**TERMS OF REFERENCE**

**Purpose of the Assignment:** Documentation and development of a scale-up strategy for the implementation of a household water connection revolving fund in small towns in Mozambique.

**Section Submitting:** WASH

**PURPOSE AND OBJECTIVE.**

Since 2012, UNICEF Mozambique has supported the implementation of the Government of Mozambique’s Delegated Management Framework (DMF)[[1]](#footnote-2) through its Small Towns WASH programme. The programme is implemented in partnership with AIAS and CRA and aims to support AIAS in the development of an implementation model that will support leveraging additional funds for broader implementation. To date, UNICEF’s Small Towns WASH Programme has covered six small towns in the provinces of Nampula, Tete, Manica and Inhambane.

Water supply systems are designed to have the capacity to cover needs for the next 20 years using a modular/sequenced approach for expansion of specific components as additional capacity is required. However, the initial reach of the distribution networks has been dependent on budget availability at the time of construction. Typically, tertiary networks cover at least 50% of the potential service area, with a limited number of household connections included as part of the initial construction contracts. Using this model, it additional connections are expected to be made based on user requests with the connection costs being covered by the user (i.e. water counter, pipework and accessories between the tertiary network and the household).

A recent review of the implementation of DMF in small towns (UNICEF, 2018) has identified the cost of the household connection as one of the most important factors, besides the proximity to the network, that prevent new users to connecting to the water system. This is seen as limiting the number of new connections being made, subsequently impacting the capacity of Operators to generate revenue in a sustainable manner.

To address this barrier, UNICEF has been implementing a revolving fund for household connections in the towns of Jangamo, Morrumbene and Homoine. The fund was established through an agreement between AIAS and Collins LDA (current operator of the three systems) and started implementation in July 2018. Under this model, AIAS, with financial support from UNICEF, made available materials for 1,000 household connections. The operator remains responsible for the installation of the connection kits and the management of the fund for replicating additional connections. This financial input from UNICEF allows the operator to pro-rate the cost of the connection over 24 months, thereby reducing the financial barrier at the household level. Over the first 12 months of the pilot, all 1,000 initial connections have been installed plus additional 500, indicating initial successes of the revolving fund.

In order to review the implementation of the revolving fund model as well as to identify options for expanding its implementation, UNICEF is seeking the services of an experienced consultant to carry out a review of the work to date.

**METHODOLOGY AND TECHNICAL APPROACH.**

The Consultant will work under the supervision of the WASH Specialist and will work in close coordination with other members of the UNICEF Mozambique WASH Team, Government stakeholders, Private Operator and others involved in the development and implementation of the revolving fund, as well as directly interact with community and community representatives as required.

The Consultant will work in collaboration with AIAS, UNICEF and the private Operator (Collins LDA) to collect and analyse information pertaining to the revolving fund, including, but not limited to:

* Analysis of institutional, legal and regulatory framework for water supply in Mozambique and the implementation of other innovative financing activities
* Memorandum of Understanding and projections for implementation of the revolving fund
* Terms of reference, technical specifications and contracts for the supply of materials for the revolving fund
* Interim reports/updates on the implementation of the revolving fund
* Communication materials developed by the Operator for the implementation of the revolving fund
* Expansion mapping of the networks in relation to equity concerns
* Financial information on the implementation of the revolving fund, including Operator’s cash-flow, revenue from revolving fund customers, management of funds, etc.
* Management of hardware assets of the fund

The Consultant will also interview key informants to gather information on revolving fund implementation and the impact on water service access in the targeted areas. The consultant will also identify perceptions on the revolving fund implementation and opportunities for potential expansion. Key informants will include:

* Direção Nacional de Abastecimento de Agua e Saneamento (DNAAS)
* Autoridade Reguladora de Agua (AURA, ex. CRA) at national and provincial level
* Vitens Evidens (PO35 implementation team)
* Direção Provincial das Obras Publicas de Inhambane (DPOPHRH Inhambane)
* Serviços Distritais de Planificação de Infraestruturas (SDPI Jangamo, Morrumbene and Homoine)
* Fundo de Investimento e Património do Abastecimento de Água (FIPAG)
* Other donors supporting Water Supply systems in Mozambique (urban, small towns and rural)
* Other Operators of Water Supply systems similar to the ones where the indicated revolving fund is being implemented

In addition to the documentation of the existing revolving fund and analysis of its implementation modalities, the Consultant is expected to provide: guidance on:

* Recommendations on strengthening the implementation of the current revolving fund in the selected district capitals
* Identification of key elements necessary for the replication of the model under similar conditions as well as in other less complex systems covering rural settlements
* Specific considerations for operation, management and regulation of revolving fund for household connections

The Consultant will work under the Supervision of UNICEF, however, the review and validation of the final reports will be made through consultation with a reference group composed of AIAS, UNICEF and CRA.

