

جائزة الملك عبد الله الثاني
للميز الأداء الحكومي والشفافية
الدورة السابعة (2014/2015)
المرحلة البرونزية
المركز الأول



وَأمانة المساءلة والرقي
سلطة المياه



الرقم 7/2/17563
التاريخ 29/9/2024
الموافق

TO: All bidders

Project: Independent verification Agency (IVA) Services
for the Jordan water sector efficiency program (P176619)

Contract No : 40/2024

Subject: Addendum NO.1

Dear All,

Please find attached addendum NO.1 to the above mentioned project, this addendum is issued to be a complementary part of the TOR, and shall be considered as an integral part of the Tender Documents.

Sincerely Yours,

Acting Secretary General
Water Authority /WJ
Eng. Wael Aldwairi

Cc: ASG/Tenders and assists Affairs

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**TERMS OF REFERENCE FOR INDEPENDENT VERIFICATION AGENCY (IVA) SERVICES
FOR THE JORDAN WATER SECTOR EFFICIENCY PROGRAM (P176619)
FUNDED BY THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
AND THE AGENCE FRANCAISE DE DEVELOPPEMENT
EMPLOYED BY THE WATER AUTHORITY OF JORDAN (WAJ)**

1. BACKGROUND OF JORDAN'S WATER SECTOR

Jordan faces severe water constraints as one of the world's most water-scarce countries. Climate change and population growth will further reduce water resource availability by an estimated 30 percent by 2040. Moreover, the refugee's influx has strained water services, affecting host communities. This has led to the recent shocks in Jordan's water and energy sectors which in turn have caused a sharp increase in the sector debt, impacting service sustainability and the country's fiscal position. Despite international support and budget assistance for energy and water sector reforms, financial sustainability and service provision risks persist.

The Jordan Reform Matrix (2018-2024) identifies energy and water reforms as crucial drivers for economic competitiveness and growth. The recently approved Water Sector Financial Sustainability Roadmap (FSR) outlines the government's plan to reduce sector debt accumulation and improve financial sustainability in the water sector by 2030. The Government of Jordan (GOJ) is actively managing the water sector through the Ministry of Water and Irrigation (MWI) and the Water Authority of Jordan (WAJ). Efficiency measures, such as Sustainable Capacity Building Improvements, sustainable non-revenue water (NRW) reduction, along with integrating Energy Efficiency (EE) and Renewable Energy (RE) measures, are key initiatives to enhance water management and supply.

The World Bank and other development partners will contribute to the Government's objectives to improve efficiency, service delivery and financial sustainability of the water sector, through the proposed Series of project (SOPs), with the SOP-1 financed by the International Bank for Reconstruction and Development (World Bank), the Agence Française de Développement (AFD) and Global Concessional Financing Facility (GCFF) in the amount of US\$300,000,000 to be managed by the World Bank, toward the cost of the Jordan Water Sector Efficiency Project (JWSEP), which is expected to be implemented between 2023 and 2028.



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2. PROJECT DESCRIPTION

The Ministry of Water and Irrigation (MWI)-Water Authority of Jordan intends to implement a co-funded project from the World Bank Group (WB) and the Agence Française de Développement (AFD) in different regions of Jordan to improve the efficiency of the Jordan water sector to be implemented over 5 years.

a) Project Development Objectives:

The Project (SOP-1) Development Objective (PDO) is to improve the efficiency of water services in Jordan. Improving efficiency of water services includes: (a) improvement of services to beneficiaries through rehabilitated water distribution networks; (b) improving EE; (c) improving the drought management system.

b) Proposed interventions are grouped around five components:

- **Component 1.** Sustainable non-revenue water reduction. This aims to improve efficiency by reducing waste of the available water resources (financial and commercial) and overall improvement in operational systems in the water sector, in support of adaptation to climate change impacts on water availability. This component would strengthen NRW systems in the country to improve planning, operationalization, and help sustain NRW reduction over time.
- **Component 2.** Increased energy efficiency and reduced energy supply costs. The water sector in Jordan requires significant energy for operation - energy costs represent over half of the water utilities' operational costs - due largely to pumping costs associated with the extraction of deep groundwater, and conveyance of water from the source to population centers. This component would improve the efficiency of the water sector by reducing energy used, costs, and GHG emissions.
- **Component 3.** Water security measures to underpin efficiency measures. Given Jordan's extreme water scarcity and frequent and intense droughts, improved water allocation will support different mechanisms to enable efficient and fair management of water shortages. This component will strengthen drought management with aims to apply a comprehensive drought risk management approach to increase capacity to monitor, forecast, plan for, and respond to droughts in the water sector. This component will also support preparation of studies for rehabilitation of water storage systems.
- **Component 4.** Project management and implementation support. This component would focus on project management required to implement this project and to strengthen systems for the planned SOP.
- **Component 5.** Contingency Emergency Response. A Contingency Emergency Response Component (CERC) with zero allocation would be created and made implementation-ready to allow the GoJ to respond quickly in case of an eligible emergency. The mechanism will be defined in a specific CERC Operational Manual that will clearly outline the triggers, eligible expenditures, procurement thresholds, and procedures for using part of IBRD resources of the project to respond quickly in the event of an eligible emergency.



