



# SUSTAINABLE WATER AND SANITATION IN AFRICA (SUWASA)

Reform Work Plan (RWP): Reform of the Urban  
Water Sector in South Sudan

Draft: August 15, 2011

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# ACRONYMS AND ABBREVIATIONS

ABRI	USAID Advancing the Blue Revolution Initiative
DUWSSS	Development of the Urban Water Sector in South Sudan Project (GIZ)
EGAT	Bureau of Economic Growth, Agriculture and Trade
GoSS	Government of South Sudan
GPOBA	Global Partnership for Output Based Aid
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
JICA	Japan International Cooperation Agency
M&E	Monitoring and Evaluation
MWRI	Ministry of Water Resources and Irrigation
NRW	Non-Revenue Water
NWSC	National Water and Sewerage Corporation, Uganda
PMP	Performance Management Plan
PO	Provisional Order
PPP	Public Private Partnerships
PSI	Public Services International
RWP	Reform Work Plan
SHTP II	Sudan Health Transformation Project (USAID)
SIP	Small Investment Program (SUWASA)
SISP	Sudan Infrastructure Services Project (USAID)
SOW	Statement of Work
SPIP	Strategic Performance Improvement Plan
SRLGP	Sudan Rural Land Governance Project (USAID)
SSP	Small Service Provider
SSUWC	South Sudan Urban Water Corporation
SSWSSC	South Sudan Water Sector Steering Committee
SUWASA	Sustainable Water and Sanitation in Africa
TO	Task Order
USAID	United States Agency for International Development
UWC	Urban Water Corporation (Branches of SSUWC)
WASH	Water, Sanitation, and Hygiene
WB-MDTF	World Bank Multi Donor Trust Fund
WOP	Water Operators Partnership
WSS	Water and Sanitation Services
WSSRB	Water Supply and Sanitation Regulatory Board
WASH DoG	Water, Sanitation, and Hygiene Donor Group

# Project Summary Sheet

Project Title	Institutional Reform of the Urban Water Sector in South Sudan
Country	South Sudan
Specific Location	Work with national level water sector entities in Juba, plus individual towns which may include Wau, Malakal, Juba, Maridi and up to two additional urban centres in Western Equatoria State and/or Central Equatoria State.
Overall Goal	Improved access to safe, affordable, sustainable and reliable urban water services
Specific Objectives	<ul style="list-style-type: none"> <li>• Support the establishment of a clear institutional and legal framework for urban water services provision in South Sudan.</li> <li>• Facilitate the adoption of improved accountability mechanisms between different sector actors, including MWRI, SSUWC, UWCs, and private and small-scale service providers.</li> <li>• Promote and support implementation of sustainable financial management practices for urban water services focused on eventual achievement of cost recovery and increased local financial autonomy.</li> <li>• Increase the technical, financial and managerial capacity and performance of select UWCs, including support for development, prioritization and implementation of local strategic performance improvement plans (SPIPs).</li> <li>• Assist SSUWC and its donor partners to identify a limited number of critical capital works investments at target UWCs that would provide cost effective service expansion and build operational sustainability.</li> </ul>
Project Duration	36 months
Total Budget	US \$5,000,000 ( <i>Five Million United States Dollars</i> )
Approximate Commencement Date	September 1, 2011
Prime Implementing Organization	Tetra Tech ARD, through SUWASA Regional Office, Nairobi. Team Leader to be hired and based in Juba, South Sudan
Implementing Partners	<ul style="list-style-type: none"> <li>• Ministry of Water Resources &amp; Irrigation</li> <li>• NWSC</li> </ul>
Key Project Implementation Staff	<ul style="list-style-type: none"> <li>• Team Leader (US/TCN)</li> <li>• Utility Reform Expert (US/TCN)</li> <li>• Institutional Development and Legal Specialist (Sudanese)</li> <li>• STTA in various technical areas including financial</li> </ul>
Reporting Requirements	Monthly, quarterly and mid-term (after 18 months) and end of project report (after 36 months)
Project Partner Contribution	<ul style="list-style-type: none"> <li>• Office space (to be confirmed)</li> <li>• Staff time</li> </ul>

## 1.0 EXECUTIVE SUMMARY

The overall goal of the South Sudan SUWASA initiative is to ensure improved access to safe, affordable, sustainable and reliable urban water services. By promoting a structured, formal, and systems-oriented approach to water sector management within the Government of South Sudan (GoSS), SUWASA will help the South Sudan Urban Water Corporation (SSUWC) and its branches (the Urban Water Companies, UWCs) work toward achieving long-term sustainability by adopting policies and practices based on commercial principles.

SUWASA recognizes the huge gap between supply and demand for basic water services in all urban centers of South Sudan and the tremendous challenges that the Ministry of Water and Irrigation, SSUWC and UWCs are confronted with. This reform work plan attempts to broadly analyze the current situation of the water and sanitation sector in terms of institutional, regulatory, operational and financial challenges and to identify priority areas of intervention in which SUWASA can add value, particularly by complementing other players' and donors' activities. However, we understand that the fluid situation in South Sudan - Africa's youngest nation which emerged from decades of civil war, calls for a highly demand-driven, flexible and hands-on approach in technical assistance and capital investments in order to quickly alleviate and address the most pressing shortcomings in the sector and to achieve tangible and visible results in service delivery. The SUWASA approach will try to balance the objective of developing a clear and effective institutional and legal framework for urban water service provision in South Sudan with the need to help local utility managers in quickly improving quantity and quality of urban water services to the public.

While there are serious deficiencies in the water sector and operating environment, recent developments in South Sudan provide a unique opportunity to capitalize on new momentum and promote institutional and commercial reforms that will improve fundamentals in the water sector. The Government of South Sudan (GoSS) enacted a progressive Water Policy in 2007 which includes key principles promoted by SUWASA including service provider autonomy, accountability, decentralization, and cost-recovery. Since the independence referendum in early January 2011, the pace of progress in the water sector has quickened, with official approval during the same month of a Provisional Order (PO) establishing SSUWC, and the subsequent release and adoption by the GoSS in May 2011 of the strategic framework for water services.

GoSS's openness and commitment to change provides a window of opportunity for SUWASA to work hand-in-hand with the Ministry of Water and Irrigation, SSUWC, individual water companies (UWCs), as well as donors, to demonstrate how fundamental improvements in accountability and autonomy can have a dramatic impact on water services. Further, it will demonstrate how these types of reforms are a prerequisite for countries transitioning from post-conflict emergency relief to stable and sustainable development.

The specific objectives of the project are to:

1. Support the establishment of a clear institutional and legal framework for urban water services provision in South Sudan
2. Facilitate the adoption of improved accountability mechanisms between different sector actors, including MWRI, SSUWC, UWCs, and private and small-scale service providers.
3. Promote and support the implementation of sustainable financial management practices for urban water services focused on eventual achievement of cost recovery and increased local financial autonomy.

4. Increase the technical, financial and managerial capacity and performance of select UWCs, including support for development, prioritization and implementation of local strategic performance improvement plans (SPIPs).
5. Assist SSUWC and its donor partners to identify a limited number of critical capital works investments at target UWCs that would provide cost effective service expansion and build operational sustainability.

The initiative will promote clarified institutional arrangements and policy reform at the GoSS level. These efforts will help GoSS realize the intent of existing policies that endorse the principles of improved autonomy, accountability, incentives, and cost recovery, but which have not yet been implemented. SUWASA will work to facilitate effective application of these policies, including the SSUWC Provisional Order, at the GoSS, State, and local utility level.

SUWASA's support at the GoSS level will primarily target the Ministry of Water Resources and Irrigation (MWRI), South Sudan Urban Water Corporation (SSUWC), Ministry of Finance and the Council of Ministers. The initiative will also facilitate improved formal relationships among these GoSS counterparts and central and state government institutions and local water utility operations (currently expected to include SSUWC outstation branches in Wau, Malakal, Juba, Maridi and up to two additional urban centers in Western Equatoria State and/or Central Equatoria State). These relationships will be based on adaptation of best practices utilizing performance-based standards and targets that help these utilities to implement business strategies based on formal agreements with MWRI. SUWASA will adopt a flexible and cooperative approach in, for example, aligning specific institutional development activities with those of GIZ. It is important that institutional structures recommended are suitable and feasible in the context of South Sudan and are geared towards improving the financial and operational performance of SSUWC and UWCs.

To facilitate achieving project results, SUWASA proposes to fund support to SSUWC by the Uganda National Water and Sewerage Corporation (NWSC) that builds on the work that NWSC has already completed in helping SSUWC towards improving its overall performance.

The project duration is expected to be approximately three years with a total cost not to exceed US\$5 million (current commitments include Mission buy-in of US\$4 million and SUWASA core funding of US\$1 million). SUWASA expects to utilize three long term technical professionals in South Sudan, in addition to support staff and short term technical assistance.

