



Republic of Malawi



Blantyre Water Board



Blantyre City Council

**MALAWI WATER AND SANITATION PROJECT-1
(MWSP-1)**

Terms of Reference:

Consultancy Services for Sanitation Tariff Study

REFERENCE NO.: MW-BWB-384756-CS-QCBS

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1 Introduction

1.1 Background

The Government of Malawi (GoM) is committed to providing adequate, reliable and sustainable water and sanitation services to the urban, peri-urban, towns and rural population of Malawi to meet the ever-increasing demand for safe water for domestic, institutional, industrial, commercial and agricultural use. One focus area is Blantyre City, which currently faces a number of challenges related to water supply and sanitation services delivery. Some of the challenges include; high population growth, dwindling water resources, climate change, lagging infrastructure development and aging water and sanitation systems with high levels of non-revenue water creating large gaps between supply and demand, leading to unreliable services. The current water and sanitation situation in the city is alarming, which calls for comprehensive measures that will bring about sustainable and reliable improved services.

GoM through Blantyre Water Board (BWB) and Blantyre City Council (BCC) with financial support from the International Development Agency (IDA) of the World Bank intends to implement the Malawi Water and Sanitation Project-1 (MWSP-1). The MWSP-1 seeks to address the immediate and medium-term water and sanitation needs and support a long-term solution to Blantyre City's growing demand for improved water services and safely managed sanitation services. The project aligns with Malawi's development goals as well as strategic plans for the BWB and BCC. The project is consistent with the Government's priorities, as it directly aligns with Malawi's commitment to improving urbanization as stipulated in the Malawi 2063.

1.1.1 Project Development Objective and Components for the Malawi Water and Sanitation Project-1 (MWSP-1)

The project development objective (PDO) is to increase access to improved water supply and sanitation services in Blantyre metropolitan area and to enhance the operational and financial efficiency of the Blantyre Water Board. The PDO will be achieved through expansion and rehabilitation of water and sanitation infrastructure for Blantyre City and surrounding areas to ensure adequate and reliable potable water supply with adequate pressure and safely managed improved sanitation services. The project focuses on four components that contribute to the achievement of the PDO.

Component 1: Water supply improvements

Under this component, the project will finance investments to improve water production, stabilize and improve network operational efficiency, reduce water losses, increase energy efficiency, improve water supply service quality, and expand water access to unserved areas, increasing energy efficiency, and boosting water access.

Component 2: Priority sanitation investments

This component involves several interventions to increase access to improved sanitation services and reduce environmental pollution that has public health impacts.

Key interventions under this component include:

- i. The rehabilitation and upgrade of 50km of sewer network and connections and treatment works in the priority sewerage catchments, including interceptors to collect leaking sewers into river streams and reduce environmental pollution and methane capture to reduce emissions from the Wastewater Treatment Plant (WWTP).
- ii. Technical assistance, equipment and tools to improve solid waste sorting and collection at the source with business development support and integration of private sector and waste pickers, and the construction of a new solid waste recycling plant and landfill in Chigumula with the aim of maximizing waste re-use and minimize emissions from uncontrolled solid waste dumping.
- iii. Construction and upgrade of public sanitation facilities for ten schools, five health centers, and five markets to reduce the incidence of open defecation in public places. Public toilet facilities will be enhanced with accessibility features for persons with disability and Menstrual Hygiene Management (MHM) facilities and training to increase girls' retention in schools and support female entrepreneurs in markets. Public toilets in markets will be managed through public-private-partnership contracts with local entrepreneurs to enhance the operations and maintenance (O&M) and support job creation. The project will also finance TA for engineering designs and supervision of sanitation investments, sanitation tariff assessment, and preparation and implementation support for safeguards instruments.

Component 3: Institutional capacity strengthening

This component will finance a set of institutional development activities aimed at enhancing BWB's financial efficiency and governance systems, improving BCC's capacity to manage sanitation services and supporting the water sector investment planning and policy development to enhance the sustainability of urban water services.

Further to Blantyre City Council's project activities will be financing of the development and updating of policies, by-laws, and key guiding institutional documents/plans trainings, equipment; capacity development in sewerage and solid waste management and stakeholder engagement activities.

Under the sector ministry financing, the project will finance a set of policy and planning instruments, including the feasibility assessments and engineering design of priority infrastructure investments for selected Boards, training, and equipment to enhance the sector coordination and technical support to the water boards. The project will also support the development of a sector regulatory function and the establishment of a ring-fenced water tariff framework.

Further, the project will support stakeholder engagements through the sanitation task force to facilitate the sewerage transfer dialogue and ensure the financial sustainability of sewerage services. The project will also support awareness raising and training to improve water resource management and the integration of data monitoring and early warning systems of climate risks such as droughts and floods.