**ACTIVITIES AND TASKS.**

The following activities and tasks are to be completed as part of the consultancy:

**ACTIVITY 1:** **Preparatory process, desk review** of existing literature and documentary information (revolving fund for household connections indicated under these ToRs and similar interventions in Mozambique and elsewhere) **and development of tools** for data collection and analysis (5 working days)

**ACTIVITY 2:** **Interview of key informants** involved in the implementation of the revolving fund for household connections **and other relevant stakeholders** for potential replication and scale up (5 working days).

**ACTIVITY 3:** **Data collection and analysis** on the implementation of the revolving fund for household connections in three small towns in Mozambique, including presentation of preliminary findings to reference group (15 working days)

**ACTIVITY 5:** **Development of final report detailing results of the review and including proposed model and strategy for replication and expansion** of revolving fund for household connections including (15 working days):

* Summary results of review on the existing model, including, but not limited to, information on:
  + Impact of institutional, legal and regulatory framework for water supply in Mozambique on the current model
  + Adequacy of the current MoU governing the initiative.
  + Adequacy of the communication materials developed by the Operator for the implementation of the revolving fund
  + Analysis of the expansion of the networks, with an equity lens
  + Financial analysis of the current revolving fund, with a sustainability lens
  + Adequacy of the management of hardware assets of the fund
  + Summarised results of the fund to date, including comparison with growth in HH connections in other similar water supply systems / towns.
* Overall description of a proposed expansion model, including identification of roles and responsibilities, financial modelling (including various scenarios) and implementation timelines
* Standardized technical specifications and designs for household connections, including terms of reference for procurement of materials
* Proposed formats for Contracts/MoUs required for implementation of revolving fund for household connections (at all levels: with Operator, with users, etc.)
* Proposed mechanisms and monitoring tools for implementation of revolving fund, including those related resource management (materials and HR), quality control for HH connections, customer care, etc.
* Proposed communication strategy and materials for promotion/dissemination of the initiative at local level to support roll-out and adherence
* Summarized concept note and presentation for dissemination and advocacy

Annex 1 includes an estimated timeline and duration for implementation of the above activities.

**DELIVERABLES AND PAYMENTS.**

The following deliverables are envisaged to be produced throughout the consultancy,

* *Deliverable 1:* Inception report, including summarized report and proposed tools for data collection and analysis (end of week 2).

**Payment 1: 20% of total contract amount;**

* *Deliverable 2:* Intermediate report, following data collection and analysis, and interviews (end of week 4);
* *Deliverable 3:* Documentation on the current implementation of the revolving fund for household connections, including recommendations for strengthening (end of week 5).

**Payment 2: 40% of total contract amount;**

* *Deliverable 4:* Proposed model and strategy for replication and expansion / scale-up of revolving fund for household connection, including tools / materials (end of week 8).
* *Deliverable 5:* Summary consultancy report in **English and Portuguese** (max. 35 pages) highlighting the main findings of the consultancy and recommendations on the way forward. A power point presentation, **in English and Portuguese** (max 15 slides) will be developed in conjunction with the report. All materials collected and developed during the consultancy to be presented in electronic format (end of week 10)

**Payment 3: 40% of total contract amount;**

Payments will be made upon acceptance of the corresponding deliverables as per indicated above, and against an invoice that will reference the contract and deliverable numbers. Payments will be approved by Chief of WASH or his delegate.

**MANAGEMENT AND SUPERVISION.**

The Consultant will work under the supervision of the WASH Specialist, in close interaction with other members of the WASH team as appropriate.