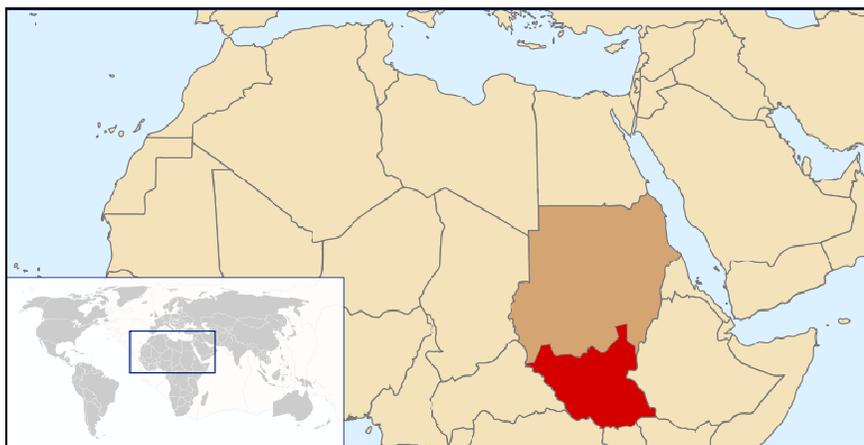
## 2.0 CONTEXT OF THE PROJECT

### 2.1 OVERVIEW OF SECTOR

South Sudan has a population of slightly over 8.3 million of which only 17% live in urban areas. In the last five years, Juba and other key towns have experienced rapid population growth as a result of returnees choosing to settle in urban centers. South Sudan is divided into 10 States and follows a federal system of government. With a population of approximately 600,000 the capital, Juba, is the country's largest city and currently one of the fastest growing cities in Africa.

In January 2011, the people of South Sudan overwhelmingly voted to secede from Sudan to form an independent

state of South Sudan. South Sudan was declared an independent nation on July 9, 2011. But even before the referendum the Government of South Sudan already started preparing itself for independence. This included development of various policies for most of the sectors including the water sector.



The water sector in South Sudan is guided by a water policy that was adopted in November 2007. It includes key principles promoted by SUWASA including service provider autonomy, accountability, decentralization, and cost-recovery. Since the independence referendum in early January 2011, the pace of progress in the water sector has been accelerated, with official approval during the same month of a Provisional Order establishing the South Sudan Urban Water Corporation (SSUWC), and the subsequent approval of GoSS WASH Strategic Framework in May 2011. However, most policies have yet to be implemented / operationalized and Technical Assistance is required in this regard. The water policy shows commitment by the GoSS to ensure that the rapidly growing urban population benefits from access to safe, affordable and reliable water supply and sanitation services. The overall objective of the policy with regard to Urban Water Supply and Sanitation (UWSS) is to ensure efficient development and management of UWSS services on a sustainable and equitable basis. It recognizes the need to have urban water services provided by autonomous institutions that are run on a commercial basis using cost recovery tariffs, and provides for increased involvement of the private sector. Some examples of SUWASA's principles in the policy include:

*“Where capacity exists, responsibility for development and management of Urban Water Supply and Sanitation (UWSS) services shall be progressively decentralized and Urban Water Corporations shall be supported to become semi-autonomous entities.”*

*“Consumer contributions towards the costs of managing and supplying UWSS services shall be progressively introduced in order to promote financial sustainability”*

*“Transparent mechanisms will be established for setting and regulating tariffs for UWSS services, with special provision for low income groups. “*

*“GoSS will support progressive financial autonomy for decentralized UWSS utilities to enable them to apply for credit and attract external investment.”*

The Government of South Sudan needs support to develop sustainable water services under the new USAID/Sudan Transition Strategy 2011-2013 and Development Objective 3 “Essential Services Developed and Sustained”, especially Intermediate Result 3.2 “GOSS Systems and Enabling Environment for Service Delivery Strengthened.” Specifically it will work to realize the strategic intent of USAID to:

*“...continue to assist the urban water sector, but will start to examine a shift in priorities from construction to maintenance and operation. Increased support will be provided to strengthen the MWRI [Ministry of Water Resources and Irrigation] and urban-level water corporations in Juba, Wau, and Malakal” as well as possibly extend activities to seven urban market towns to work on utility reform, governance, and capacity building.” Page 50 of the South Sudan transition strategy 2011 – 13.*

The Ministry of Water Resources and Irrigation is responsible for the policy framework of all water related matters in South Sudan. The Ministry also provides monitoring and regulatory oversight of the state owned South Sudan Urban Water Corporation (SSUWC).

Provision of urban water services is the responsibility of the SSUWC which has its head office in Juba. Currently SSUWC has six branches responsible for water supply in Juba, Wau, Malakal, Bor, Maridi and Renk.

In 2006, a severe cholera outbreak centered on Yei and Juba underscored the need for additional development assistance to improve urban water, sanitation and hygiene conditions, and USAID initiated a four year effort to improve piped water services in Juba, Wau, and Malakal, for approximately \$11.5 million dollars, via Task Order 4 under the Sudan Infrastructure Services Project (SISP). Concluding in 2011, this infrastructure work targeted investments judged to offer the quickest and most critical impact.

Unfortunately, weak utility capacity and a poorly structured operating environment threaten the sustainability of these USAID-funded improvements. For example, less than six months after completion, as of early 2011 only one of the three USAID-funded water tanker filling stations in Juba continues to regularly sell treated water from the utility. Although fee collection from the filling stations initially produced a 10-fold increase in utility revenue, these funds are being directly absorbed by the Ministry of Finance. However, remittances back to the utility for purchase of fuel, chemicals and other operational necessities remains below what is needed to operate the Juba water system at full capacity.

This situation is just one illustration of how critical it is for South Sudan to improve the operational environment and effective management of urban water supply services. Not only must management improve to sustain current minimum service levels, but until financial sustainability can be demonstrated, the external financing needed for new infrastructure to serve South Sudan’s rapidly growing urban population is unlikely to be forthcoming. Sustainability is unlikely to be achieved unless SSUWC operates as a commercial enterprise based on cost recovery principles.

## **2.2 CURRENT SECTOR CHALLENGES**

Urban water services in South Sudan are extremely underdeveloped. Only four cities (Juba, Wau, Malakal and Renk) currently have utility-operated water treatment and distribution systems. However, even in these cities the treatment and distribution capacity is extremely limited. For example, only 15-20% of Juba’s population can satisfy their basic water needs from Juba’s treatment system and aged piped network. Instead, most residents rely on easily

contaminated shallow groundwater or untreated river water sold at very high prices by truck or bicycle vendors. The adverse health and economic impacts of this situation in Juba and other cities have been very significant. Key sector challenges include:

- *Lack of a Clear Institutional and Legal Framework:* Although some guiding policies have been put in place, they have yet to be operationalized and the result is a sector where roles are unclear and overlapping, and accountability and performance are weak although a SSUWC Provisional Order was signed in January 2011.
- *Lack of Budgetary Autonomy:* All revenues that the UWC's collect are directed to the central government block account, and their annual budgets are determined by the Ministry of Finance and Economic Planning along with the Ministry of Water Resources and Irrigation (MWRI) with insufficient input from UWC management.
- *Poor Accountability:* There is no formalized system for setting or monitoring performance standards and associated recordkeeping and public reporting. Consequently, managers within the Ministry and SSUWC are not held accountable for technical or financial performance. Similarly, small service providers (e.g. water vendors and tankers), who provide the significant proportions of WSS services in the UWC's service areas typically operate informally, with no accountability mechanisms for ensuring that the price and quality of water and services are reasonable.
- *Lack of Incentives to Improve Performance:* Performance incentives are largely non-existent throughout the WSS service delivery system, from managers and staff within the UWC's to small service providers as exemplified in non revenue water problems which are a serious challenge. As a matter of fact all the employees of SSUWC are civil servants (Government employees).
- *Lack of a Sound Process and Capacity to Implement Cost Reflective Pricing:* Current financial data and financial systems are inadequate to provide a basis for establishing water tariffs related to production and delivery costs.
- *Lack of clear Institutional Arrangements in the Urban Water Sector:* A host of deficiencies limit efficient management within the urban water sector: the Board of Directors for SSUWC has not yet been operationalized; no tariff adjustment system has been established; tariff collection goes to the Government of South Sudan (GoSS) block account rather than to the UWCs making the collections; SSUWC has limited financial or managerial autonomy, and individual water companies have little or no role in budget development or administration; SSUWC has not yet established a viable business model for operational or capital expenses; SSUWC does not have an established customer friendly orientation; and comprehensive and integrated investment and/or expansion plans have yet to be developed.