Component 4: Technical Assistance and Project Management Support

This component will finance TA activities designed to support the project implementing unit and the incremental operating costs for project management, including safeguards, communications, and project monitoring and evaluation. The project will also finance relevant training to enhance financial management, procurement, and safeguards capacity for the implementing entities.

1.2 Situational Analysis

Blantyre is the main commercial city of Malawi and according to the 2018 population census, the City of Blantyre had a total population of 853,500 people, with an average growth rate of 2.8% per annum. In addition to serving this population, Blantyre City Council (BCC) provides sanitation services to some areas outside the city boundaries with an estimated population of 547,500. The Local Government Act of 1998, as amended in 2010, and the National Decentralisation Policy of 1998, mandates Blantyre City Council to govern and manage the City of Blantyre. The Local Government Act stipulates a number of services which councils are supposed to provide to their residents and among them is the provision of off-site sanitation services. With regards to general sanitation service provision in Blantyre City, the sewerage infrastructure serves only 16% of the households in the City while 59% and 25% of the households use pit latrines and septic tanks respectively. The sewerage infrastructure, the city has five designated sites (Soche, Blantyre, Limbe, Chirimba and Maone) for treating wastewater. Figure 1 shows the locations of the five WWTPs.

The provision of sewerage services by BCC dates back to 1958 when the city saw the commissioning of Soche Wastewater Treatment Plant. Over the years BCC has undergone major sewerage infrastructural developments which, occurred in 1960s, 1970s, and 1990s when Blantyre(Manase), Limbe(Chigumula), Maone and Chirimba Wastewater Treatment Plants got commissioned. The major developments on sewerage infrastructure were in response to the growth of the City of Blantyre and the surrounding areas. Since the 1990s there has been limited or no major investment in sewerage including on O&M. Despite the City growing in terms of sewerage infrastructure, it is only three of the plants, out of the five, that are not only partially functional but are also overloaded.

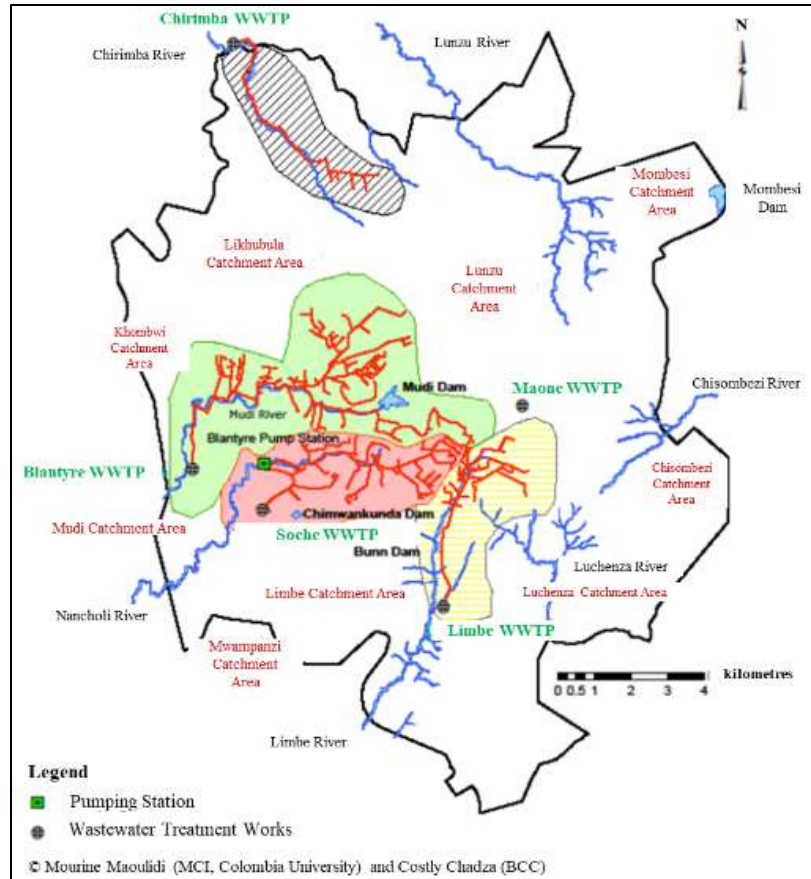


Figure 1: Blantyre Sewer Catchment Areas and Wastewater Treatment Works

The sanitation sector in Blantyre City suffers from constrained financing for both sewerage and onsite sanitation along the entire chain leading to inadequate and unsustainable service delivery. At national level it is estimated that almost 80% funding for WASH (Water, Sanitation and Hygiene) in Malawi comes from development partners, with approximately 0.1% of the total national budget provided for WASH. Moreover, much of this funding focuses on water infrastructure development, with no dedicated budget line for sanitation and hygiene interventions. Furthermore, it has been noted that there are no clear and coordinated plans for financing the development and implementation Sanitation Sector Investment Plan especially at local government level who are struggling with revenue generation.

