deliverables from each of the modules that will be consolidated**

The following deliverables are expected for each of the four modules and the consultant is expected to consolidate them into one deliverable

#### **A. Inception report**

The Consultant shall submit an inception report clearly detailing how the assignment will be carried out in all the four modules. The inception report shall show the methods to be employed by the Consultant, assumptions and an updated overall work plan for timely completion of the assignment. The inception report shall present a quick assessment initial findings, main challenges identified, and proposals of adjustments of the initial support plan included in their technical proposal (in terms of content, sequence, allocation of level of effort, findings from their visual and risk assessment, detailed site inventory and photographic record and the consultant's revised time schedule and personnel.

#### **B. Initial Findings Report.**

The initial findings report will follow the assessment of existing systems (such as the UPMIS and Pegasus revenue collection & billing system, existing organizational setups, etc) and give recommendations for improvement, acquisition and integration of new systems and arrangements related to the UAs main functions of governance & board operations, procurement & disposal of assets, human resources management, finance & accounting, technical operations, stores management and Commercial management.

The consultant shall organize, facilitate and present the draft report and recommendation to all stakeholders including MWE, Development Partners supporting UA, the consultant and the UA Managers to discuss and agree on draft reports prepared by the consultant. The consultant shall prepare the final report after considering the comments from this review meeting. The minutes of this meeting shall be part of the final report.

#### **C. Organisation Structure of WURD, SUM and UA with Clear Job Descriptions**

The contracted Firm will review and assess (as well as recommend improvements) the organizational flowchart, the definition and allocation of roles and responsibilities within the WURD, SUM and UA, and the coordination of work between the WURD and SUM. Clear job descriptions will be provided for all the proposed offices.

#### **D. Reviewed and filed Memoranda and Articles of Association of the Umbrella Authorities**

The firm will review the Memoranda and Articles of Association of the Umbrella Authorities, recommend any amendments / changes to support operations, amend and file the Memoranda and Articles of Association of each of the Umbrella Authorities with the Registrar of companies.

#### **E. Technical specifications of Enterprise management or resource planning (ERP) systems**

Different **Enterprise management or resource planning (ERP) systems** are required to improve the effectiveness of the UAs main functions: (i) Finance & Accounting, (ii) Technical operations and (iii) Commercial management. The Firm will review existing systems, recommend & advise

the UAs on the most appropriate systems, support the selection and procurement where necessary and advise the UAs on their practical configuration and implementation for day-to-day and management use support the implementation of improved/new systems. The systems shall be bought by the Ministry of Water and Environment and NOT by the contracted firm. This activity should be undertaken early enough during this assignment to enable practical training and monitoring of their usage

#### **F. Standard Operating Procedures, Guidelines and Manuals**

The firm shall develop and document draft standard operating procedures, guidelines and manuals basing on best practices of other water utilities, with respect to governance & board operations, procurement & disposal of assets, human resources management, finance & accounting, technical operations, stores management and commercial management.

#### **G. Long term strategic plans, Performance improvement Plans and a sustainable financing strategy**

The report shall present, a long term strategic plan, a three year Performance Improvement Plan and a long term financing strategy, specific for each of the 6 Umbrellas, the WURD as well as SUM and activities covering all the 4 modules. The process shall be participatory and consultative involving all the key stakeholders.

The plans shall include improvement, acquisition & integration of new systems, introduction of the standard operating procedures and physical implementation such as water supply expansions & extensions; and they shall clearly indicate their contribution towards making the Umbrella authorities performing utilities. The long term activities under the plans which may not be implemented within the consultancy period shall be consolidated and organized into a bankable project proposal.

#### **H. Training modules, training materials and a training report**

The Firm will provide training materials that will include best practices. Shorter certified training modules will also be delivered to groups of scheme operators, focusing on technical O&M and commercial/customer care aspects. Training on technical regulation aspects for water utilities with a view of improving performance of UA's will be part of the training program. All training programs will include an evaluation component at their conclusion.

#### **I Reporting, Monitoring, Evaluation, Rewards and Sanctions framework**

The contracted Firm will review the existing reporting, monitoring and evaluation framework and in particular the firm will review the UPMIS platform and assess the system processes, update and Upgrade the UPMIS system to avail platform for reporting by other Utilities beyond UA's. eg NWSC, KIS, etc. The firm will propose and support the implementation of rewards and sanctions mechanism for staff members and water utilities.

## **J. Report on Implementation ERP Systems**

The Consultant shall submit quarterly reports on the different Enterprise management or resource planning (ERP) systems detailing progress on installation, configuration, integration and usage, challenges encountered and propose remedial actions.