There are a number of factors contributing to these problems, including lack of capital for badly needed infrastructure rehabilitation and investment; shortages of adequately trained staff; and absence of adequate management procedures and management capacity. Work is needed both at the sector level to establish performance expectations and create the basis to fulfill these within the sector, and at the local utility level to improve actual service delivery through strengthening of the utilities.

## **3.0 DETAILED PROJECT DESCRIPTION**

### **3.1 OVERALL GOAL**

The overall goal of the South Sudan SUWASA initiative is to ensure improved access to safe, affordable, sustainable and reliable urban water services.

### **3.2 SPECIFIC OBJECTIVES**

The specific objectives of the project are to:

1. Support the establishment of a clear institutional and legal framework for urban water services provision in South Sudan.
2. Facilitate the adoption of improved accountability mechanisms between different sector actors, including MWRI, SSUWC, UWCs, and private and small-scale service providers.
3. Promote and support implementation of sustainable financial management practices for urban water services focused on eventual achievement of cost recovery and increased local financial autonomy.
4. Increase the technical, financial and managerial capacity and performance of select UWCs, including support for development, prioritization and implementation of local strategic performance improvement plans (SPIPs).
5. Assist SSUWC and its donor partners to identify a limited number of critical capital works investments in target UWCs that would provide cost effective service expansion and build operational sustainability.

These specific objectives have been developed to directly support the implementation of goals defined in the May 2011 GoSS WASH Strategic Framework under Section 6 - Urban Water Supply Sub-Sector Strategy, and Section 7 - WASH Sector Overall Governance and Development Strategy. They have further been developed to be in line with the USAID's South Sudan transition strategy 2011 – 13 released in June 2011 and SUWASA will use every opportunity to concentrate in those areas with high potential of achieving high impact but also where the health programs are currently working. The program will also directly address weaknesses in sector management and operations as identified in the May 2010 Situational Analysis and Strategic Performance Improvement Plan developed by NWSC.

#### **Site Selection**

As stated above the project will work with national level water sector entities (e.g. MWRI, SSUWC), as well as specific towns, candidate towns that include Wau, Malakal, Juba, Maridi and other additional urban centers in Western Equatoria State and/or Central Equatoria State. The final number of towns and locations will have to be agreed upon during the inception phase of the project and taking into account available resources (both financial, human resources and also taking into account limited coordination logistics i.e. travel and communication, and political/conflict situation). In any case, Wau is a priority as it is the second largest city in South Sudan and is the town where USAID has made its most significant water infrastructure investments outside of Juba. The investments are likely to fail without further support in management. Wau is a place where SUWASA can probably “hit the ground running” and have a significant impact because there is a reasonable base to start from. Another reason for giving Wau priority after Juba and Maridi is particularly to ensure USAID's infrastructure investments are sustained and to continue building on NWSC's work there.

## 3.3 ACTIVITIES

### 3.3.1 INCEPTION PERIOD

The Inception Period will include development of a detailed schedule of activities with sub-activities in order to meet the five objectives. The project implementation team and especially the Team Leader will assess any new developments that may have an impact on the project, especially with the changed political landscape as a result of the birth of a new nation and activities of other donors. This period will be particularly useful in establishing important collaborative relationships between the Juba-based team and our partners (described in detail in Table 3.9.1).

The Inception Report will be provided within 60 days of startup and will include: key findings and any new developments that may impact on project implementation, determination and agreement on the roles of all initiative partners; an updated work plan with detailed sub-tasks and schedules including deliverables and consultative events; and a detailed budget including a description of the commodities and small infrastructure investments expected to be provided. It will also include a Monitoring and Evaluation Plan and provisions for environmental impact assessment, mitigation, and monitoring (where need be) to be undertaken after the inception phase.

The Inception Period will start with detailed review of project-critical information and meetings with Initiative Partners. Thereafter, an Inception Workshop will be held with Initiative Partners to review the detailed project activities and draft an MOU with partners defining specific collaboration and coordination arrangements.

Specific activities to be undertaken during the project inception period include:

- Review of any proposed immediate next steps for implementation of the recently approved WASH Strategic Framework, including the expected roles of individual donors and GoSS entities, specific technical “assignments”, and timeframe for completion. Particular focus will be on expected changes to national priorities and donor activities and coordination resulting from national independence.
- Meet with Initiative Partners, primarily USAID, MWRI, SSUWC, and WASH DoG members (GIZ, JICA, UNDP, and UNICEF) with regard to specific proposed initial activities, opportunities for collaboration and coordination. A particularly important outcome of these meetings will be establishing clear identification and agreements with the WASH DoG members and GoSS over the specific activities to be undertaken by SUWASA, SUWASA’s role vis-à-vis the role of other members.
- Review of SSUWC’s current operational and management systems including written procedures, by-laws, and guidelines, plus initial meetings with SSUWC management with regard to management systems, especially the current status of the Board.
- Detailed review and evaluation of: MWRI’s existing guidelines for overseeing performance agreements and management contracts, existing legislation specifically related to the tariff setting and adjustment process, data and reports on demand for and willingness and ability to pay for improved water service and quality.
- Visits to UWCs in Wau, Malakal, Maridi, Juba and additional towns to be agreed on during the inception phase.

### **3.3.2 SPECIFIC OBJECTIVE 1 - Support the establishment of a clear institutional and legal framework for urban water services provision in South Sudan**

SUWASA will support the review and redesign of the legal and institutional framework for urban water service provision in South Sudan leading to the establishment of a re-focused commercially oriented SSUWC. SUWASA will further contribute to the strengthening of the newly established Water Council and the establishment of the Water Supply and Sanitation Regulatory Board (WSSRB). The WSSRB does not exist but is an institution that has been provided for and so envisaged in the strategic framework.

SUWASA will work at the MWRI level to assist GoSS as it continues to operationalize existing policies and the WASH Strategic Framework.

3.3.2.1 – Overall Institutional Framework: This activity will support clarification of roles and responsibilities and the development of a legal and institutional framework. Activities may include the following:

- Support multi-stakeholder driven consultation in the process of developing a legal and institutional framework that meets the criteria described in the Water Policy and Strategic Framework and define a way forward including a timeline to operationalize these policies.
- Inventory and analyze urban water and sanitation-relevant laws, policies, and guidelines (e.g. Local Government Act, Water Policy 2007, Presidential Decree 2008, SSUWC Provisional Order 2011, and older legislation currently in force until GoSS enacts alternative legislation).
- Review current roles and responsibilities of GoSS entities within the sector including policy, regulation and service provision.
- Propose clarified institutional arrangements for the urban water and network sanitation sector.
- Support GoSS to define a regulatory framework for the urban water and network sanitation sector.

3.3.2.2 – Legal framework. This activity will support strengthening and operationalization of the SSUWC Provisional Order. Activities may include the following:

- Review SSUWC Provisional Order 2011 in detail and make recommendations for strengthening, clarifying and converting it to fully fledged legislation.
- Support the transformation of the Provisional Order into an Act of Parliament based on international practice relevant to the local situation in South Sudan.

### **3.3.3 SPECIFIC OBJECTIVE 2 - Facilitate and support the adoption of improved accountability mechanisms between different sector actors, including MWRI, SSUWC, UWCs, and private and small-scale service providers**

This specific objective will result in the development of performance-based standards and targets between each level within the service provision hierarchy, including Ministry of Water Resources and Irrigation (MWRI), SSUWC, UWCs, and private small service providers (SSPs).

Activities are expected to include<sup>1</sup>:

- Provide implementation support for the January 2011 SSUWC Provisional Order, focusing on the establishment of a Board of Directors and management and, organizational issues.
- Development of by-laws and operating procedures.
- Development of national standards / guidelines for UWC-level operations.
- Support development of performance-based standards and targets.
- Support development of performance agreements/contracts between different sector actors (i.e. MWRI–SSUWC, SSUWC–UWCs, and UWCs–Private operators).

#### Pilot to Establish Standards/Targets and Agreements for Bulk Water Provision

The pilot would assist SSUWC in determining appropriate terms and conditions to be included in bulk water service agreements with bulk suppliers. Specifically, SUWASA will:

- Conduct a feasibility study to determine the ability and willingness of bulk suppliers and their customers to pay for treated water vs. untreated water.
- Based on the results of this study, recommend to MWRI and SSUWC alternative forms of formal agreements between SSUWC and bulk suppliers that use the filling stations.
- Summarize lessons learned from the pilot for incorporation into the establishment of performance agreements for improving services.