Under the local government act and in line with the decentralization policy of Malawi, local authorities including cities and municipalities are generally responsible for planning, developing and maintaining sewerage and sanitation infrastructure and services in their respective areas of jurisdiction. Similarly, Waterworks act mandates Water board to manage wastewater in their Water area. Unfortunately, service delivery, especially sanitation remains poor as observed in Blantyre City, due to the low level of resources available at the local government level and weak institutions for revenue generation. Even with the available limited resources, sanitation is hardly prioritized, since such services are less prominent and therefore viewed as less attractive compared to other infrastructure projects such as roads and water supply. The financing situation is worsened by the lack of structured systems for cost recovery mechanisms especially user fees for the

sewerage system. This makes provision of sewerage system more costly to operate, maintain and sustain. In order to ensure that sanitation service provision becomes sustainable and self-financing, Blantyre City Council, through Blantyre Water Board, with financing from World Bank, intends to seek consultancy services for the development/design of an appropriate sustainable, cost recovery, equitable, effective and efficient sanitation tariff model/schedule for sanitation service delivery improvement in Blantyre City.

1.3 Overall Objectives of the Assignment

The objective of this assignment is to undertake a sanitation tariff study, for balancing sustainability and efficiency of sewerage and on-site sanitation service provision, develop/design an appropriate sustainable, cost recovery, equitable and effective and efficient tariff model/schedule that makes on-site and sewerage sanitation service provision a financially sustainable and rational business case of communal affordability and propose accompanying institutional and regulatory reforms for service delivery improvement in Blantyre City. To support these objectives, the consultant is also expected to provide training on the development and implementation of methodologies for the sanitation management services tariff calculations to BCC and BWB staff and selected individuals from the sector ministry, allowing them to develop their skills required to assist the future operations and maintenance

1.4 Specific Objectives of the Assignment

The specific objectives of the assignment include the following key tasks:

- (i) Assessment of the existing sanitation financing arrangements and revenue streams (current and potential) for both on-site sanitation and sewerage services in Blantyre City.
- (ii) Development of a model for different sanitation financing, including options for full and partial cost recovery, and appropriate mechanisms for the different population/market segments and users along the sanitation service chain
- (iii) Development of fair and reasonable on-site and sewerage sanitation tariff structures that are consistent with maintenance of a financially and operationally secure sanitation services' supply system.
- (iv) Development of a reasonable on-site and sewerage sanitation service provision tariff cash flows that shall enable and encourage Blantyre City Council to invest in on-site and sewerage sanitation service provision and in so doing allow it to move towards a commercially competitive system.
- (v) Design an interim regulatory framework under which the tariff could be introduced and an action plan for the institutional and regulatory accompanying measures for the proposed sanitation financing and cost recovery model. Development of the regulatory framework shall take into account the provisions contained in both the existing and ongoing regulation developments happening in the sector.
- (vi) Provision of training on development and implementation of methodologies for the sanitation management services tariff calculations to BCC and BWB staff and selected individuals from the sector ministry, allowing them to develop their skills required to assist the future operations and maintenance of the sanitation infrastructure.

2 Scope of the Assignment

The consultant is expected to carry out a rapid assessment of the existing financing arrangements

for both sewerage and on-site sanitation services along the entire value chain. This assessment will be used to propose various financing reforms which can be established to ensure sustainability of providing both sewerage and on-site sanitation services for the different population segments. These proposals shall also inform the development of a sanitation improvement and financing strategy, reforms in institutional arrangements, development of an appropriate legal instrument, and accompanying capacity building and change management measures.

2.1.1 Detailed Description of Scope

The detailed scope of the activities for the different tasks under this assignment are described hereunder;

2.1.1.1 Carry out a Rapid Assessment of the Existing Sanitation situation in Blantyre City.

This task shall involve analysing the existing range of sanitation financing streams including but not limited to; Public financing, donor funding, NGOs, private sector investments, household contributions, user fees and other financing arrangements for containment, emptying services, conveyance, disposal and treatment, and resource reuse/recovery.

