

Terms of Reference

Design and Implementation of a Capacity Building Program and Targeted Interventions to Achieve Commercial Efficiency and Business Planning in Water Utilities

BACKGROUND

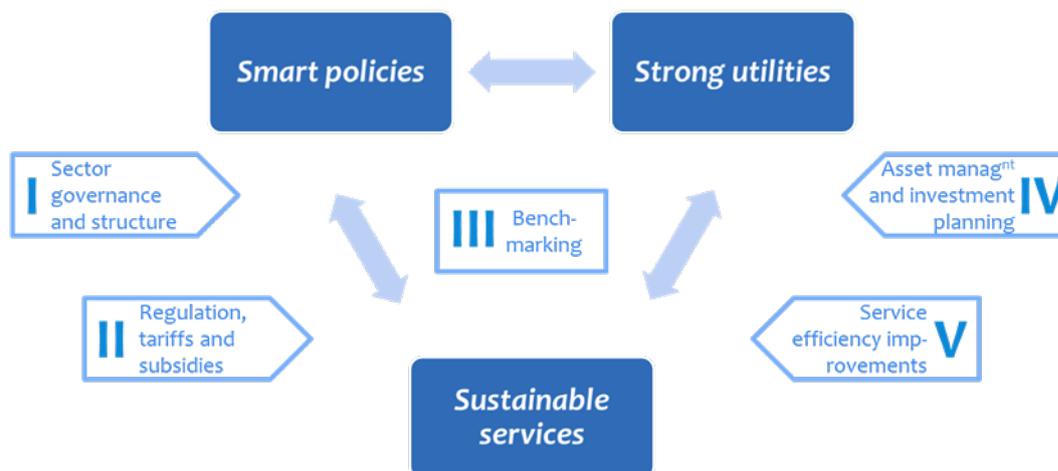
The Danube Water Program

The Danube Water Program supports policy dialogue and capacity development in the water supply and wastewater (WSS) sector in the Danube region. The program is jointly run by the World Bank and the International Association of Water Supply Companies in the Danube River Catchment Area (IAWD), with seed financing from the Government of Austria.

The program works with regional, national and local stakeholders to:

- Promote an informed policy dialogue around the core challenges facing the water utility sector; and
- Strengthen technical and managerial capacity of the sector's utilities and institutions, including preparing and supporting service efficiency improvement activities

The Program is developed through five pillars covering topics ranging from strategic policy options all the way to utility operational matters.



The Program currently covers the water supply and sanitation sector in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, FYR Macedonia, Moldova, Montenegro, Romania, Serbia, and Ukraine.

A Work Plan covering the five pillars has been developed. Among other activities, under Pillar V this Work Plan calls for a “regional results-based commercial efficiency training program” focused on water and sanitation utilities (activity RC.V.2).

The Regional results-based Commercial efficiency in WSS utilities capacity building program (activity RC.V.2)

This activity will organize capacity building activities coupled with targeted technical assistance and interventions on commercial efficiency and business planning to water and sanitation utilities in the Danube Region, with a focus on helping those utilities develop and carry out business improvements focused on revenue collection and customer service.

The activity will use the following approach:

- An Consultancy Expert Team (private or public institution involving 2 or 3 expert persons with utility experience) will be recruited to help design a capacity building program and implement the activity; the experts will work with local consultants in four selected countries or groups of countries.
- Through the Danube Water Program's interested utilities will be identified. Preference will be given to those utilities with strongest commitment to address their commercial efficiency challenges through business planning, and where appropriate conditions exist for a commercial efficiency program.
- A series of technical capacity building workshops on business planning (with an emphasis on collection programs, customer service, and reduction of non-revenue water) will be organized, with follow-up by local consultants between workshops, with the aim of training and supporting the utilities in (a) preparing business plans; (b) realizing improvements in key issues (revenue collection rates, customer service); (c) preparing efficiency improvements based upon the plans. The workshops will be organized in close collaboration with national utility associations, which will build their capacity of replicating the approach in the country in the process.

The activity is expected to last around 15 months and to involve approximately 40 utilities with a target on medium sized to small utilities (serving up to 50,000 people). Funding for the activity is very limited and the activity will therefore build, as much as possible, on existing resources and approaches and will focus on empowering utilities to do much of the work themselves, instead of doing the work for them.

The Danube Water Program is now seeking to recruit a highly competent and experienced consultant expert team (private or public companies) with experience from a utility or utility association to design and implement the Training Program and targeted interventions.

OBJECTIVE

The overall objective of the consultancy is to conceptually develop, organize and implement the “*regional results-based commercial efficiency in WSS utilities training program*” (RC.V.2) activity under the Danube Water Program.