c) **These components leverage Performance-Based Conditions (PBCs)** for priority activities that require a focus on institutional reform and strengthening. Component 1, supporting NRW reduction, includes PBCs focused on systematic planning, monitoring and reporting of NRW, improved Water Company (WC) performance and financial management (FM), and improved customer relationship management. Component 3 includes PBCs that focus on improved water allocation practices, drought management systems and improved risk assessments for surface water reservoirs.

d) **Implementation Arrangements, Disbursements, and Verification Protocols**

- **Implementation Arrangements:** The JWSEP will be implemented by WAJ, MWI, JVA, and the three water companies WCs, with oversight from a committee chaired by the Minister of Water & Irrigation (Oversight & Coordination Committee) and technical guidance from a Project Steering Committee (PSC). The Project Management Directorate (PMD/PMU) within WAJ will handle overall management, supervision over day-to-day operations, and regular M&E activities supported by a Technical Assistant (TA) consultancy firm. The program implementation will be guided by a Project Operations Manual (POM) prepared by the PMD (PMU). The PMD will maintain a consistent reporting and coordination with the development partners of this project The World Bank and The AFD to ensure effective implementation and adherence to best practices.
- **Disbursements:** The disbursement of the project funds will be in the form of advance payments transferred to the project Designated Account (DA) managed by WAJ to fund project activities towards achievement of set PDOs. The disbursements against the PBCs however will be made to the Treasury Account based on reports of meeting the set of PBCs, that is audited and verified through this assignment.
- **Verification:** The role of the independent firm is to audit and verify PBCs achievement reported by the Program Implementing Agencies (IAs) (WAJ, MWI, JVA, and WCs) on an annual and/or semi-annual basis. The Independent Verification Agency (IVA) will verify the achievement for four PBCs, using agreed-on Verification Protocol (VP) between the World Bank and the PMD (PMU) at WAJ. The VP will be attached in RFP stage and may be amended by agreement between the World Bank and the PMD (PMU)/WAJ. The IVA is not responsible for financial auditing or verifying funding or budgetary expenditure, except in cases where verification of incorporation of specific activities into the budget is material to verification of achievement of the PBC (e.g., PBC 5) or where verifying expenditures related to specific actions is material to verification of achievement of the PBC (e.g., PBC 2). The IVA will restrict their reporting to technical compliance with VP.

Refer to the Project Documents for more details, publicly available at the link below:



<https://projects.worldbank.org/en/projects-operations/document-detail/P176619?type=projects>

3. OBJECTIVE(S) OF THIS ASSIGNMENT

The main objective of the Independent Verification Agency (IVA) is to verify the achievement of the PBCs' under the JWSEP for all IAs in close coordination with the PMD (PMU) at WAJ.

The verification of the PBCs' achievement as laid out in the Performance-Based Conditions Matrix will be on an annual and/or semi-annual basis, in an approved manner (Verification Protocol) & (Loan Agreement), and properly documented. Reports & letters of achievement will be verified through reviewing, technical auditing, & physical inspection, when necessary, in accordance with good technical audit practice. The verification procedure is described in detail in the Verification Protocol (VP) Annexed to this ToR.

4. SCOPE OF WORK

Verification Part: The scope of work will cover the verification of achievement of four PBCs under the JWSEP. Implementing these PBCs is the responsibility of several IAs (WAJ, MWI, JVA, & three regional WCs), each of them will submit their separate reports and documentation of the PBCs achievement in their respective parts under the program to the IVA through the PMD (PMU). The IVA therefore will prepare annual and/or semi-annual independent reports to the PMD (PMU). The PMD (PMU) will simultaneously submit the IVA independent reports of PBCs achievement in order to request the issuing of an official letter certifying achievement of PBCs from the Minister of Water and Irrigation or Secretary General of WAJ to MOPIC. MOPIC will submit the certification letter attaching the IVA independent reports and supporting documents to the World Bank in order to trigger disbursement of funds in line with the disbursement agreement. Neither party can modify such reports except to correct factual errors. Meetings should be organized before/during each verification cycle. Other meetings are to be scheduled as necessary.