The consultant's activities under this task shall include but not limited to the following;

- (i) Undertake relevant literature review on urban sanitation to extract information related to sanitation financing and models, relevant to the study, especially in Sub-Saharan Africa and Malawi
- (ii) Carry out rapid literature review, stakeholder engagements and field activities to establish existing financing arrangements for investment and management of containment facilities for different population/market/income segments in the city
- (iii) Review existing situation of municipal services related to sewerage and on-site sanitation in Blantyre City.
- (iv) Assess the level of current capital expenditure and services being invested/provided (if any) with respect to subsidy, own source revenue, administrative expenses, salaries and O&M expenditures, collection & billing ratio and other metrics found suitable.
- (v) Review public sector budgeting and financing framework and trends for Malawi with specific focus on sanitation in Local governments and Blantyre City Council in particular
- (vi) Assess and analyse financing from different programs, projects and activities implemented by; development partners, NGOs, private sector and other financing contributions in the sanitation sector
- (vii) Review any willingness/ ability to pay studies that have been conducted in the country/region to estimate the maximum tariff level consumers could theoretically bear. If such analysis is not available, a willingness to pay survey needs to be carried out
- (viii) Study and analyze potential revenue collection in residential/commercial/industrial areas based on unrealized tariff potential, service coverage, future demand, billing and collection, potential consumers, and willingness to pay.

2.1.1.2 Devise Financing Arrangements and revenue streams for On-Site Sanitation and Sewerage Services

- (ix) Evaluate performance of on-site and sewerage sanitation service providers within Blantyre City based on historical financial accounts

- (x) Engage in management discussions on the historical performance of the services being delivered or not being delivered.
- (xi) Develop different financial analysis and stakeholder engagement tools for generating relevant data and information
- (xii) Establish financing arrangements, cost collection and cost recovery mechanisms for the whole sanitation service chain provided by BCC, the private sector and other institutions
- (xiii) Devise tariff methodology and framework for the sanitation services and based on the historical performance and information, engineering design, demand and financial forecast findings, build a workable and implementable tariff model considering among others the following:
 - (a) Tariff acts and policy considerations that are in line with sustainable development goals (SDG), Malawi 2063 Agenda, sustainability, environment, consumption pattern and ease of implementation.
 - (b) Tariff approval mechanism for increasing and levying tariff.
 - (c) Study and review of international best practices for tariff policy and formulation.
 - (d) Legal structure for implementing and effectively levying tariff.
 - (e) Review of existing tariff structure within Africa and improvement of tariff structure in accordance with international best practice.
 - (f) Long term financial sustainability practices aimed at increasing financial health and decreasing reliance on subsidy and government grants.
 - (g) Socio-economic factors of different areas for different income level consumers.
- (xiv) Analyse relationship between forecasted revenue and cost to reduce reliance on subsidy.

2.1.1.3 Formulate and develop tariff options and modelling for On-Site Sanitation and Sewerage Services in Blantyre City.

The purpose of this task is to formulate and develop tariff options and modelling and recommend viable options that are beneficial to BCC. The scope of services under this task shall include the following:

- (i) Develop and devise a tariff formulation framework for multiple tariff options based on water consumption pattern (for e.g., volumetric, and non-volumetric consumption) thereby not only ensuring that tariff formulation framework is in line with findings of willingness to pay, policy considerations, international best practice, socio economic factors, demand and financial forecast focusing on cost coverage, population growth and revenue potential based on collection & billing ratio but also drawing a comparative analysis for the proposed multiple tariff options, highlighting their strengths and weaknesses.
- (ii) Formulate and calculate multiple tariff options based on different types of consumers, tariff structure, cost coverage, sustainability, and investment cost. Tariff formulated should be for next ten years. Consultant is to make sure that tariff achieves the goals set forth by policy considerations, operational cost, subsidy, and future working capital requirements. Bifurcation based on different sources and types of revenues (residential,

- commercial, industrial etc.) should be provided.
- (iii) Formulate tariff and tariff approval mechanism for increasing tariff in accordance with salaries, energy, general inflation, and other cost pushing factors to match tariff increment with cost increment in the foreseeable future.
 - (iv) Develop tariff modelling & calculation system that is based on the premises of affordability, social impacts, ability of groups of consumers (domestic, agriculture, industrial, charitable institutions, etc.) to cross-subsidize poorest of the poor segments
 - (v) Do tariff computation and prepare a Tariff Analysis Methodology for ease of tariff computation
 - (vi) Carry out a financial analysis for investment and sustainability of sewerage infrastructure and services.
 - (vii) Develop a sanitation financing matrix including existing sources and costs where applicable for; CAPEX, OPEX and gap analysis along the service chain
 - (viii) Develop a draft situation analysis report on sanitation financing for sharing, review, discussion and input during a consultative workshop
 - (ix) Compile and submit a final sanitation financing analysis report

2.1.1.4 Develop a model for sanitation financing, including options for full and partial cost recovery, and appropriate mechanisms for the different population/market segments and users along the sanitation service chain.

This task shall involve analysing the different options for sustainable financing along the sanitation value chain. Specifically, the consultant shall develop a model for financing partial and full cost recovery for citywide improvement of sanitation service provision, access to improved containment facilities, safe and affordable emptying services, and efficient sewerage network and treatment system.