#### **3.3.4 SPECIFIC OBJECTIVE 3 - Promote and support implementation of sustainable financial management practices for urban water services focused on eventual achievement of cost recovery and increased local financial autonomy**

The main idea of this specific objective will be to promote a move toward increased financial autonomy of service providers and “ring-fencing” of UWC accounts. SUWASA will advocate and provide support for development of annual budgets at branch levels, local control of operational budgets, and local authority to maintain collected funds at the UWC level to cover O&M costs at a minimum. This component will also include review of existing UWC tariffs and development of an appropriate tariff policy.

Activities may include the following:

- Work with MWRI, SSUWC, and Ministry of Finance to develop a policy paper defining a strategy for a gradual move towards financial autonomy and “ring fencing” of SSUWC and its branches.
- Design an estimated cost structure for provision of urban water services and develop a proper accounting system for SSUWC based on private sector accounting systems.
- Design procedures for setting initial tariff levels<sup>2</sup> with internal subsidy mechanism and life-line tariff based on estimated and anticipated costs, and for subsequent review and adjustment with the eventual goal of full cost-recovery.

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<sup>1</sup> GIZ is working on business planning for the SSUWC Headquarters and branches. Other activities are expected to be supported by GIZ in relation to SSUWC which will require coordination.

- Propose a methodology for establishing a system of internal and external financial auditing.
- Assist the selected branches with initial development of system-specific tariffs, focusing on analysis of current finances and gathering data required to estimate revenue requirements.

### **3.3.5 SPECIFIC OBJECTIVE 4 - Increase the technical, financial and managerial capacity and performance of select UWCs, including support for development, prioritization and implementation of local strategic performance improvement plans (SPIPs).**

Activities conducted under this component (expected to include work in Wau, Malakal, Juba, Maridi and up to two additional urban centres in Western Equatoria State and/or Central Equatoria State) will serve as a pilot, supporting development of an effective model and best practices for re-establishment of sustainable water utility services in urban areas of South Sudan. It will include:

1. Technical aspects (e.g. non revenue water (NRW) management and customer metering);
2. Commercial / financial aspects (e.g. billing, customer care, and financial management); and
3. Management aspects (e.g. internal contracting, organizational structure, systems development, strategic and human resources development and planning).

This component will be implemented in partnership with Uganda NWSC and therefore continue the utility-to-utility support provided by NWSC under USAID's Advancing the Blue Revolution. This component will address current performance issues in the above selected UWCs.

Activities are expected to include:

- Develop and provide implementation support and associated capacity building for selected priority elements of Performance Improvement Plans (PIPs).
- Implement the PIPs in up to four selected towns.
- In Juba, SUWASA will help to refine priorities and support implementation of selected priority elements of the SPIP developed in 2010, pending consultation with other donors.
- Provide support for local implementation of reforms under Components 1-3, and provision of field information to inform reforms at the national level.
- Develop performance standards and targets (possibly including pilot scale work with bulk water suppliers), financial analysis for establishment of revenue requirements, and support to state level GoSS entities.
- Provide commodities and limited investment support as required for implementation of reforms and performance improvements at local utility level.

### **3.3.6 SPECIFIC OBJECTIVE 5 - Assist SSUWC and its donor partners to identify a limited number of critical capital works investments at target UWCs that would provide cost effective service expansion and build operational sustainability**

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<sup>2</sup> GIZ has already started working on the national tariff policy , which will discuss issues such as whether to have one tariff scheme in all the branches of SSUWC or each branch having its own, policies on connection fees, metering, and advance payment by consumers (i.e. deposits)

Activities under this component will include working with the specific selected UWCs and the SSUWC in developing:

- Critical Investment plans for the towns.
- Appropriate business plans to show the cost effectiveness of service expansion to these areas.
- Work under this Component will tie in to development of appropriate tariff levels under Component 3 to ensure operational sustainability of the UWCs.

### **3.4 EXPECTED RESULTS**

The ultimate result of the project is to ensure increased access to improved water services in South Sudan. This will be achieved by creating an improved operating environment for water service provision and improved performance of SSUWC and individual UWCs. Specific results include clarified overall institutional arrangements and roles and responsibilities for water service provision, improved legal framework, improved cost recovery and financial efficiency, increased financial autonomy and improved corporate governance. Full details of the expected project results are included in the results framework (Table 3.5.1)

### **3.5 INDICATORS FOR MEASURING RESULTS**

During preparation of the Inception Report (Task 1), SUWASA will work closely with project partners (particularly USAID/Sudan, MWRI, and SSUWC) in finalizing indicators and targets for the project, to be included in the M&E plan as part of the report. This initiative will support Mission Strategic Objective 3: Essential Services Developed and Sustained, and Intermediate Result 3.2 GOSS system and Enabling Environment for Service Delivery Strengthened.

Illustrative indicators to be considered will include the following:

1. # people in target areas with access to improved drinking water supply as a result of USG assistance (F Bureau-DOS).
2. # individuals who receive USG-assisted training including management skills and fiscal management , to strengthen local government and/or decentralization (F Bureau-DOS) – disaggregated by gender.
3. % water tariff bills paid vs. billed in SUWASA supported branches of the SSUWC.
4. % of operations and maintenance costs for water supply and sanitation services covered through customers charges in USG-assisted areas (F Bureau-DOS).
5. % of Republic of South Sudan budget allocated to support the urban water sector.

### 3.5.1 Summary Results Table/Framework

<b>Overall Goal</b> Improved access to safe, affordable, sustainable and reliable urban water services			
Indicator: # people in target areas with access to improved drinking water supply as a result of USG assistance			
<b>Specific Objective</b>	<b>Activity</b>	<b>Expected Results</b>	<b>Illustrative Indicators</b>
<b>1: Support the establishment of a clear institutional and legal framework for urban water services provision in South Sudan</b>	<ul style="list-style-type: none"> <li>Develop a clear institutional, legal and regulatory framework for the urban water and network sanitation sector.</li> </ul>	<ul style="list-style-type: none"> <li>Improved institutional legal and regulatory framework for the urban water services in South Sudan</li> </ul>	<ul style="list-style-type: none"> <li>Number of guidelines on institutional arrangements</li> <li>Legislation on water services</li> </ul>
<b>2: Facilitate adoption of improved accountability mechanisms between sector actors</b>	<ul style="list-style-type: none"> <li>Support development of performance agreements/contracts among primary sector actors.</li> <li>Support implementation of pilot scale performance-based standards, targets, and agreements/contracts</li> </ul>	<ul style="list-style-type: none"> <li>Performance agreements/contracts developed and implemented for select sector actors</li> </ul>	<ul style="list-style-type: none"> <li>Number of UWCs that adopt the performance agreements/contracts</li> </ul>
<b>3: Promote and support implementation of sustainable financial management practices for urban water services</b>	<ul style="list-style-type: none"> <li>Develop a strategy towards financial autonomy and "ring fencing" of SSUWC and its branches.</li> <li>Develop a proper accounting and audit system for SSUWC.</li> <li>Design a new tariff policy and structure.</li> </ul>	<ul style="list-style-type: none"> <li>Improved financial performance of the UWCs</li> <li>Increased financial autonomy of service providers</li> <li>Improved cost recovery and financial efficiency of targeted UWCs</li> </ul>	<ul style="list-style-type: none"> <li>Collection efficiency</li> <li>% of O&amp;M costs covered</li> <li>% of Republic of South Sudan budget allocated to support the urban water sector</li> </ul>
<b>4: Increase technical, financial and managerial capacity and performance of select UWCs and States</b>	<ul style="list-style-type: none"> <li>Develop and support implementation of Performance Improvement Plans (PIPs).</li> <li>Conduct capacity building for UWC staff and states.</li> <li>Provide commodities and limited investment support</li> </ul>	<ul style="list-style-type: none"> <li>Increased technical, financial, and managerial capacity in select UWCs and state-level</li> <li>Improved performance of the branch operations</li> </ul>	<ul style="list-style-type: none"> <li>Number of metres installed</li> <li>% Reduction of NRW</li> </ul>
<b>5: Assist SSUWC and its donor partners identify a limited number of critical capital works investments among the partner UWC</b>	<ul style="list-style-type: none"> <li>Identify and prioritize critical capital works investments at the UWCs.</li> <li>Develop generic business plans for the UWCs reflecting cost effectiveness of the service providers</li> </ul>	<ul style="list-style-type: none"> <li>Investment plans for selected UWCs developed</li> <li>Business plans developed for selected UWCs</li> </ul>	<ul style="list-style-type: none"> <li>Number of Investment plans developed</li> <li>Number of business plans developed</li> </ul>

### **3.6 ASSUMPTIONS AND RISKS**

Risks to successful achievement of specific project objectives are related to uncertainties within the urban water and network sanitation sector, and related to broader uncertainties with regard to the political and security situation of South Sudan in the post-independence period. There are interconnections between these two broad categories.

