

**TERMS OF REFERENCE FOR INDIVIDUAL CONSULTANTS AND CONTRACTORS**

**Title: “International Consultancy to provide technical assistance to State Unitary Enterprise – Khojagii Manziliyu Kommunali (SUE-KMK) on development of tariff setting strategy for water supply and sanitation services.**

**Type of engagement Included in Annual Workplan:**

**Consultant  Yes**

**Individual Contractor**  **No, please justify: will be included**

**Consultant sourcing:  National  International  Both**

**DUTY STATION/DURATION:**

*Estimated duration: 27 working days within 5 months (September 2021 – January 2022)*

*Duty station: Dushanbe, Tajikistan*

*On-site working days: 27 w/ds*

*Off-site working days: n/a*

*Supervisor: WASH Specialist (IP), UNICEF Tajikistan*

*Reporting to: WASH Specialist (IP), UNICEF Tajikistan*

**BACKGROUND:**

Key WASH indicators for Tajikistan remains less than optimal. Tajikistan is a member of the High-Level Panel on Water launched by the World Bank and the United Nations and has announced its commitment to the Sustainable Development Goal (SDG-6) to “Ensure availability and sustainable management of water and sanitation for all”. Tajikistan also committed to achievement of the SDGs and recognized the access to WASH in schools and health facilities as important favourable conditions for sustainable development in its National Development Strategy 2030, National Water Sector Strategy (2020 – 2030) and Water and Sanitation Plans and National Programme for Children that are in the process of development and endorsement.

To contribute to the progressive realization of the Rights of the Child and Sustainable Development Goal 6 (SDG 6), UNICEF Tajikistan introduced a WASH in Institutions component as part of the Country Program of cooperation with the government of Tajikistan. The introduction of this element is in response to the request from government to support the design and implementation of the national WASH programme and a believe that improvement of WASH infrastructure in social institutions, coupled with hygiene promotion intervention, will contribute to reducing infant deaths, preventing communicable diseases among children.

According to WHO-UNICEF Joint Monitoring Programme (JMP) 2017 report, only 47.9% of people nationally in Tajikistan have access to safely managed drinking water services (improved source located at premises, available when needed, and free from microbiological and priority chemical contamination). Similarly, at national level, access to drinking water has improved from 51.2 (2001) to 81 percent (2017). For urban setting figures vary between 87 (safely managed water) to 96.2 percent (improved/basic water), with periodical upward and downward trends. Same sources report figures varying between 36 (safely managed water) and 75.6 percent (improved/basic water) for rural settlements.

SUE-KMK is a national water and sanitation service provider with 13% service coverage nationally. The remaining fall under municipal services that are supported by Vodokanals. Currently, SUE KMK provides services in 62 cities, district centers, and urban type settlements, but only 52 of these areas have centralized water supply system and 29 have partial coverage by sewerage systems. Only 5 percent of sewerage systems in rural areas are functional. Reliance on discharge into a sewerage system without effective treatment is a serious health consideration if pathogens can recirculate into the environment, and is under increased focus under the Sustainable Development Goals (SDGs).

The State Unitary Enterprise SUE KMK is the main actor with the widest span of assets, but it coordinates with at least seven other ministries and agencies. Each of these agencies, in turn, has regional and district level structures. Dedicated coordination and cooperation structures exist only at the national level, while local structures typically work independently from one another. In the current operational model, SUE KMK is the owner, regulator, and operator of all drinking water services in Tajikistan. It is assigned as the authorized state body responsible for drinking water supply and municipal services, state control and supervision of drinking water supply, and water quality monitoring. Its functions are mainly economic, but also include some elements of public administration.

The internal organigram of the KMK shows that its head office at the central level carries out management functions. At the same time, subsidiary organizations of the KMK, usually referred to as Vodokanals at the municipal level and branches of TojikObiDehot in the rural areas, act as service providers. In addition to holding almost exclusive operational and service provision responsibilities, the SUE KMK has been given the authority to design and implement state policies in public and municipal services. The management functions of the SUE KMK has recently expanded with the transfer to KMK of the Main Department of TojikObiDehot, formerly responsible for rural water supply to population and pastures. With this transfer, SUE KMK has become a single institution responsible for management of both urban and rural water supply at the national

level, among many other public services.