The consultant activities under this task shall include but not limited to;

- (i) Undertaking relevant literature review on urban sanitation/sewerage financing models especially in Sub-Saharan Africa to document different models and benchmarks for best practices
- (ii) Prepare a Sanitation Services' Tariff Setting Process using Mathematical Models to predict what sanitation services' prices will be for the different geographical regions and/or classes of consumers and ensure that the model has the following:
 - a. tariff design concept,
 - b. tariff framework,
 - c. cost components, and
 - d. Computation of tariffs for end users of all levels (domestic, agriculture, industrial, charitable institutions, etc.),
- (iii) Develop a sanitation tariff model that is not only transparent but also stable so that the concerned consumers have the least possible regulatory uncertainty,
- (iv) Develop a model that has the following basics:
 - a. Tariffs that is in compliant with the accepted regulatory principle,
 - b. Tariffs that will at least guarantee recovery of the total recoverable cost, and a reasonable amount of profit for the Council,
 - c. Tariff that is reasonably easy to work on,

- d. Tariff that will provide adequate financial information both in the short and the long term, and
 - e. Tariff that is straightforward and transparent,
- (v) Prepare recommendations to improve the existing tariff methodology / setting and revenue distribution mechanism,
- (vi) Provide templates for calculating annual revenue requirement and financial performance simulations that can be used by the Council in future.
- (vii) Develop a model (in Microsoft excel) that can be used by the Council to create different scenarios and examine other possible tariff pathways now and in future
- (viii) Prepare recommendations on the requirements for technical assistance support and training for the Council staff
- (ix) Develop a simplified general cost model (excel-based) to estimate the costs (Capex and Opex) of the urban sanitation service chain using Regulatory Asset Base (RAB) principles. The model shall assume the entire service chain, but with contracting services to private entrepreneurs, where agreed by the stakeholders, under task 1, particularly for onsite sanitation.
- (x) Prepare financial model template (MS Excel and PowerPoint) to present multiple tariff options to be used by the Council for acquiring necessary approvals. These options may not be limited to, but founded upon: risk parameters, future expansion, ease of collection, political acceptability, affordability, transparency, equity and sustainability; the multiple options shall present different calculation of average tariff and slabs. These may include but will not be limited to the following:
 - (a) Full recovery of CAPEX and OPEX cost from the sanitation service delivery services through tariff.
 - (b) Full recovery of OPEX, CAPEX and a minimal additional amount for force majeure/expansion
 - (c) Full Recovery of Only OPEX from the sanitation service delivery services (Govt. to subsidize CAPEX).
 - (d) Full Recovery of Only OPEX with minimal additional reserve.
 - (e) Tariff based on comparison to other developing countries with similar infrastructure.
 - (f) Tariff based on affordability/Willingness to pay of people.
 - (g) Tariff based on localized services provision based on typology of residential areas.
 - (h) Tariff based on total cost incurred by households in various typology of residential areas.
 - (i) Tariff based on assumptive calculation if similar service quality is purchased from existing markets.
- (xi) Propose adequate method/s for collection of tariffs in an efficient manner and also prepare documentation for the Council to help acquire approval of government for levying tariff.
- (xii) Apply the model to estimate the costs of providing urban sanitation services in Blantyre, comprising of (a) the costs incurred in delivering sewerage services, from collection to treatment and re-use (where applicable); (b) costs incurred to deliver onsite sanitation services -both provision of containment structures, emptying and treatment services; and (c) costs incurred in regulation and enforcement of sanitation standards in the city, including sanitation marketing. Make projections of the costs up to the year 2045,

considering ongoing infrastructure investments under the Blantyre Water and Sanitation Project.

- (xiii) Assess existing revenue streams available to cover the cost of the sanitation service chain, including (a) sewerage connection fees; (b) sewerage tariff; and (c) emptying fees paid by those on onsite-sanitation. Estimate the current cost recovery gap and make projections up to the year 2045.
- (xiv) Identify and evaluate options for addressing the cost recovery gap. In doing so, the consultant shall distinguish between private aspects of sanitation (emptying and sewer connection) and the public aspects of sanitation (treatment, containment/substructures); to be paid through the tariff and user fees, and through predictable and transparent transfers from the government or a combination of these. The consultant shall also analyse potential financing mechanisms for expanding access to improved sanitation services in low income areas.
- (xv) Estimate the level of sanitation surcharges and local/central government transfers required to close the cost recovery gap in the short to medium-term and recommend ways in which such transfers can be linked to performance of the service provider.
- (xvi) Perform financing modelling for different cost recovery scenarios for both on-site sanitation and sewerage services.
- (xvii) The model shall include sensitivity analysis to provide insights on the following key policy questions: (a) the level of local/central government transfers required for a fixed level of household contribution to the revenue stream; (b) the impact on household charges for private and public good aspects of sanitation for a given level of local/central government transfers; and (c) the optimal combination of government transfers and sanitation surcharges that are needed to maintain sustainability.
- (xviii) Develop a draft report on sanitation/sewerage financing and cost recovery model for Blantyre city for sharing, review, discussion and input during a consultative workshop
- (xix) Compile stakeholder input, literature review data and information, and financing model analysis outputs to develop a final report on “sanitation/sewerage financing model and full or partial cost recovery mechanisms appropriate for the different market segments and users along the service chain in Blantyre City”

2.1.1.5 Develop action plan for the institutional and regulatory accompanying measures for the proposed sanitation financing and cost recovery model

This task shall involve the assessment of different accompanying measures required to implement the proposed sanitation/sewerage financing and cost-recovery model for Blantyre City Council.