## **K. Quarterly Progress Reports and Final report**

The Consultant shall submit a quarterly consolidated report detailing different continuous activities executed under all modules. Every 3 months after starting to implement the Performance Improvement Plan, the consultant shall produce quarterly reports on progress, performance reviews, challenges, and possible adjustments of the professionalization strategy. The progress reports shall state the status of project implementation (i.e. actual vs. planned physical progress; actual vs. planned expenditures), actual staffing levels and deployment of equipment by the consultant against planned, financial information, all agreed and all new variation and compensation events, all issues requiring client attention, health and safety information.

The final report shall be presented at the end of the consultancy and shall include all the activities undertaken and performance gains realized after implementing the entire performance improvement. The final report shall include a statement on the level of achievement of the overall goal of becoming a performing utility for each of the umbrella authorities.

The consultant shall organize and facilitate joint review and planning meetings between MWE, the consultant and the UA Managers to discuss and agree on all the draft reports prepared by the consultant. The consultant shall prepare the final reports to submit after considering the comments from the review meetings. The minutes of these meetings shall be part of the quarterly and final reports

## **L. Bankable Project Proposal**

The consultant shall prepare a detailed bankable project proposal covering long term activities under the long term strategic plan which may not be implemented within the consultancy period shall be consolidated and organized into a bankable project proposal see (see (G) above).

## **M. Light-touch Internal Audit**

The consultant shall conduct a light-touch internal audit of the application and adherence to the new finance policies & procedures, standard operating procedures and guidelines, identify challenges and make recommendations which shall be incorporated to make the final ones to be consolidated into Umbrella Operations manual

#### **N. Umbrella Operations Manual**

The consultant shall consolidate all the standard operation procedures, manuals and guidelines developed in all the modules into the Umbrella Operations Manual. The manual shall include the organizational flowchart, the definition and allocation of roles and responsibilities within the SUM division, WUR Department and the Umbrella Authorities.

#### **4.3 Deliverables for Each of the Modules**

The following are the deliverables expected for each of the professionalization module the consultant is expected to deliver.

<b>Module NO.</b>	<b>MODULE DELIVERABLES</b>	<b>Consolidation No. (Table 15)</b>	<b>Timeline (Month)</b>
1	<b>Governance and Internal Organization Module</b>		
<b>1(a)</b>	<b>Deliverables at the SUM division</b>		
	1. Inception report	A	1
	2. Initial findings/assessment report of the Division	B	4
	3. Organization structure of the Division with clear job descriptions	C	5
	4. Technical specifications and recommendations on the most suitable option & on Integration of Enterprise management or resource planning (ERP) systems for Billing and Revenue Collection, Customer Relationship Management, Network design & mapping, CAPEX and maintenance planning, Assets and Stores Management, Business Plan Development& Tariff setting/design Procurement & Disposal of Assets, Human Resources Management, Performance Monitoring & Reporting (enhancements of existing UPMIS system	E	5
	5. Standard Operating Procedures, Guidelines and Manuals on system gazetting including criteria for gazetting to water utilities and standardized takeover process, tariff setting and monitoring	F	7

	6. Long term strategic plans, Performance improvement Plans and a sustainable financing strategy for the Division	G	10
	7. Training modules	H	10
	8. Report on implementation of Enterprise management or resource planning (ERP) systems for Billing and Revenue Collection, Customer Relationship Management, Network design & mapping, CAPEX and maintenance planning, Assets and Stores Management, Business Plan Development& Tariff setting/design Procurement & Disposal of Assets, Human Resources Management, Performance Monitoring& Reporting (enhancements of existing UPMIS system)	J	13,16,19, 24
	9. Reporting, Monitoring, Evaluation, Rewards and Sanctions framework including the reviewing, updating and Upgrading the UPMIS system	I	15
	10. Quarterly Progress Reports detailing the scope and specific areas of support and training to the SUM division and coordination with other support programs	K	13,16,19, 24
1(b)	<b>Deliverables at the WURD</b>		
	1. Inception report	A	1
	2. Initial findings/assessment report of the Department	B	4
	3. Organization structure of the Department with clear job descriptions	C	5
	4. Technical specifications and recommendations on the most suitable option and & on Integration of Enterprise management or resource planning (ERP) systems for Billing and Revenue Collection, Customer Relationship Management, Network mapping, CAPEX and maintenance planning, Assets and Stores Management, Business Plan Development& Tariff setting/design Procurement & Disposal of Assets, Human Resources Management, Performance Monitoring& Reporting (enhancements of existing UPMIS system)	E	5
	5. Standard Operating Procedures, Guidelines and Manuals on system gazzeting including criteria for gazzeting to water utilities and standardized takeover process, tariff setting and monitoring and regulation framework	F	7
	6. Long term strategic plans and a sustainable financing	G	10