This Reform Work Plan assumes that improving water and sanitation service provision will be an area of increasing focus for GoSS, as it represents an important public service required for economic growth of a new nation and the health and well-being of its people. Increased speed of promulgation of new policies related to water and sanitation sector over the past several months support this argument.

Risks with regard to the sector stem from a lack of clarity on a process and way forward for implementation of the WASH Strategic Framework and development of an overall institutional and policy framework. In order to be successful, SUWASA will require full commitment of key entities such as SSUWC and the Ministry of Finance to developing a plan for increasing operational and budgetary autonomy of the outstation branches. Without high level political will, reforms recommended by SUWASA are unlikely to take hold. Also, limitations exist with regard to availability of technical and managerial staff to implement proposed reforms at the national, state, and local levels. In order to mitigate these risks, SUWASA will play a role in organizing the key sector players to develop a way forward with regard to legal and institutional reform, it will develop and promote cogent arguments on the need for reforms, and it will provide capacity building and staff development through working hand-in-hand with GoSS counterparts as well as carrying out specific trainings.

The political situation of South Sudan is in flux, and political instability in the post-independence timeframe is possible. As a result of the January 2011 referendum, South Sudan seceded from the North on July 9, 2011. Implementation of a decentralization policy, for example, will have an impact on the ability of SUWASA to implement proposed reforms. Although the Water Policy emphasizes a push toward operational and financial decentralization, this may be difficult to achieve as experience from countries in post-conflict transition often prefer more centralized systems for service delivery.. In the tumultuous pre- and post-referendum timeframe, it remains to be seen what level of emphasis GoSS is willing to dedicate to reforms in the water sector. SUWASA will do its part to mitigate these risks by promoting the benefits of reform within GoSS at every opportunity, and working in tandem with other donors (particularly GIZ) to promote reform.

In order to mitigate uncertainties related to the realities of working in the South Sudan context, this Reform Work Plan has been written with sufficient detail to implement individual activities, but broad and flexible enough to enable SUWASA to be opportunistic and seize upon opportunities to promote reform as they arise. Following direction of USAID/Sudan Mission, the components are fairly broad and the RWP recognizes that SUWASA will need to narrow the number and scope of activities to be undertaken during the inception phase and beyond given: temporal and resource constraints; the result of discussions and negotiations with key partners including MWRI, SSUWC, and WASH DoG; and unforeseen changes within the sector resulting from political or other factors beyond the project's control.

### 3.7 LINKAGE WITH OTHER USAID OPERATIONS

The Mission in Juba stresses that it is critical that the SUWASA intervention in South Sudan be well coordinated with other USAID programs, particularly health programs, and those of other donors such as JICA and GIZ. The program was initially designed in consultation with all key sector players (including USAID's SSIP, BRIDGE, SHTP II, JICA, GIZ), and meetings were held between SUWASA and USAID implementing contractors in early 2010 (notably Louis Berger re SISP and PSI re SHTP-2). Regular communication with sector partners will continue going forward via SUWASA participation in monthly WASH donor group meetings and direct communication with other donor staff on an individual basis as needed.

SUWASA will coordinate or build upon relevant ongoing or past USAID-funded work in South Sudan, including:

- Investments in infrastructure: USAID has made significant investment in urban water infrastructure in South Sudan via Task Order 4 (TO4) for Urban WASH, under the Sudan Infrastructure Services Project (SISP) implemented by Louis Berger. The first phase of this program made a \$6.2m investment in Juba for pipelines, booster stations, public sanitation and variety of quick impact transitional WASH projects. Infrastructure investments include the construction of new tanker truck filling stations to provide treated water to private water tankers in Juba. The second phase of TO4 currently has \$4.5m of funding for the complete rehabilitation and expansion of the Wau town water treatment plant. The third phase of TO4, concluding this year 2011, will focus on the non-revenue water reduction and distribution system improvements in Wau and Malakal towns. As part of this project, the Uganda NWSC was subcontracted to perform gap/situational analyses in Wau and Malakal. The analysis for Wau is complete and the analysis for Malakal was conducted in March/April 2011. The SISP project concluded in December 2010 and a goal of SUWASA is to ensure that USAID infrastructure investments are properly managed to ensure sustainability.
- Training and capacity building: Under USAID's ABRI project, the South Sudan Urban Water Corporation and NWSC entered into a twinning arrangement to conduct a situational analysis and develop a Strategic Performance Improvement Plan (PIP) in 2010. The ABRI project has now concluded, but the Mission is committed to supporting SSUWC in implementing the SPIP. The engagement of NWSC under this project will help the Mission meet this commitment.
- Point of Use (POU) Water Treatment and Hygiene Promotion: USAID has funded a large social marketing campaign of POU chlorine tablets for household water treatment along with public awareness campaigns with basic hygiene messaging. This program is being implemented by Population Services International (PSI) as a sub-agreement under the USAID flagship health program, Sudan Health Transformation Program (SHTP-2). The program has been active in Juba, Yei, and Wau, and may expand to Malakal in 2011. However its continuation is at the moment under question. The potential for collaboration will therefore be investigated during the inception phase.

### **3.8 COMPLEMENTARITY WITH OTHER PARTNERS**

Collaboration with GoSS and relevant donors is of paramount importance to ensure this initiative supports and complements, rather than overlaps ongoing and planned efforts by others within the sector. To this end, during the course of a February 2011 planning visit, a SUWASA representative, the USAID/Sudan WASH Advisor, and the USAID/Washington Urban Health Advisor met with key partners and stakeholders including: USAID/Sudan, MWRI, SSUWC, Juba UWC, JICA, GIZ, WB-MDTF, the WASH Donor Group (WASH DoG), the WASH Cluster, and representatives from implementing contractors on relevant USAID ongoing programs including Louis Berger (TO4) and PSI (SHTP 2). Further refinements with regard to coordination will be made during the inception period to take place at the start of implementation, including the development of an MOU with other key donors.

Based on information gathered during visits to Juba by SUWASA staff in February and April 2011, the scope of the proposed initiative has been modified from the original project concept, initially developed by USAID/Sudan in 2010. The modifications account for current USAID and South Sudan government priorities and the ongoing and planned efforts of other donors which have changed and progressed over the past year. The current design will provide national level policy and institutional support from Juba to help create the enabling environment needed to promote SUWASA's core principles and operationalize them. With regard to utility-level reforms, the focus has shifted away from an initial emphasis on Juba to other towns where recent infrastructure investments have been made, such as the town of Wau, Malakal, Juba, Maridi and possibly two other towns to be determined during the inception phase..

The SUWASA program will directly support the implementation of specific priorities identified in the WASH Strategic Framework, particularly under Section 6 - Urban Water Supply Sub-Sector Strategy and Section 7 - WASH Sector Overall Governance and Development Strategy, and the May 2010 Situational Analysis and Strategic Performance Improvement Plan developed by NWSC. A clear process and road map does not yet exist for GoSS and the donor community to determine who will tackle the identified priorities in the WASH Strategic Framework and define a schedule for doing so. In order to finalize SUWASA's proposed role and ensure coordination, SUWASA will engage with MWRI and SSUWC, plus relevant coordinating bodies including the South Sudan Water Sector Steering Committee (SSWSSC), the WASH Donor Group (WASH DoG), and to a lesser extent the WASH Forum to clarify roles during the inception period.

#### **3.8.1 INTERNATIONAL DEVELOPMENT PARTNERS**

The scope of all components will be finalized during the inception period in consultation with relevant stakeholders to ensure complementarity with efforts by others (notably GIZ and JICA), avoid overlap, and maximize effectiveness. In addition to MWRI and SSUWC, SUWASA has been in contact with representatives from key water sector donors in South Sudan, including GIZ, JICA, and WB-MDTF, among others. Their current and planned programs have been considered in formulating this SUWASA initiative. However, the final details of coordination and modalities for collaboration will be clarified during the SUWASA inception period in an MOU with other primary donors, to clarify what specific activities each intends to support. Further, subsequent adjustments to specific activities under each component are expected to be required "mid-stream", given the uncertainty and rapidly evolving nature of the sector, particularly during the post-independence period.