The consultant activities under this task shall include but not limited to;

- (i) Undertake a rapid regulatory, institutional and capacity gap analysis for implementing the proposed financing and cost-recovery reforms
- (ii) Establish priority institutional, regulatory and capacity building actions and reforms in collaboration with the BCC institutional development officer
- (iii) Develop an institutional capacity building and change management plan for BCC and other sanitation stakeholders in collaboration with the institutional development officer
- (iv) In collaboration with the institutional development officer, develop a road map for institutional and regulatory reforms for implementing the sanitation financing model, tariff structure and cost-recovery arrangements

- (v) Prepare recommendations on the requirements for technical assistance support and training for the Company which shall be the regulator of municipal services & utilities in rural areas.
- (vi) Design and deliver spoke training programs for the relevant staff in the Client’s Institution and other service providers in the target areas on effective implementation and formulation of tariff within the scope of defined goals.

3 Duration of the Assignment

3.1 Deliverables and Timeframes

The proposed duration for this assignment shall be a maximum of Six (6) months. The activities for the various deliverables will run concurrently. Table 1 provides a summary of the expected deliverables and timeframe.

The Consultant shall draw up their own proposal for an activity schedule, but shall make due allowance for time required by the Blantyre City to assess and approve documents submitted by the Consultant, before subsequent project tasks can be commenced with. The following schedule is to be used as a guide:

Table 1 – Schedule of the Deliverables

Item No.	Deliverable	Due date
Phase 1: Assessments, Review, Update, Design and Tender Phase (10 Months)		
1	Inception Report	2 weeks after commencement
2	Situational Analysis Report	1 Month after commencement
3	Demand & Financial Forecast Report	2 Months after commencement
4	Tariff Analysis Methodology & Options Report	3 Months after commencement
5	Draft Final Report (consolidated)	4 months after commencement
6	Final Report	5 months after commencement
7	Training Report	6 months after commencement
8	Assignment Completion Report (ACR)	6 months after commencement

3.2 Format of Reports or Deliverables

3.2.1 Inception Report

The Consultant shall prepare an Inception Report Two [2] month after commencement date. This report shall be prepared and submitted in five [5] hard and one [1] electronic copies to the Employer and shall include at least the following:

- (i) The Consultant’s state of mobilization
- (ii) Any changes to the composition of the Consultant’s team
- (iii) Proposed methodology for carrying out the services, including quality, cost control, and ensuring compliance with local regulations and other requirements

- (iv) Proposed assignment communication procedures and recordkeeping
- (v) Detailed program of activities, showing time, duration and personnel, as well as inter-relationship between activities
- (vi) Risk register that will be updated in the subsequent monthly progress report. The register should highlight what is required for the attention of the client and may affect the successful delivery of the assignment
- (vii) Understanding of the ToR and scope of work, any proposals to improve the TORs, indication of adequacy or inadequacy of the ToR
- (viii) Preliminary findings from initial assessments (desk or documentation review and field)

3.2.2 Situational Analysis Report

Prepare a Situational Analysis Report and presentation, setting out the consultants' view of the existing sanitation tariff /revenue streams and the key issues to be addressed to develop an effective approach for sanitation service provision, challenges and constraints including an assessment of the magnitude of the impacts and their prioritization. The Situational Analysis Report shall be inclusive of complete literature review of existing situation and voices from the field work (including affordability and willingness to pay)

A presentation, summarizing the existing situation analysis findings, should also be prepared and should then be presented and discussed at a workshop attended by representatives of all stakeholder groups. The workshop and meetings with representatives of individual organizations and groups should be used to check information and obtain views on the key issues and the possible options for addressing them. Following the workshop, a final version of the Situational Analysis Report shall be prepared. The Consultant shall submit five (5) hard copies and two [2] electronic copies of the Situational Analysis Report.