**QUALIFICATIONS AND SPECIALIZED KNOWLEDGE.**

* University degree in business development / administration, finance or economics, or related degree with demonstrated knowledge of application of innovative financing mechanisms in development interventions;
* Previous experience in working with micro-financing / micro-credits in developing countries, including the development, setting up and / or implementation of revolving funds or small-scale innovative financing. Specific experience in Mozambique is an asset;
* Previous experience in working with small / medium scale service delivery enterprises / companies for development of business / marketing plans;
* Demonstrated experience in conducting analysis, documentation and strategies for development interventions in Africa;
* Demonstrated experience of working with Government authorities, business community, development partners, and other international financial institutions;
* Previous work experience in the water sector, preferably at the urban and peri-urban levels.
* Fluency in Portuguese and English.

**CONDITIONS OF WORK.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Items** | **Provided by UNICEF** | | **Remarks** |
| **Yes** | **No** |
| Service incurred death, injury or illness | X |  | Per the provisions of CF/IC/2013-001 on insurance coverage “in cases of service-incurred injury, illness or death under a third-party provider”. |
| Health Insurance |  | X | Consultants are to provide their own health insurance when the assignment requires traveling beyond commuting distance. |
| Office Space | X |  |  |
| Computer in office premises | X |  |  |
| Access to printer in the office premises | X |  |  |
| Airtime |  | X | Data up to: [Insert as applicable]  Voice up to: [Insert as applicable] |

**IN-COUNTRY TRAVEL.**

Consultant will be based in Maputo for the majority of the assignment. As part of the data collection activities, Consultant is expected to travel to Inhambane province, including the capital of the Jangamo, Morrumbene and Homoine districts for a maximum of 8 working days in total.

UNICEF will facilitate coordination with the stakeholders, however the Consultant will be responsible for the cost and logistics for travel, accommodation and transportation during the Consultancy. Interested candidates should present an **all-inclusive financial proposal** as a response to these Terms of Reference. Amounts for fees and travel should be disaggregated and clearly indicated in the financial proposal.

**EVALUATION CRITERIA.**

The selection of the consultant will be based on a “best value for money” principle, taking into consideration both technical and financial proposals submitted for the consultancy. The technical evaluation criteria are stipulated below.

|  |  |  |
| --- | --- | --- |
| **Item** | **Technical Criteria/Qualifications** | **Max. Points** |
| **1** | **Education** | **10** |
| **1.1** | Education in business development / administration, finance or economics |  |
| **2** | **Work Experience** | **40** |
| **2.1** | Relevant experience in developing and implementation of micro-financing activities in development context | 15 |
| **2.2** | Desirable experience in marketing and business development for service delivery small-scale companies | 15 |
| **2.3** | Relevant water sector experience | 10 |
| **3** | **Technical Skills and Knowledge** | **20** |
| **3.1** | Experience in the use of local / community level financing mechanisms for development | 10 |
| **3.2** | Experience in working with multi-stakeholder groups | 5 |
| **3.3** | Language skills | 5 |
|  | ecblank**Total Technical Score** | **70** |
|  | **Minimum Technical for pass to financial assessment** | **50** |
|  | *Only those candidates meeting the minimum technical score will be eligible for further review.* | |

**REMARKS.**

**Annex 1: Estimated timetable and proposed time allocation.**

The below table is included as a provisional timeline and for reference only. Actual dates for implementation will be define and adjusted throughout the consultancy based on progress of field level activities.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Weeks** | | | | | | | | | | Estimated time allocation (working days) |
| ***ACTIVITY*** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** |
| 1. *Preparatory process, desk review* |  |  |  |  |  |  |  |  |  |  | 5 |
| 1. *Interview of key informants and other relevant stakeholders* |  |  |  |  |  |  |  |  |  |  | 10 |
| 1. *Data collection, analysis and presentation to reference group* |  |  |  |  |  |  |  |  |  |  | 15 |
| 1. *Development of proposed model and strategy for replication and expansion* |  |  |  |  |  |  |  |  |  |  | 15 |
| *TOTAL* |  | | | | | | | | | | **45** |

1. The DMF centralizes responsibility for assets management and the award of contracts for operations. According to the Delegated Management Framework (DMF) for urban water supply services, a public-private partnership set up, whereby assets are owned by the government and operations are managed by the private sector under a concession, lease or management contract. [↑](#footnote-ref-2)