MWRI and SSUWC are cooperating with other donors in implementing initiatives to provide the foundation for sector-wide reforms, including GIZ and JICA:

- GIZ's *Development of the Urban Water Sector in South Sudan (DUWSSS)* program began in 2009 and is focused on technical assistance and capacity building for MWRI and SSUWC, plus an urban water infrastructure and capacity building program in Yei. The current phase of DUWSSS began in April 2011 and includes four components: Strengthening of MWRI; Development/reform of SSUWC; Pilot program in Yei; and 4) Capacity development, training and education. Current work includes the recent addition in April 2011 of a technical advisor within SSUWC, augmenting their current team which includes a technical advisor within the Ministry and a Program Director. They will provide a variety of support, primarily focused on capacity development.
- The urban water program of JICA is exclusively focused on Juba. One component (approximately \$3 over 3 years) will focus on capacity building and UWC management issues primarily focused on the Juba UWC, but also limited inclusion of the SSUWC. Another component will include a \$30 M + investment in water infrastructure (treatment plant expansion, distribution system replacement/expansion and public kiosks). The capacity building program (*The Project for Management Capacity Enhancement of South Sudan Urban Water Corporation in South Sudan*) began in November 2010 and the first technical training sessions began in 2011.
- UNDP are developing a project which seeks to support the MWRI in the coordination of the water sector as a whole. This support includes the establishment and capacity building of the Water Council. SUWASA will work in collaboration with UNDP in this respect.

Numerous examples for potential synergies exist. GIZ is providing long term technical assistance, reform, and training for MWRI and SSUWC, plus local implementation support in Yei. JICA will be making significant urban water infrastructure investment in Juba town and associated capacity building at the Juba UWC and SSUWC levels. Sharing lessons learned at the local level with JICA in Juba and GIZ's pilot in Yei will produce valuable lessons for other towns such as Wau. In November 2010, GIZ completed a financial assessment of SSUWC, which will serve as a useful basis for SUWASA reform work and coordination with GIZ. Presenting a 'united front' with regard to promotion of reforms with GoSS will also be important to move the reform agenda forward swiftly.

### **3.8.2 LOCAL PARTNERS**

Local partners will be limited to GoSS entities as described under 3.9 below. The use of local subcontractors is not envisioned for this initiative.

### **3.9 PROJECT PARTNERS CONTRIBUTIONS**

The primary counterparts to be involved in the initiative are the GoSS entities of: MWRI, SSUWC, select UWCs (expected to include Juba, Wau, Malakal, Maridi and possibly other UWCs), and other Ministries as required such as the Ministry of Finance and Economic Planning and Council of Ministers. USAID entities involved include USAID/Sudan, the USAID SUWASA project, and other USAID projects, notably the Sudan Infrastructure Services Project (SISP), Task Order 4 (TO4): Water Supply and Sanitation. Contributions of each of the project partners are summarized in Table 3.9.1.

**Table 3.9.1 Initiative Partners**

<b>Institution</b>	<b>Roles and Responsibilities</b>	<b>Contributions</b>
<b>Government of South Sudan</b>		
MWRI	Primary GoSS counterpart; Overall direction with regard to specific activities to be undertaken by SUWASA, and locations; Facilitate coordination with other GoSS units; With support from donors, coordinate / promote legal and institutional reform process, performance management / accountability framework development, and move toward cost recovery and financial autonomy; participate in regular meetings/consultations and review draft project deliverables as required.	One designated point of contact / liaison to be available for regular consultation as required with regard to overall project direction and technical content; facilitate organization of meetings and provide meeting space as required.
SSUWC	Primary operational level counterpart; Facilitate coordination with UWCs; Coordination and cooperation with SUWASA on clarification of SSUWC role and performance and management improvements.	Provide one designated point of contact / liaison to be available for regular consultation as required; facilitate organization of meetings and provide meeting space as required; possibly provide office space for Juba-based staff (TBD).
UWCs	Coordination and cooperation on utility-level reforms, specifically development and implementation of SPIPs, and provision of local input to national-level reforms.	Provide one designated point of contact / liaison to be available for regular consultation as required; facilitate organization of meetings as required; provide office space for outstation-based staff (TBD).
Other GoSS	Coordination will be needed with the Ministry of Finance and Economic Planning, State and Local Governments, and the Council of Ministers on specific activities.	One designated point of contact / liaison to be available for regular consultation as required.
<b>USAID</b>		
USAID/Sudan	Facilitate coordination with other relevant programs, particularly SISP TO 4; Assist SUWASA in policy related matters with local government counterparts; review draft project deliverables as required.	Provide co-funding / buy-in to SUWASA project; One designated point of contact / liaison to be available for regular consultation as required.
USAID/SUWASA	Overall project management, partner coordination, technical assistance and capacity building.  <i>SUWASA is managed by USAID Bureau of Economic Growth, Agriculture and Trade and Bureau for Africa, and implemented by Tetra Tech ARD</i>	Full-time Juba-based Team Leader and support staff; full-time outstation based technical expert(s); short term technical assistance staff; provision of commodities to support project objectives.
USAID/SISP TO 4 (Louis Berger)	Provide complementary training and technical assistance. Utility management training and capacity building; infrastructure installation and rehabilitation.	Institutional knowledge of SSUWC; management capacity building; A&E services for infrastructure.
<b>Other Donors (Specifics of coordination/collaboration with other donors are to be identified in Inception Report)</b>		
GIZ – DUWSSS Project	Coordination and collaboration on MWRI and SSUWC-level reforms and Yei lessons learned.	Provide one designated point of contact / liaison to be available for regular consultation as required.
JICA - Project for Mgmt Capacity Enhancement of SSUWC	Coordination and collaboration on Juba-based capacity building and reform work and implications for broader sector reform.	Provide one designated point of contact / liaison to be available for regular consultation as required.
WASH DoG	Includes GIZ and JICA (described above) and others such as WB MDTF.	SUWASA regular participation at WASH DoG meetings for coordination/collaboration.
<b>Other Partners</b>		
NWSC	Technical assistance to UWCs in development and implementation of SPIPs and related mentoring and capacity building; organization and implementation of possible study tours.	Short term technical consulting.
IWA	Initial review of proposed SUWASA activities, and subsequent periodic reviews to provide external perspective.	Short term technical consulting.

### **3.10 PERSONNEL AND PROJECT MANAGEMENT PLAN**

The USAID/SUWASA Initiative Implementation Team is expected to include a

- 1) Team Leader (U.S./TCN)
- 2) Utility Reform Specialist (US/TCN)
- 3) Institutional Development and Legal Specialist (Sudanese) and
- 4) Finance and Office Administrator.

The proposed organizational structure is presented in Figure 3.1.

The Team Leader, Institutional Development and Legal Specialist, and the Finance and Office Administrator will be based in Juba, but will travel to work within sub-national GoSS offices (e.g. State Directorate of Water and Sanitation in Wau) and other UWCs. The Utility Reform Specialist will work from UWC branches, initially Wau, and directly supervise the NWSC short term staff.

The Team Leader will hold overall in-country responsibility for project implementation, represent the initiative in meetings with Initiative Partners, manage initiative staff and budget, coordinate and manage STTA and subcontractor inputs (expected to include NWSC) and make regular visits to outstation branches where the project is operating as required. He or she is expected to be an international with relevant expertise in overall project management, water sector policy, institutional reform, and utility commercialization. In addition to project management the Team Leader will lead implementation of activities under specific objectives 1-3 at the national level, with a particular focus on activities under objective 3, and coordinate feedback from the field resulting from implementation of activities under objective 4.

The Institutional Development and Legal Specialist should possibly be a lawyer (or an expert with experience in drafting legislation and regulation at national and regional level) and someone who is fully conversant with the political developments and able to mobilize support through decision making channels especially at the GOSS level. The Institutional Development and Legal Specialist will support the Team Leader in implementation of activities under specific objectives 1-3 and is expected to be a local (Sudanese). While the Institutional Development and Legal Specialist will focus on the activities under specific objectives 1 through 3, implementation will be undertaken with support from STTA and lastly all staff will be expected to contribute to all Components as needed.