3.2.3 Tariff Analysis Methodology & Options Report

Prepare a Tariff Methodology & Options Report and presentation, inclusive of data and analysis, cost model (excel-based), financial model template (MS Excel) and all evaluated options (elaborated in scope of work). It should present rational business cases based on credible constructs and nuances. A few placeholder questions may be left for discussion with the client, if necessary. A presentation, summarizing the Tariff Methodology & Options, should also be prepared and should then be presented and discussed at a workshop attended by representatives of all stakeholder groups. The workshop and meetings with representatives of individual organizations and groups should be used to check information and obtain views on the key issues and the possible options for addressing them. Following the workshop, a final version of the Tariff Methodology & Options shall be prepared. The Consultant shall submit five (5) hard copies and two [2] electronic copies of the Tariff Methodology & Options Report

3.2.4 Draft Final Report (consolidated)

Prepare a Draft Final Report and presentation summarizing the Draft Final Report, to be presented and discussed at a workshop attended by representatives of all stakeholder groups. The workshop and meetings with representatives of individual organizations and groups should be used to check information and obtain views on the key issues and the possible options for addressing them. Following the workshop, a final version of the Draft Final Report shall be prepared. The Consultant shall submit five (5) hard copies and two [2] electronic copies of Draft Final Report

3.2.5 Assignment Completion Report (ACR)

Prepare a comprehensive final Assignment Completion Report (ACR) at the end of the assignment. This report must be submitted immediately after completion of contracts and shall summarize the methods used, Activities performed, lessons learnt, and recommendations for future assignments of similar nature to be under taken by the Employer. The report should also contain summary of all reports produced, targets versus achievements, lessons and experience gained during assignment implementation, problems encountered and resolved. The ACR shall cover the relevant information on the Assignment pertaining to the Consultant's observation and activities carried out during training period. The Consultant shall submit five (5) hard copies and two [2] electronic copies of Assignment Completion Report to the Client.

4 Staffing Requirements

4.1 Key Professionals

The following are the minimum qualifications and time input for Consultant's key personnel required to carry out the services for this assignment.

Table 2: Estimated inputs of the Key professionals

No.	Expert	Minimum Number of Required Staff	Man-months
1	Team Leader	1	6
2	Water and Sanitation Specialist	1	6
3	Research Scientist	2	12
4	Legal Expert	1	4
5	Costing Specialist	1	6
6	Financial Analyst	2	12
7	Policy Planner	1	4
8	IT Associate	1	4

TOTAL	54
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In addition to above listed positions of professionals, the Consultant shall consider other experts and support professionals with adequate qualifications and experience in relevant fields, and include in the technical and financial proposal. During technical evaluation process, these staff will not be evaluated individually. However, they will be considered collectively along with other support staff, if any, under “Organization and Staffing” criteria of evaluation.

4.2 Qualifications and Key Personnel Requirements

The key professionals for the consultant should have individual experience in related fields that shall include minimum two similar assignments carried out in a similar setting.

Table 3. Qualification and Experience of Key Professional Staffs

Phase 1: Feasibility, Design and Tender Phase				
	Designation	Minimum Academic Qualification	General Experience	Specific Experience
1	Team Leader	Chartered Accountant or a Fellow Cost & Management Accountant or Masters in Economics/Political Science or its equivalent	10 years	<ul style="list-style-type: none"> – At least 10 years of total experience in Development Sector including minimum 5 (Five) years of practical experience in tariff/consumer modelling / planning/calculation for utilities. – Practical experience as Team Leader for minimum of 2 similar assignments. Must be registered with a recognized Accounting Institution. – Proficiency in listening and speaking of English. Demonstrable experience with FIDIC Conditions and projects funded by international financing institutions such as the World Bank
2	Water and Sanitation Specialist	MSc. in Civil Engineering/Sanitation preferably with complementary training/work experience in other subject areas in water supply and sanitation or other related fields.	10 years	<ul style="list-style-type: none"> – At least 8 years of relevant professional experience in urban development, urban sector development issues, or related areas of urban water supply, sanitation and wastewater management with strong focus on operational and technical matters and administration, – Relevant experience in carrying out sanitation tariff studies and practical knowledge and experience in integration of financial, economic, social, institutional improvement issues – Experience in operations and knowledge development on water resources management, water supply infrastructure development, sanitation systems development, including non-sewered sanitation, policy, institutions, and regulatory reforms. – Excellent oral and written communication skills in English. – Experience working in the region