Available data indicates that for systems run by SUE KMK tariffs are set between TJS1.02/USD0.10[[1]](#footnote-1) to TJS 1.32/USD0.13 per cubic meter. Tariffs for systems run by the Municipalities independently from SUE KMK are also within the same range. On average, the tariff for all KMK systems are estimated at TJS1.09/USD0.11 per cubic meter. However, according to KMK these tariffs are significantly lower than full-cost recovery level, which is estimated at 4.0TJS/USD0.39 per cubic meter on average[[2]](#footnote-2). Correspondingly, present tariffs for state-run water supply services both in urban and rural settings are within a range of 25% to 33% of full cost recovery.

In addition, as of 2017, SUE KMK has reported on the indebtedness of its customers (private households and state institutions) at around 5.3mln USD, of which 3.3mln USD are debts from private households for housing and communal services (water, sewerage, waste, etc). About4.1mln USD debts to SUE KMK are the result of unpaid fees for water supply[[3]](#footnote-3). A series of attempts by SUE KMK to approve full-cost recovery tariffs at the level of TJS4.0 /USD0.39/m3 has not been approved by the responsible regulating agencies (Antimonopoly Agency that approved the tariffs) , but instead have advocated for gradual tariff improvements over time. It is currently hard to assess whether such gradual improvements will eventually reach full-cost recovery in the nearest future.

Available reports indicate, payments from water users in form of investments and water fees are subject to a number of conditions, such as - improved service provision, provider’s accountability, operational transparency, billing mechanisms, and etc. Consumer satisfaction is key towards improved collection rates[[4]](#footnote-4). Alongside consumer views, the service providing entities demand that tariffs must increase to full-cost recovery or at least improve towards the level that cover at least O&M costs (approximately 60-70% of full cost recovery)[[5]](#footnote-5).

According to TajWSS[[6]](#footnote-6) Project experience, achieving full-cost recovery tariff does not immediately lead to sustainability. Affordability and willingness to pay higher tariffs must be accompanied with addressing mutual objections present within the duty-bearer and rights-holder network. Reportedly, collection rates have largely been below recovery level even for rightly functioning systems[[7]](#footnote-7).

A key issue is also poor awareness on recognizing water as an economic good by the consumers and understanding that willingness to pay required tariff will also result in availability of sufficient quantity of safe drinking water and the required O&M costs will be supported.

**PURPOSE:**

Under the overall oversight of the Chief, Health and Nutrition, direct supervision of WASH Specialist (international Professional), the Consultant will provide technical guidance and support to the State Unitary Enterprise – Khojagii Manziliyu Kommunali (SUE-KMK) on development of tariff setting strategy for water supply and sanitation services with emphasis on effective community engagement and at the same time assess and identify key areas of capacity development for improving community engagement and customer focus.

**DESCRIPTION OF THE ASSIGNMENT:**

1. Carry out an inception meeting with SUE-KMK and establish full understanding of the required expectation regarding the scope of the assignment and develop a detailed workplan.
2. Review of existing tariffs and strategy set on pricing of water and sanitation services by SUE-KMK and other key documents on water pricing by UNDP and TAJWSS.
3. Carry out bilateral meetings/consultations with UNICEF and other key government and development partners to gather information on key challenges, bottlenecks and other factors involved that are hindering the full cost recovery.
4. Identify and review tariff models used by other countries in and out of the central Asian region with similar challenges and present to key stakeholders with potential recommendations.
5. Develop relevant tools and carry out a capacity assessment of KMK on potential engagement with community and customer feedback/services mechanism.
6. Develop strategy on potential ways to set new tariffs for water supply and sanitation services to increase the full cost recovery and reduce losses to maintain quality of services. This will also have a key emphasis on community/customer engagement strategies that may potentially improve ownership, willingness to pay and support based on principles of *demand and supply* and *trust between operator and consumer*.
7. Submission of final report that is reviewed and accepted by UNICEF and SUE-KMK.