The independent firm will be required to carry out a paper verification for the four PBCs according to the procedures and timeline in the agreed-on verification protocol and the project documents. Example review and verifications are provided below, however the legal agreement and the Verification Protocol are considered the guiding documents for Verification.

The detailed scope of work under the verification part includes:

- **PBC 2 Improve Utility Performance and Financial Management Verification**

- **PBC 2.1 WC Performance Improvement Verification**

- (a) *Preparation of the draft 100-day and 5-year Strategic Plans by each WC based on a diagnostic framework at utility level, and approval of the draft 100-day Strategic Plans by the respective boards of WCs*

IVA will: (i) verify reports of the consultant of The Utility of Future (UoF), that indicate that The Utility of Future (UoF) framework is applied at each of the three regional water companies; and (ii) a 100-day plans and 5-year strategic plans are prepared in alignment with the minimum criteria specified in the verification protocol.

- (b) *Approval of the draft 5-year Strategic Plans by the respective boards of WCs; and determination of the Top Strategic Actions for implementation under PBC 2.1 (c)*

IVA will: (i) review the approval of the of 5-year Strategic Plan from the Board of the WCs and WAJ; and (ii) confirm the prioritization of top strategic actions in alignment with the minimum criteria specified in the verification protocol.

- (c) *Implementation of Top Strategic Actions identified in the 5-year and/or 100-day Strategic Plans*

IVA will: confirm the implementation of the top strategic actions identified in the 5-year and/or 100-day Strategic Plans in alignment with the minimum criteria specified in the verification protocol.

PBC 2.2 Improve utility performance and financial management Verification

- (a) *WAJ causes WCs to increase their budgetary allocations for maintenance and sustainability for NRW*

IVA will: review & confirm that a line item on the maintenance and sustainability of NRW reduction with allocation of budget is included in the three water companies' annual budget. This will be conducted annually throughout the implementation period of the program in alignment with the minimum criteria specified in the verification protocol.

• **PBC 3 Institutionalization of stakeholder engagement and community outreach Verification**

- (a) *Preparation of Customer Relationship Management (CRM) Action Plans are informed by customer feedback and willingness to pay surveys*

IVA will: (i) review the survey format and guidelines to ensure conformity with the Verification Protocol; (ii) review the survey results report & customer feedback for all governorates prepared and submitted by the corresponding WCs to WAJ to check conformity with the Verification Protocol; and (iii) review the Customer Relationship Management Action Plan as approved by the Board of WC for implementation in alignment with the minimum criteria specified in the verification protocol.

- (b) *At least 20% of the actions under the Customer Relationship Management Action Plan achieved*

IVA will: review the annual report for the implementation of the Customer Relationship Management Action Plan for each governorates prepared and submitted by the corresponding WCs to WAJ to check achievement of 20% of Customer Relationship Management Action Plan in alignment with the minimum criteria specified in the verification protocol.



- (c) *At least 50% of the actions under the Customer Relationship Management Action Plan achieved*

IVA will: review the annual report for the implementation of the Customer Relationship Management Action Plan for each governorates prepared and submitted by the corresponding WCs to WAJ to check achievement of 50% Customer Relationship Management Action Plan in alignment with the minimum criteria specified in the verification protocol.

- **PBC 4 Water Allocation Systems Modernized Through Strengthening Annual Water Allocation Planning and Drought Contingency Planning Verification**

- (a) *MWI prepares and adopts the yearly Water Allocation Plan based on improved water budget information*

IVA will: review the the water budget records & water allocation plans to confirm that the minimum requirements of the verification protocol are met.

- (b) *MWI establishes a technical committee and a stakeholder engagement mechanism for drought contingency planning*

IVA will: review the ministerial letter/order/decreed to confirm the establishment of a technical committee in alignment with the requirements of the minimum verification protocol.

- (c) *MWI prepares and approves the pilot Drought Contingency Plan*

IVA will: The IVA is to review the Drought Contingency Plan and progress reports prepared and submitted by MWI and check conformity with the verification minimum requirements.

- **PBC 5 Safeguarding Surface Water Storage Verification**

- (a) *JVA develops the Dams Risk Indexing Tool and issues a Dams Risk Index Assessment using the Dams Risk Indexing Tool and the Board of JVA certifies JVA's risk index assessment*

IVA will: (i) review JVA SG decree/regulation/technical guidance; (ii) issue a report confirming the adoption and institutionalization of the Dam Safety Risk Indexing Tool; and (iii) issue report to confirm the use of the tool for the portfolio assessment, in alignment with the minimum criteria specified in the verification protocol.

- (b) *JVA allocates budget for high-priority dams actions based on the Dams Risk Index Assessment under (a)*

IVA will: check the budget documents to confirm the allocation as per the portfolio assessment & in alignment with the minimum criteria specified in the verification protocol.