The specific objectives of the consultancy are:

- To design a Business Planning and Commercial Efficiency in WSS capacity building, based on international best practices and existing approaches;
- To take overall responsibility for the delivery of the program including providing support to the utilities in commercial management practices (bill collection, customer relations etc);
- To support follow-up activities, including the drafting and implementation of a business plan at participating utilities;

- To document approaches, tools, instruments, lessons learned and good practices in improving utility commercial efficiency during the activity;

SCOPE OF WORK

To achieve the objectives the selected consultant expert team will be expected to develop its work program in several phases described below:

Overall Responsibilities

The consultancy expert team will serve, throughout the project, as the reference point for the Program on Commercial Utility Efficiency in WSS utilities questions and will provide any related guidance and inputs to the Danube Water Program team and its partners in countries. The consultancy expert team will also prepare the capacity building program and needed documents and reports.

Phase I – Development of a Capacity Building Program and Targeted Interventions (2 months)

The first phase will consist in conceptually planning and developing a results-based capacity building and targeted intervention program for participating utilities, consisting of a series of workshops/trainings as well as hands-on “homework” between workshops for the utility companies culminating in the definition of concrete business plans.

In that phase, the utility expert team will:

- Briefly review existing/previous utility efficiency activities/programs for water utilities in the Danube region and worldwide and analyze experience and lessons learned.
- Review already existing/available guidelines, tools, training materials and manuals for water utilities commercial efficiency programs (with a focus on revenue collection systems, customer service); and any other relevant materials, and assess their applicability for needs of water utilities in Danube region.
- Prepare an outline of a generic capacity building program for the Danube region with a focus on preparation of business plans to achieve commercial efficiency.
- Based on the previous, develop a draft conceptual approach to the results-based commercial efficiency in WSS utilities program and plan of activities that will be implemented under DWS3. This document will be submitted to the DWP Team for review and discussion. The approach should include, at least, the definition of objective and scope of the program; a proposed sequence of activities; criteria for the targeting of utilities; proposal with regards to the use and adaptation of existing tools, materials and approaches; and a simple budget and team requirement.
- On the basis of the approved approach, prepare a more detailed program and schedule for carrying out the capacity building and targeted assistance in four of the following 5 countries (Kosovo, Macedonia, Montenegro, Ukraine, and Moldova) or alternative countries if justification is provided.

Phase II – Delivery of Capacity Building Program (6 months)

The second phase will consist in the actual delivery of the capacity building program to help the utilities in the four countries participating in program to prepare business plans targeted at

improvements in commercial efficiency (revenue collection, customer service). It will be developed in close partnership between national partners (utility associations); local consultants (as needed) and the Program team.

In that phase, the Consultant will:

- Select and contract local experts in the target country to supervise and accompany the training;¹
- In close coordination with the DWP Team, prepare the necessary background information for the implementation of the activity, such as the call for participating utilities and participation criteria, a short description of the activity for “advertising” purpose, etc.
- Help the DWP team identify and prioritize participating utilities as needed.
- Establish and maintain close coordination with national water utility associations and other strategic partners in the countries.
- Prepare a generic capacity building program that can be delivered in the region.
- Prepare the schedule of a program for the regional utility efficiency and business training event as well as subsequent events; if necessary the Expert Team should be aware that all training will need to be delivered in local languages of the participating countries, either directly or through simultaneous translation.²
- Prepare, adapt and/or translate training materials and tools to be used by participating utilities during the activity’s events.
- Prepare or supervise the preparation of (in the case of external speakers) presentations for each event and assume the preparation of the events’ various sessions and panel discussions. Deliver the sessions as per agreed agenda.³
- Supervise the work of utilities (‘homework’) in preparing business plans. Lead the review of such homework. For that purpose, local consultants may visit the participating utility if needed, as well as remain in close communication with them to ensure progress in their implementation.
- At the end of each event, prepare a short summary report of the discussions and conclusions of the event.

Phase III – Support to implementation of capacity building outcomes (6 months)

The third phase will consist in providing support to the participating utilities in the implementation of a business plan (including at least commercial practices). Further support

¹ Those consultants will only be contracted after the assignment has started and no CV should be presented in the proposal. The financial proposal should be based on the assumption that four countries will be covered, hence four local consultants should be contracted, each working with (initially) around 8-10 utilities.

² The cost of translation of written materials into up to 4 local languages will need to be included in the Consultant’s proposal, while the cost of simultaneous translation during the training events will be borne by the Danube Water Program directly.

³ The venue, accommodation and travel for the trainees participants will be organized and funded directly by the Danube Water Program; the Consultant will be responsible to define the training requirements (simultaneous translation, size, facilities etc.) jointly with the Danube Water Program; and will cover the costs of its own staff and local consultants. All local consultants will be expected to participate in each training in which their utilities are involved.

will be provided to selected utilities – those with the strongest commitment and best success expectations – in the implementation of the training program’s outcome. The support will not be only technical, but primarily on ensuring implementation of the Business plan focused on commercial practices (revenue collection efficiency, customer service) and ensuring that sufficient funds on the side of the Utilities are reserved for the implementation of the Business plans.