**KEY DELIVERABLES/TIMEFRAME/PAYMENT SCHEDULE:**

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| --- | --- | --- | --- |
| **Tasks/Milestone** | **Deliverables/Outputs** | **Number of days** | **Payment schedule** |
| 1. **Carry out an inception meeting with SUE-KMK and establish full understanding of the required expectation regarding the scope of the assignment and develop a detailed workplan** | Inception report covering outline, methodology, resources required, workplan, timelines, objectives, outcomes, activities, key indicators and process to be followed for the delivery of all parts of the assignment on the basis of the discussion with SUE-KMK and UNICEF. | 2 days | 100% payment on submission and acceptance of the final report. |
| 1. **Review of existing tariffs and strategy set on pricing of water and sanitation services by SUE-KMK and other key documents on water pricing by UNDP and TAJWSS.** | 1. Detailed review of all documents including existing tariff, policy documents, strategies, SoPs and key reports by development sector partners on water and sanitation tariffs and challenges involved in Tajikistan is completed.   Findings of the review are shared and key areas of discussion to gather feedback are presented to relevant stakeholder | 10 days |
| 1. **Carry out bilateral meetings/consultations with UNICEF and other key government and development partners to gather information on key challenges, bottlenecks and other factors involved that are hindering the full cost recovery.** | Minutes of bilateral discussions with key stakeholders and a joint summary highlighting key aspects of the discussions are shared including important take away points in terms of suggested revisions. | 3 days |
| 1. **Identify and review tariff models used by other countries in and out of the central Asian region with similar challenges and present to key stakeholders with potential recommendations.** | Key finding of research on different models that are applicable on tariff settings using innovative approaches with SUE-KMK, UNICEF and relevant sector partners are shared. | 5 days |
| 1. **Develop relevant tools and carry out a capacity assessment of KMK on potential engagement with community and customer feedback/services mechanism.** | 1. Agreement on key areas of capacity assessment with SUE-KMK and UNICEF is reached 2. Relevant tools for assessment of capacity on community engagement developed and tools developed for feedback before finalisation are shared. 3. Interviews within KMKs, relevant departments and key development partners are conducted and recorded 4. Analysis of the assessment is shared, and next steps are presented. | 2 days |
| 1. **Develop strategy on potential ways to set new tariffs for water supply and sanitation services to increase the full cost recover and reduce losses to maintain quality of services. This will also have a key emphasis on community/customer engagement strategies that may potentially improve ownership and support.** | 1. Draft of the strategy on the agreed structure with SUE-KMK, UNICEF and relevant development partners is shared. 2. Feedback is gathered form key stakeholders and relevant clarifications are made. | 5 days |
| 1. **Submission of final report that is reviewed and accepted by UNICEF and SUE-KMK.** | Final report that is accepted by SUE-KMK and UNICEF is shared. |  |

**Note:** Due to COVID 19, the work and deliverables are subject to change. Consultant need to be flexible to adjust to any unforeseen adjustments that might occur during the implementation

**Performance indicators for the evaluation of results:**

The evaluation of the results will be based on:

1. Technical and professional competence (quality of the products delivered to UNICEF);
2. Scope of work (e.g. clarity of work plan);
3. Quality of work (quality of methodology, draft, and final report);
4. Quantity of work (completing the tasks indicated in the table above within the set timeframe)

In addition, such indicators as work relations, responsibility, drive for results, and communication will be taken into account during the evaluation of the Consultant’s work.

**QUALIFICATION REQUIREMENTS:**

***Education:*** A university degree in one of the following fields is required: public health, civil engineering, water engineering, sanitation engineering, research, economics, business management, or another relevant technical field.

***Work Experience:*** a minimum of 5 years of proven work experience in research and analysis of WASH development programs, review and evaluation of government strategies/workplans, quantitative and qualitative data analysis. Experience in undertaking reviews of public WASH tariffs, setting up tariff standards and development of tariff setting strategies.

***Competencies:*** Strong analytical and conceptual thinking. Excellent writing skills. Excellent communication and presentation skills with stakeholders and the ability to work under pressure and commitment to work to a tight timeframe.

***Language:***  Excellent working knowledge and communication in English is required. Knowledge of Tajik (Farsi) and Russian is an asset and preferable.

**REQUIREMENTS:**

***Qualified candidates are requested to submit:***

1. Cover letter/application/CV.
2. A technical proposal with the proposed methodology/approach to managing the project, showing understanding of tasks.
3. Work plan.
4. Financial quote for the consultancy in USD per deliverable, stating also the timeframe for completion of deliverable and/or daily rate in USD
5. Examples of previous, relevant work related to the deliverables.
6. At least two references

Queries can be sent to: [dushanbe@unicef.org](mailto:tad-procurement@unicef.org) with subject line **“Consultancy to provide technical assistance to State Unitary Enterprise – Khojagii Manziliyu Kommunali (SUE-KMK) on development of tariff setting strategy for water supply and sanitation services”** Applications must be received in the system by **August 23, 2021** through UNICEF website.