	strategy for Department		
	7. Training modules and training materials	H	10
	8. Reporting, Monitoring, Evaluation, Rewards and Sanctions framework including the reviewing, updating and Upgrading the UPMIS system	I	10
	9. Report on implementation of Enterprise management or resource planning (ERP) systems for Billing and Revenue Collection, Customer Relationship Management, Network mapping, CAPEX and maintenance planning, Assets and Stores Management, Business Plan Development& Tariff setting/design Procurement & Disposal of Assets, Human Resources Management, Performance Monitoring& Reporting (enhancements of existing UPMIS system)	J	13,16,19, 24
	10. Quarterly Progress Reports detailing the scope and specific areas of support and training to the Department, Upgrade of UPMIS & its usage, trainings for the Department	K	13,16,19, 24
1(c)	<b>Deliverables at the Umbrella Authorities</b>		
	1. Inception report	A	1
	2. Initial findings/assessment report of the Umbrella authorities	B	4
	3. Governance structure of the Umbrella authorities with clear job descriptions	C	5
	4. Reviewed and filed Memoranda and Articles of Association of the Umbrella Authorities	D	5
	5. Technical specifications and recommendations on the most suitable option and & on Integration of Enterprise management or resource planning (ERP) systems for Billing and Revenue Collection, Customer Relationship Management, Network mapping, CAPEX and maintenance planning, Assets and Stores Management, Business Plan Development& Tariff setting/design Procurement & Disposal of Assets, Human Resources Management, Performance Monitoring& Reporting (enhancements of existing UPMIS system)	E	5
	6. Standard Operating Procedures, Guidelines and Manuals on formation of a new UA, selection of Board members &	F	7

	Board Governance, tariff design, Procurement/acquisition and disposal of assets including land and management of performance contracts		
	7. Long term strategic plans, Performance improvement Plans and a sustainable financing strategy for the Umbrella authorities	G	10
	8. Training modules and training materials	H	10
	9. Reporting, Monitoring, Evaluation, Rewards & Sanctions framework including the reviewing, updating and Upgrading of the UPMIS system	I	12
	10. Report on implementation of Enterprise management or resource planning (ERP) systems for Billing and Revenue Collection, Customer Relationship Management, Network mapping, CAPEX and maintenance planning, Assets and Stores Management, Business Plan Development& Tariff setting/design Procurement & Disposal of Assets, Human Resources Management, Performance Monitoring& Reporting (enhancements of existing UPMIS system)	J	13,16,19, 24
	11. Quarterly Progress Reports detailing the scope and specific areas of support and training to the UAs and progress on implementation of the Performance Improvement Plan	K	13,16,19, 24
2	<b>Accounting &amp; Financial Management Module</b>		
	1. Inception report	A	1
	2. Initial findings/assessment report of the Umbrella authorities finance and accounting unit	B	4
	3. Governance structure of the Umbrella authorities finance and accounting unit with clear job descriptions	C	5
	4. Technical specifications and recommendations on the most suitable option and & on Integration of Enterprise management or resource planning (ERP) systems for Billing and Revenue Collection, Customer Relationship Management, Network mapping, CAPEX and maintenance planning, Assets and Stores Management, Business Plan Development& Tariff setting/design Procurement & Disposal of Assets, Human Resources	E	5

	Management, Performance Monitoring& Reporting (enhancements of existing UPMIS system)		
	5. Standard Operating Procedures, Guidelines and Manuals on financial policies & procedures, Business plan development, Asset register, Stores management	F	7
	6. Long term strategic plans, performance improvement plan and a sustainable financing strategy for the Umbrella authorities).	G	10
	7. Training modules and training materials	H	10
	8. Reporting, Monitoring, Evaluation, Rewards & Sanctions framework for the accounting and finance unit of the Umbrella authorities, including the reviewing, updating and Upgrading of the UPMIS system	I	10
	9. Report on implementation of Enterprise management or resource planning (ERP) systems for Billing and Revenue Collection, Customer Relationship Management, Network mapping, CAPEX and maintenance planning, Assets and Stores Management, Business Plan Development& Tariff setting/design Procurement & Disposal of Assets, Human Resources Management, Performance Monitoring& Reporting (enhancements of existing UPMIS system)	J	13,16,19, 24
	10. Quarterly Progress and final Reports detailing the scope and specific areas of support and training to the UAs and progress on implementation of the Performance Improvement Plan	K	13,16,19, 24
	<b>11.</b> Light touch internal audit report	M	20
3	<b>Technical Operations Module</b>		
	1. Inception report	A	1
	2. Initial findings/assessment report of the Umbrella authorities technical unit	B	4
	3. Governance structure of the Umbrella authorities technical unit with clear job descriptions	C	5
	<b>4.</b> Technical specifications and recommendations on the most suitable option and & Integration of systems for network	E	5