Phase 1: Feasibility, Design and Tender Phase				
	Designation	Minimum Academic Qualification	General Experience	Specific Experience
3	Research Scientist	Master's Degree or above in Sociology/anthropology or relevant discipline.	10 years	<ul style="list-style-type: none"> – Minimum (10) ten years relevant work experience in data analysis, model designs & modelling simulations, preferably in the urban/municipal/sanitation sector. – Must be registered with a recognized Research Institution. – Proficiency in listening and speaking of English. Demonstrable experience with FIDIC Conditions and projects funded by international financing institutions such as the World Bank
4	Legal Expert	Law graduate	10 years	<ul style="list-style-type: none"> – Expert in corporate law, Minimum 10 (ten) years legal services experience preferably governance/ Local governance and understanding local government laws. – Must be registered with a Recognized Law Society – Proficiency in listening and speaking of English. Demonstrable experience with FIDIC Conditions and projects funded by international financing institutions such as the World Bank
5	Economist	Chartered Accountant or a Fellow Cost & Management Accountant or have a masters' degree in economics/accounting	7 years	<ul style="list-style-type: none"> – Minimum 7 (Seven) years of practical experience in financial/consumer modelling preferably for utility activities. – Must have previous experience in analysing financial performance of government institutions preferably municipal utilities. – Must have previous experience of developing sound financial modelling and analysis of pricing for consumable goods/preferably in the municipal/ energy sector. – Must be registered with a recognized Accounting Institution.

Phase 1: Feasibility, Design and Tender Phase				
	Designation	Minimum Academic Qualification	General Experience	Specific Experience
				<ul style="list-style-type: none"> - Proficiency in listening and speaking of English. Demonstrable experience with FIDIC Conditions and projects funded by international financing institutions such as the World Bank
6	Financial Analyst	Bachelor's degree in Finance or be a member of a professional accounting institution	5 years	<ul style="list-style-type: none"> - Minimum 5 (Five) years' experience in analysing financial performance of government institutions preferably municipal utilities. - Must have previous experience of developing sound financial modelling and analysis of pricing for consumable goods/preferably in the municipal/ energy sector. - Must be registered with a recognized financial management Institution. - Proficiency in listening and speaking of English. Demonstrable experience with FIDIC Conditions and projects funded by international financing institutions such as the World Bank
7	Policy Planner	Bachelor's degree in political sciences or development	5 years	<ul style="list-style-type: none"> - Minimum 5 (Five) years' experience in cost analysis and policy formulation and implementation - Proficiency in listening and speaking of English. Demonstrable experience with FIDIC Conditions and projects funded by international financing institutions such as the World Bank

Phase 1: Feasibility, Design and Tender Phase				
	Designation	Minimum Academic Qualification	General Experience	Specific Experience
8	IT Associate	Bachelor's degree Computer Science / Information Technology or relevant discipline	3 years	<ul style="list-style-type: none"> – Minimum 3 (Three) years' experience in Information management tools. – Proficiency in listening and speaking of English. Demonstrable experience with FIDIC Conditions and projects funded by international financing institutions such as the World Bank

5 Contract Management

5.1 Obligation of the Consultant

- (i) The Consultant is expected to be fully self-sufficient in terms of accommodation, office space and supplies, office equipment, communication, transport, VISAs or permits, insurance and living expenses of the staff. The consultant may procure/hire any other property/devices/equipment, under the direction and supervision of the client. All items bought under this assignment or contract will become property of the client after the project. The cost of running the property/devices/equipment will be borne by the Consultant.
- (ii) The data, documentation and assets from the consultancy will remain the property and in the custody of the Client at the end of the consultancy.
- (iii) The Consultant shall be available, at all times, for subsequent discussions of the assignment with the Client.
- (iv) The Consultant shall be responsible for the payment of local taxes and duties for all goods and services including applicable levies, during execution of the project.

5.2 Obligation of the Client

The Client shall, wherever possible:

- (i) the Client will on behalf of the Consultant pay to tax management body (a) all local identifiable indirect taxes such as sales tax, excise tax, VAT, or similar taxes levied on the contract's invoices; and (b) all additional local indirect tax on the remuneration of services rendered by non-resident experts in the Client's country.
- (ii) Ensure that data is accurate and available for ease of supervision of the works;
- (iii) Provide copies, if any, of available study reports and other relevant documents;
- (iv) Ensure that the Consultant has access to all available information required for timely execution of the assignment;
- (v) Assist the consultant to obtain necessary immigration, VISAs, registration with any board or agency, and residence work permits for the approved expatriate personnel and their dependents. However, the consultant remains responsible for this

5.3 Reporting Arrangements Reviews and Schedule of Deliverables

Blantyre Water Board, with support from Blantyre City Council, will be the implementing agency for the execution of this assignment. The Consultant will be reporting to the PIU Manager on contractual matters and to the BCC Project Support Team Coordinator on daily operational issues. The Consultant will be required to submit all the reports to Project Implementation Unit, with copies to BCC as per the specified timelines.

6 Payment Schedule

The following is the proposed payment schedule for the project:

No	Deliverable	% Of payment
1	Inception Report	10%
2	Situational Analysis Report	20%
3	Demand & Financial Forecast Report	10%
4	Tariff Analysis Methodology & Options Report.	20%
5	Draft Final Report (consolidated)	10%
6	Final Report	20%
7	Training Report	5%
8	Assignment Completion Report (ACR)	5%
Total		100%