In that phase, the Expert Team will:

- Prepare and help in implementation of results-based commercial efficiency improvement based upon the business plan in selected utilities.

Phase IV – Documentation of approach and outcomes (2 months, partly in parallel with Phase III)

The fourth phase will consist in documenting the approach followed as well as its outcome, in order to facilitate replication and scaling-up of the initiative by national utility associations or other partners. This phase will take place partly in parallel with Phase III.

In that phase, the Expert Team will:

- Prepare a short document summarizing the overall experience, outcome, good practice outputs / examples, lessons learned and concrete suggestions for future replication.
- Prepare a final, revised version of all relevant training materials and tools used during the activity, for use in future such activities.

DELIVERABLES and PAYMENT SCHEDULE

Due to the dynamic nature of the consultancy, not all deliverables can be defined in advance. However, the Consultant deliverables are expected to include, among other outputs, the following main products:

For Phase I

- Background document identifying and comparing existing, suitable approaches and examples from the region and beyond; and sources (5 pages max, plus annexes)
- Initial approach (including selection of target countries) proposal (10 pages max, plus annexes)
- Detailed program

PAYMENT OF 10% -after completion of Phase 1 (acceptance of initial approach and detailed program)

For Phase II

- At the beginning, overall training activity description etc.
- For each event held: Initial Program, training materials and short summary report
- In-between events: Memos and comments on progress of different utilities, guidance to local consultants

PAYMENT OF 20 % after completion of two workshops.

PAYMENT OF 25% after completion of Phase II and completion of at least 20 business plans.

For Phase III

The deliverables will be agreed on a case-by-case basis but are expected to include the assistance for implementation of at least 15 business plan (or portion of a business plan) from 15 utilities participating in the program. Agreement on the interventions in the participating utilities will be made and defined outputs agreed.

PAYMENT OF 15% after presentation of documentation of proposed interventions to assist in implementation in at least 10 utilities.

PAYMENT OF 15% after completion of Phase III.

For Phase IV

- Final report, including finalized version of all training materials and tools

PAYMENT OF 15% after completion of Phase IV including finalization of at least 30 business plans and documentation on the implementation interventions for at least 15 utilities in total.

REPORTING

The Consultant Expert Team will report directly to IAWD Team in charge of the Danube Water Program, based in Vienna. The Expert Team will also be expected to closely coordinate with national consultants as well as the utility associations in the targeted countries.

TEAM

To implement the assignment, the Consultant (private firm, public entity) will be expected to put together the following team:

Program Director

- Will be a former/or current commercial director of a utility or utility association with a financial or business planning expertise. Advanced degree in Business Management or another field with relation to the Utility Efficiency or WSS utility sectors desirable.
- At least 10 years of relevant work experience in the business management/planning with a focus on utility efficiency in the water supply and sanitation sector.
- Proven leadership in organization a large program and in motivating senior management to participate and carry out the needed actions.
- Strong technical knowledge in preparation and implementation of actions for commercial efficiency in WSS utilities as well as their financing, is highly desirable
- Proven training development and delivery abilities
- Good presentation and public speaking skills
- Fluency in written and spoken English
- Knowledge of the any of the regionally spoken languages is an advantage

Complementary Commercial Expert(s)

The Program team will need to consist of one or two more additional experts with practical skills in commercial operation of a utility and in particular working with employees to achieve

implementation of business planning. The applicant should submit in its proposal the related CV(s) which will be evaluated accordingly. The additional expert(s) should have:

- Practical experience in commercial operations of a utility and in implementing business planning.
- Strong, proven and applied technical knowledge in revenue collection and customer relations and organization of internal procedures in a utility to achieve this.
- Experience in internal management of a utility and in working within a utility to motivate employees and organize practical good business practices.
- Experience in the countries targeted by the Program.
- Good presentation and public speaking skills
- Fluency in written and spoken English
- Knowledge of the any of the regionally spoken languages is an advantage

Local Consultants

The Program team will include local consultants. Those should not be proposed at the level of the Proposal but will be selected once the assignment has started and subjected to the DWP no-objection prior to their hiring. The local consultants should have at least the following profile:

- Experience in utility management and operation. Advanced degree in business management or another field with relation to Commercial Efficiency of the WSS utility sectors would be desirable.
- Relevant work experience in the preparation and implementation of business plans and utility efficiency activities in the water utility sector
- Good presentation and public speaking skills
- Fluency in written and spoken English, as well as the local language (or languages for groups of countries).