5. DELIVERABLES

The deliverables of this assignments are outlined in the table below:

#	Deliverables	Timeline
D.1	Submit to the PMD (PMU) draft of methodology, action plan, and annual timeline of conducting verification activities, and suggested structure of the verification report to be presented in Kick-off meeting	Within (1) month of commencement
D.2	Submit to the PMD (PMU) final methodology & detailed independent verification report template for each PBC.	Within (3) months of commencement
D.3	The Annual and/or semi-annual Official Independent Verification Report submitted to both PMU, consisting Progress of the Program PBCs in accordance with the verification protocol, including: <ul style="list-style-type: none"> ○ Executive summary of annual/semi-annual targets achieved for each PBC. ○ Methodology used for verification. ○ Supporting documentation /evidence & tools of verification. ○ A summary of al PBCs status. The reports should be submitted in 3 <i>hard copies</i> in English language.	Annually and/or semi-annually
D.4	Completion report	Closure of this assignment

6. REPORTING PROCEDURES

The independent firm will submit their independent reports to the PMD (PMU). The PMD (PMU) will be in charge of following on the activities of the independent firm & will designate Coordinator/ Focal Points from PMD (PMU) for day-to-day follow-up and communication.

The PMD (PMU), is responsible for collecting data, documents & reports of achievement from all IAs to be shared with the Independent Verification Agent (IVA) for verification. WAJ will issue an official letter of achievement, which includes the independent verification report and supporting documents. This official letter, along with the IVA report, is submitted to the Ministry of Planning and International Cooperation (MOPIC). MOPIC then submits the documentation to the World Bank. Upon receipt, the World Bank processes the reimbursement of funds to the treasury account.

7. ASSIGNMENT DURATION

The activities of independent firm will be performed over 48 months.

8. CONTRACT MODALITY

The contract modality will be Lump Sum.

9. WORKING ARRANGEMENTS, SERVICES AND FACILITIES TO BE PROVIDED BY THE CLIENT

No services or facilities will be provided for use of independent firm by the Client. However, the Client will provide the independent firm with all data and reports indicating the achievement

of the PBCs submitted by the IAs, with the support of a hired technical assistance staff, & will facilitate access by independent firm to pertinent information.

The consultant will be responsible for housing their staff. The key staff shall be located in Amman, Jordan for the whole period of their assignment, unless otherwise specified.

10. TEAM COMPOSITION AND REQUIRED QUALIFICATIONS

The independent firm will need to demonstrate ability to review PBCs under all the four Performance-Based Conditions from water supply, water resources, water sustainability, drought management, & financial management. More specifically, the independent firm shall possess:

- Extensive experience developing and examining similar verification assignments.
- Technical auditing expertise.
- Experience in capacity building & digitalization in water utilities.
- Experience in sustainable NRW reduction.
- Experience in water recourses and water budget allocation plans.

It is expected that the proposed methodology of implementation will include the key staff required to complete the assignments. As a minimum, the independent firm team must have the following:

Key Expert	Minimum Qualifications
Team Leader	<ul style="list-style-type: none"> • BSc. in any relevant field • Experience of 15 years of in the water sector and must have acted as team leader on two previous projects. • Experience in development of water supply working plans; project and financial management and leading and managing large multi-disciplinary teams. • Relevant experience in technical auditing assignments • Relevant experience in Capacity Building of water utilities • Relevant experience in international infrastructure projects, such as World Bank, AFD, KfW, USAID, or other development partners/donors • Proficiency in English language, & Arabic
Water Supply Specialist	<ul style="list-style-type: none"> • B.Sc. in civil, mechanical, electrical or electro-mechanical engineering. • More than 15 years of overall engineering experience in water supply • 5 years of experience in NRW reduction. • Relevant experience in Capacity Building of water utilities • Relevant experience in customer relationship management • Proficiency in the English language.
Financial Expert	<ul style="list-style-type: none"> • B.Sc. in financial management, accounting, or any relevant discipline. • Minimum 10 years of experience in financial management. • Prior experience of donor-funded and public-sector projects. • Familiarity with Jordanian Government, WAJ regulations. • Proficiency in the English language.



Water Resource Specialist	<ul style="list-style-type: none">• B.Sc. in engineering related to water resource management is required.• At least 10 years of experience in providing consultancy services, including managing water sector projects, and supervision is required.• Proven in-depth knowledge and experience of international best practice in all aspects of water resource management.• Relevant experience in drought contingency plans preparation.• Proficiency in the English language.
Dams Expert	<ul style="list-style-type: none">• B.Sc. in engineering related to water resource management is required.• 10+ years of work experience as a consultant, in design, construction supervision, and operation of dam projects.• Proficiency in the English language.

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