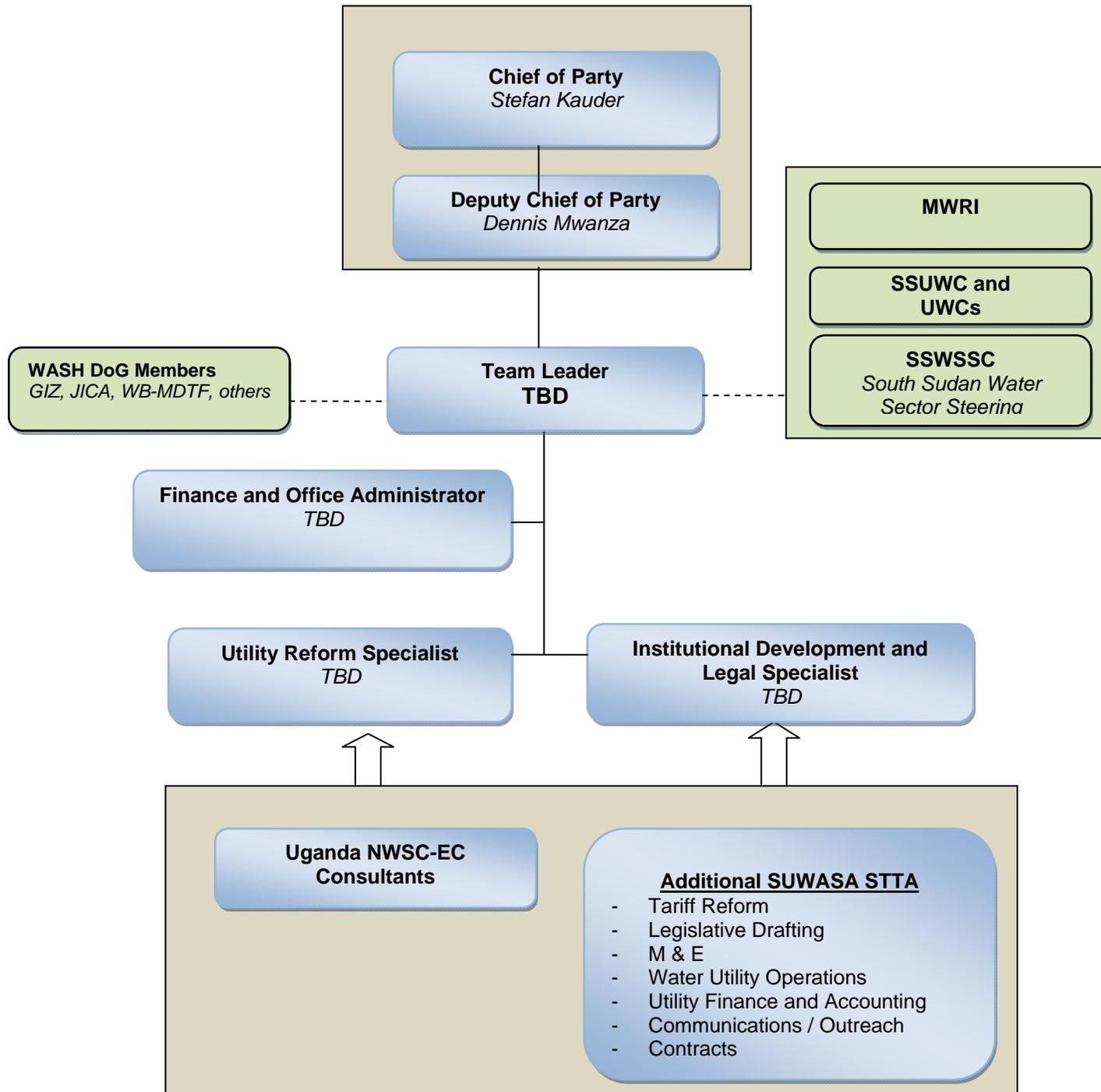
The Utility Reform Specialist is expected to have a background in water utility operations and is expected to be a third country national (foreign national) or Sudanese. This position will hold responsibility for activities under specific objectives 4 and 5, and provision of support and feedback relative to activities under specific objectives 1-3. He or she will initially be located in Wau and will focus on utility-level reforms leading to commercial sustainability and improved performance at the service provider level. He or she will supervise the NWSC short term staff utilized to provide specific assessment, training, and capacity building services.

An arrangement will be made leading to securing the inputs of NWSC to support the implementation of the activities under specific objective 4. The methodology to be used in implementing this is the WOP Africa approach.

The South Sudan SUWASA team will be supported by the Nairobi-based SUWASA management team, Tetra Tech ARD's Home Office support team, and available Short Term Technical Assistance. Short term technical support in various areas related to sector reform and utility commercialization will be drawn upon as needed, including legislative drafting and

water tariffs, plus other skills including outreach, training, communications, M&E, administration and finance.

**FIGURE 3.1: ORGANIZATIONAL CHART**



## **4.0 MONITORING, EVALUATION AND REPORTING ARRANGEMENTS**

### **4.1 INTERNAL MONITORING AND QUALITY CONTROL**

The Team Leader based in Juba will be responsible for reporting and documentation on project results, progress against the approved work plan, and routine coordination and liaison functions. The SUWASA Deputy Chief of Party (DCOP) will provide technical project oversight and ensure achievement of expected results, while the Chief of Party will hold responsibility for programmatic oversight. Additional support for M&E, contract administration, and finance will be provided by other SUWASA Nairobi office staff as required. The DCOP will participate in an Inception Workshop and track both technical and management progress and results. The Team Leader will liaise with the designated MWRI and SSUWC counterpart liaisons on a regular basis. The DCOP, Team Leader, and MWRI liaison will conduct project coordination meetings by telephone or direct meetings at least once every month. All communications and reporting to USAID EGAT/NRM/W will be done by the SUWASA Nairobi Team, based upon results and communication with the Team Leader in Juba. The timing of all deliverables and outputs will be specified in the Inception Report, which will include the PMP, and the Team Leader will be responsible for reporting against these targets to the SUWASA Deputy Chief of Party.

Periodic project visits to review the progress in project implementation will be undertaken from the Regional Office and Tetra Tech ARD Home office as one of the mechanisms for internal monitoring and quality control. Internal data quality assessments will also be conducted periodically to improve on data quality.

### **4.2 MONITORING AND EVALUATION PLAN**

Based upon the initially proposed activities and targets and indicators, the Team Leader, with assistance from the SUWASA Deputy Chief of Party and SUWASA Monitoring and Evaluation Specialist, will prepare a Performance Management Plan (PMP) as part of the Inception Report prepared during the first 60 days of the project. The PMP will specify expected SUWASA results-outputs, outcomes and impact; indicators for measuring results; proposed targets; and monitoring periods and documentation required for performance audits and evaluations. The PMP will become an integral part of the Life of Project Work Plan to be approved by SUWASA and USAID/NRM/W.

### **4.3 ENVIRONMENTAL COMPLIANCE MONITORING**

Support to be provided by SUWASA to the Government of South Sudan, local water companies, and SSPs is technical assistance and capacity building only. As part of SUWASA support, there will likely be a need for commodity procurements (e.g., computers, MIS software etc). However, no infrastructure investment or rehabilitation will be required, since complementary infrastructure activities, such as treatment plant rehabilitation and network expansion, are being supported by other programs. Therefore, an Environmental Assessment under USAID environmental requirements (22 CFR 216) is not required. However, SUWASA will include recommendations for environmental oversight in guidelines and other deliverables that SUWASA prepares under the project.

#### **4.4 REPORTING ON PROJECT PROGRESS**

The Team Leader will provide the following reports to the SUWASA Regional office:

- Inception Report including key findings and recommendations regarding initial investigations into each of the five specific objectives, a summary of the results of the Stakeholder Action Planning / Inception Workshop, an updated Work Plan and PMP, and an MOU defining roles of Initiative Partners.
- Monthly and quarterly reports, including a narrative on the reporting period, discussing actual project progress vis-à-vis planned activities and agreed project schedules, project administration and management issues, challenges in project implementation, planned activities for the subsequent reporting period, and a financial resource utilization report;
- Subsequent annual year work plans, based upon the Life of Project Work Plan;
- Final Report, including all activities performed, results achieved and resources used. The Final Report will also include a thorough analysis of established performance indicators.

The project will undergo a mid-term review, conducted by Tetra Tech ARD and USAID.

## 5.0 RESOURCE TABLE

The initiative will be financed through SUWASA core funding of \$1 million and Mission Operating Year Budget (OYB) transfers over the life of the three year program, with expected distribution as illustrated in Table 4.1. This total expected budget of approximately \$5.0 million budget includes a full-time Team Leader to be based in Juba for the life of the project, supported by a complement of long term and short term staff and subcontractors, and up to \$250,000 in commodities support. USAID/Sudan recently approved a Mission buy-in of US \$4 million. A more detailed indicative budget will be provided separately, whereas the Inception Report will provide indicative projections for allocating resources to activities.

**TABLE 5.1  
SUMMARY OF PROJECT RESOURCES**

Source	YEAR 1	YEAR 2	YEAR 3	Total
<b>SUWASA Core Funds (AFR/EGAT)</b>	\$500	\$250	\$250	<b>\$1,000</b>
<b>USAID/Sudan</b>	\$1,000	\$1,750	\$1,250	<b>\$4,000</b>
<b>TOTALS</b>	\$1,500	\$2,000	\$1,500	<b>\$5,000</b>

Figures are in thousands \$USD.

### Small Investment Program Commodities

In support of the reform initiatives, SUWASA can provide up to \$250,000 in small capital investments and/or commodities. In addition to technical assistance, SUWASA will provide commodity procurements (expected to be in the form of computers, MIS software, and possibly master metering equipment or water quality testing kits) through its Small Investment Program as required to achieve initiative objectives. The funding level of these investments will be based on needs assessments undertaken during implementation. Infrastructure investments are not envisaged as part of this SUWASA initiative, as activities will be complementary to infrastructure investments by other USAID projects and donors.