Travel costs and DSA will be covered in accordance with UN rules and regulations. No other remunerations apply. As a general principle, the fees payable to a consultant or individual contractor follow the “best value for money” principle, i.e., achieving the desired outcome at the lowest possible cost.

Please note that consultants and individual contractors are responsible for assuming costs for obtaining visas and travel insurance.

**EVALUATION PROCESS AND METHODS:**

Individual consultants/contractors will be evaluated based on a cumulative analysis methodology. The award of the Contract shall be made to the individual consultant whose offer has been evaluated and determined as:

a) responsive/compliant/acceptable, and

b) having received the highest score out of a weighted set of technical and financial criteria.

During the selection, the ratio between the technical evaluation and commercial offer is 70 to 30.

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| --- | --- | --- |
| ***Criteria*** | ***Weight*** | ***Max. Point*** |
| ***TECHNICAL QUALIFICATION (max. 70 points)*** | ***70%*** | ***70*** |
| ***Overall Response (20 points)*** |  | |
| Understanding of tasks, objectives and completeness and coherence of response |  | *10* |
| Overall match between the TOR requirements and proposal |  | *10* |
| ***Proposed work plan (10 points)*** |  | |
| Quality of proposed work plan |  | *10* |
| ***Technical Capacity (40 points)*** |  | |
| ***Education:*** A university degree in one of the following fields is required: public health, civil engineering, water engineering, sanitation engineering, research, economics, business management, or another relevant technical field. |  | *10* |
| ***Work Experience:*** a minimum of 5 years of proven work experience in research and analysis of WASH development programs, review and evaluation of government strategies/workplans, quantitative and qualitative data analysis. Experience in undertaking reviews of public WASH tariffs, setting up tariff standards and development of tariff setting strategies. |  | *10* |
| ***Competencies:*** Strong analytical and conceptual thinking. Excellent writing skills. Excellent communication and presentation skills with stakeholders and the ability to work under pressure and commitment to work to a tight timeframe. |  | *10* |
| Excellent working knowledge and communication in English is required. Knowledge of Tajik (Farsi) and Russian is an asset and preferable. |  | *10* |
| ***FINANCIAL PROPOSAL (max. 30 points)*** (daily rate) | ***30%*** | ***30*** |
| **TOTAL SCORE *(max. 100 points)*** |  |  |

Only candidates who obtain a minimum of 49 points in the Technical Criteria evaluation will be considered for the Financial Evaluation.

**Financial Proposal**

Please provide an all-inclusive price for delivering professional services in accordance with the assignment described under this TOR.

The formula for the rating of the Financial Proposals will be as follows:

FP Rating = (Lowest Priced Offer / Price of the Offer Being Reviewed) x 100

1. USD equivalent calculated based on exchange rate effective on 30 September 2020 (rounded estimates). Source: National Bank of Tajikistan official website. Available online - <https://nbt.tj/tj/kurs/kurs.php> [↑](#footnote-ref-1)
2. SUE «Khojagii Manziliyu Kommunali” (10 February 2020), Mr. Bakhtiyor Safarzoda, Deputy Director. Asia-Plus News Article. Available Online: <https://asiaplustj.info/ru/news/tajikistan/society/20200210/v-tadzhikistane-predlozhili-povisit-tarifi-na-vodu> [↑](#footnote-ref-2)
3. State Unitary Enterprise “Khojagii Manziliyu Kommunali”, General Director, Mr. Alimurod Islomzoda

   Link: <http://m.ru.sputnik-tj.com/country/20170713/1022814617/tadzhikistan-tarify-na-vodu-vyrastut-10-protsentov.html?mobile_return=no>. [↑](#footnote-ref-3)
4. Minutes of Third Meeting of the Inter-Ministerial Working Group on drinking water supply and sanitation, 24 October 2012, Kayrakkum, Tajikistan. [↑](#footnote-ref-4)
5. UNDP/Oxfam (2012), “Overview of tariff policy in the sphere of drinking water supply and sanitation and recommendations for its improvement”, TajWSS Project [↑](#footnote-ref-5)
6. “Tajikistan Water Supply & Sanitation Project” (TajWSS) Project, funded by the Swiss Agency for Development & Cooperation, and implemented by Oxfam GB in partnership with UNDP in Tajikistan [↑](#footnote-ref-6)
7. UNDP/Oxfam GB (2020). TajWSS Policy Brief “Tariff policy for drinking water supply in rural Tajikistan: Towards a full-cost recovery mechanism and rights-based water governance” [↑](#footnote-ref-7)