design, mapping and optimization NRW management, Network management systems Billing and Revenue Collection, Customer Relationship Management, Network mapping, CAPEX and maintenance planning, Assets and Stores Management, Business Plan Development& Tariff setting/design Procurement & Disposal of Assets, Human Resources Management, Performance Monitoring& Reporting (enhancements of existing UPMIS system)		
5. Standard Operating Procedures, Guidelines and Manuals on network operations and maintenance, assets and stock management, NRW reduction, selection criteria for priority CAPEX schemes, energy use optimization	F	7
6. Long term strategic plans, performance improvement plan and a sustainable financing strategy for the Umbrella authorities	G	10
7. Training modules and training materials	H	10
8. Reporting, Monitoring, Evaluation, Rewards & Sanctions framework for the technical unit of the Umbrella authorities; including the reviewing, updating and Upgrading of the UPMIS system	I	10
9. Report on implementation of Enterprise management or resource planning (ERP) systems for Billing and Revenue Collection, Customer Relationship Management, Network mapping, CAPEX and maintenance planning, Assets and Stores Management, Business Plan Development& Tariff setting/design Procurement & Disposal of Assets, Human Resources Management, Performance Monitoring& Reporting (enhancements of existing UPMIS system)	J	13,16,19, 24
10. Quarterly Progress and final Reports detailing the scope and specific areas of support and training to the UAs and progress on implementation of the Performance Improvement Plan Report on energy efficiency improvement, CAPEX implementation progress, Report on optimization of management and support to the local schemes NRW assessment Report and Action plan for NRW reduction	K	13,16,19, 24

4	11. Bankable project proposal	L	16
	12. Water network maps detailing location of major infrastructure	O	13,16,19, 24
	<b>Commercial Management Module</b>		
4	1. Inception report	A	1
	2. Initial findings/assessment report of the Umbrella authorities finance and accounting unit	B	4
	3. Governance structure of the Umbrella authorities Commercial and customer management unit with clear job descriptions	C	5
	4. Technical specifications and recommendations on the most suitable option and & on Integration of Enterprise management or resource planning (ERP) systems for Billing and Revenue Collection, Customer Relationship Management, Network mapping, CAPEX and maintenance planning, Assets and Stores Management, Business Plan Development& Tariff setting/design Procurement & Disposal of Assets, Human Resources Management, Performance Monitoring& Reporting (enhancements of existing UPMIS system	E	5
	5. Standard Operating Procedures, Guidelines and Manuals on Product and service strategies, Tariff/ Pricing strategies, Promotion/Marketing/Branding strategies, Process management strategies, Human capital development/ Productivity strategies, Institutional politics and external environment management strategies, Service-based and customer care enhancement strategies	F	7
	6. Long term strategic plans and a sustainable financing strategy for the Umbrella authorities	G	10
	7. Training modules and training materials	H	10
	8. Reporting, Monitoring, Evaluation, rewards and sanctions framework for commercial and customer management; including the reviewing, updating and Upgrading of the UPMIS system	I	10
	9. Report on implementation of Enterprise management or resource planning (ERP) systems for Billing and Revenue Collection, Customer Relationship Management, Network	J	13,16,19, 24

	mapping, CAPEX and maintenance planning, Assets and Stores Management, Business Plan Development& Tariff setting/design Procurement & Disposal of Assets, Human Resources Management, Performance Monitoring& Reporting (enhancements of existing UPMIS system)		
	10. Quarterly Progress and final Reports detailing the scope and specific areas of support and training to the UAs and progress on implementation of the Performance Improvement Plan	K	13,16,19, 24

## 5 ACCESS TO SECTOR INFORMATION

To the extent possible, MWE will provide access to relevant sector information as well as full access to the UPMIS platform. In particular, MWE will share the following reports:

- I. The GOPA Infra & Consulaqua study that was commissioned in 2016 to explore the options for reorganizing the water sector with the aim of accelerating service delivery in growing urban centers.;
- II. The report on the Institutional Assessment of the UAs in Uganda by consultant Dorothy Kobel (2019).

The Client will also assist in coordinating and establishing contacts with partners and target communities and coordinate mobilization of the project participants.