### Office Accommodation

During SUWASA visits in February and April, SSUWC verbally offered to provide the project one office within their compound, while MWRI was non-committal in this regard. It is worthy to note that GIZ's project currently maintains office space for one consultant in each of SSUWC and MWRI, respectively. In March 2011, Tetra Tech started a new USAID-funded project in Juba (Sudan Rural Land Governance Project [SRLGP]), which has tentatively offered to temporarily share office space in Juba during start-up.

Considering the SSUWC-offered accommodation is likely to be small, we have budgeted for separate office accommodations for the Juba-based staff. However, this will be re-evaluated during mobilization. Outstation-based staff will operate out of UWC offices.

## **6.0 PROJECT IMPLEMENTATION PLAN**

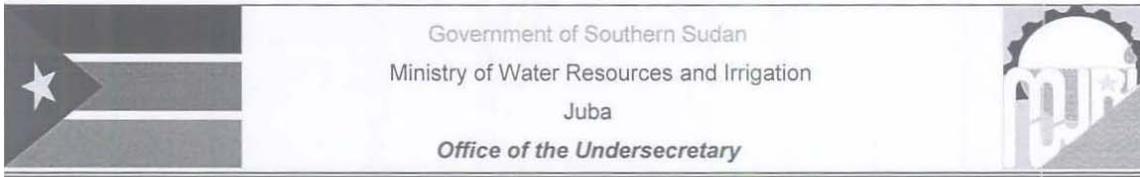
A draft project timeline is provided in Figure 6.1. This timeline will be fine tuned during the Inception Period, and an updated schedule provided in the Inception Report.

### FIGURE 6.1 PROJECT TIMELINE

Activity	Months																																					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36		
<b>INCEPTION PERIOD</b>																																						
IP.1 Mobilize Team																																						
IP.2 Document Review, Stakeholder Consultation, Analysis																																						
IP.3 Stakeholder Action Planning / Inception Workshop																																						
<b>COMPONENT 1 - Institutional and Legal Framework</b>																																						
1.1 Institutional Framework																																						
1.1.1 Support multi-stakeholder consultation re legal/inst. framework																																						
1.1.2 Inventory, analyze urban watsan laws, policies, guidelines																																						
1.1.3 Review roles and responsibilities of sector entities																																						
1.1.4 Propose clarified institutional arrangements																																						
1.1.5 Support development of a regulatory framework																																						
1.2 Legal Framework																																						
1.2.1 Analyze PO and make recommendations																																						
1.2.2 Support transformation of PO to Act of Parliament																																						
<b>COMPONENT 2 - Performance Accountability Mechanisms</b>																																						
2.1 Implementation support for PO at SSUWC level																																						
2.2 Framework for performance-based stds, targets																																						
2.3 Performance agreements/contracts and templates btw actors																																						
2.4 Develop and promote corporate governance																																						
2.5 Pilot activities establishing stds, targets, agreements																																						
<b>COMPONENT 3 - Sustainable Financial Management</b>																																						
3.1 Policy paper moving to financial autonomy / "ring fencing"																																						
3.2 Est. cost structure, accounting system for SSUWC																																						
3.3 Procedures for setting initial tariff and adjustment																																						
3.4 Methodology for internal and external financial auditing.																																						
3.5 Initial development of system-specific tariffs at UWCs																																						
<b>COMPONENT 4 - Improved capacity and performance at UWC and State levels</b>																																						
4.1 PIP development/implementation support																																						
4.2 Local support for Comp 1-3 implementation, feedback																																						
4.3 Commodities support																																						
<b>COMPONENT 5 - Capital Improvements Planning</b>																																						
5.1 Develop Capital Investment Plans																																						
<b>PROJECT MANAGEMENT</b>																																						
PM.1 Inception Report																																						
PM.2 Monthly and Quarterly Progress Reports																																						
PM.3 Prepare Annual Work Plans																																						
PM.4 Mid-term Review																																						
PM.5 Draft and Final Report																																						

# ANNEXES

# 1. LETTER OF COMMITMENT FROM RWP PARTNER



Your Ref: .....

Our Ref: GOSS/MWRI/OU/J/47.C.1

25<sup>th</sup> March 2011

The Team Leader,  
USAID,  
Juba

Dear Sir,

**Re: USAID Support to Southern Sudan Urban Water Supply Sub-sector**

Over the past several years, USAID/Sudan has been actively assisting the Southern Sudan Urban Water Corporation (SSUWC) to supply clean water to the urban population of Southern Sudan.

This assistance has mainly taken the form of extension of safe water supply by construction of booster stations, elevated tanks, distribution lines, public water points, and tanker truck filling stations in Juba. USAID is also rehabilitating and expanding the capacity of Wau Water Treatment plant and related works. The projects also have capacity building components to improve the management of the water facilities in both Wau and Malakal.

However, the Government of Southern Sudan recognizes that the SSUWC still needs to build its institutional and human resource capacities with the aim of eventually operating in a highly cost-effective and sustainable manner.

The Ministry of Water Resources and Irrigation (MWRI) would therefore like to request that USAID/Sudan support the SSUWC with a technical assistance project to create required capacity and carry out specific reforms that will lead to measurable improvements in urban water management and service delivery.

The central USAID-supported project, *Sustainable Urban Water and Sanitation in Africa (SUWASA)*, exactly fits our needs. It can provide assistance to increase the effectiveness of the SSUWC Board of Directors and management, while also furnishing guidance to increase SSUWC's revenue generation and customer responsiveness.

Please accept assurances of our cooperation.

Kind Regards,

Eng. Isaac Liabwel C. Yol

**UNDERSECRETARY**

cc. H.E. The Minister of Water Resources and Irrigation

cc. File

Physical Address: 11 AXII, Hai el-Cinema, P.O. Box: 476, Juba Tel: +249-811-823557 E-mail: wssp.mwri.goss@gmail.com

## 2. REFERENCE DOCUMENTS

### SUWASA

- **South Sudan RWP Planning Visit Notes and Photos.** February 2011. Tetra Tech ARD.

### GoSS

- **GoSS Water Policy.** November 2007.
- **GoSS The Local Government Act.** 2009.
- **Operational and Management Plan Meeting for Maridi Urban Water Supply Station.** 16<sup>th</sup> May 2010.
- **Laws of South Sudan - SSUWC Provisional Order, 2011.** (January 2011) [*This signed P.O. supersedes a previous unsigned order from 2008*]
- **GoSS WASH Strategic Framework (Final Draft).** April 2011. Compiled by IRG.

### Prepared by NWSC and LBG under USAID projects

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- **SISP Task Order 3 and 4. FOLLOW-UP ASSESSMENT: Quick Impact Program for Juba; and BASELINE ASSESSMENT: Kapoeta, Wau, Juba Pipeline.** September 4, 2009, Louis Berger Group.
- **Trip Report – Situation Analysis & Strategic Performance Improvement Plan (PIP) [for SSUWC].** May 2010. Prepared by NWSC under USAID ABRI project.
- **SSUWC Gap/Situational Analysis of Wau UWC.** July 2010. Prepared by NWSC for LBG under USAID SISP Task Order 4.
- **SISP Task Order 8. BASELINE ASSESSMENT: Maridi, Wau, Road Awareness.** August 4th, 2010
- **SISP Task Order 4 Work Plan FY 2011 for Malakal and Wau.** January 25, 2011. LBG and approved by C. Lerman.
- **SISP Task Order 4 Proposed Gap & Situational Analysis for Malakal UWC.** Proposal February 2011. Prepared by NWSC for LBG.

### Prepared by other Donors

- **Juba Urban Water Supply and Capacity Development Study in South Sudan Final Report Summary.** September 2009. Prepared by Tokyo Engineering Consultants (TEC) for JICA.
- **An Assessment of Commercial and Financial Performance of SSUWC.** November 2010. Prepared by GIZ (Henning Marius Reini).
- **Project for Management Capacity Enhancement of SSUWC, Agenda of 5<sup>th</sup> Counterpart Meeting** 21 February 2011 in Juba.
- **Project Information Sheet: Development of the Urban Water and Sanitation Sector in South Sudan (DUWSS).** April 2011. GIZ.
- **Project for Management Capacity Enhancement of SSUWC, Inception Report and Presentation Slides presented to WASH DoG.** November 2010. JICA.

### Other Documents

- **Country Status Overview on Water Supply and Sanitation South Sudan.** Zero Draft Report, June 2009. AMCOW/WSP/UNICEF/WB/WHO/KfW.
- **Draft Water Supply, Sanitation and Hygiene in South Sudan: A Country Status Overview: Progress and Priorities.**
- **USAID/Sudan FSN Salary Scale.** Copy provided by USAID/Sudan on 2/26/2011.