



**Municipal Development and Lending Fund, MDLF
Additional Financing for Gaza Solid Waste Management Project**

Terms of Reference (TOR) and Scope of Service

**Consultancy Services for
"Technical Assistance for JSC-KRM and Municipalities"
Assignment Ref. GZ-MDLF-229054-CS-CQS**

1. Background:

The Palestine Liberation Organization, for the benefit of the Palestinian Authority, has allocated additional financing (AF) in the form of a grant in the amount of US\$2.00 million from the Global Partnership for Results-Based Approaches (GPRBA) and US\$ 1.25 million from the Partnership for Infrastructure Development Multi-Donor Trust Fund (PID-MDTF) to the Palestinian Authority (PA); for the Gaza Solid Waste Management Project (GSWMP), and will be executed by Municipal Development & Lending Fund (MDLF). MDLF intends to apply part of the grant for hiring consultancy firm for implementing Technical Assistance for JSC-KRM and Municipalities.

The additional finance would contribute to the improvement of service quality and management by the JSC-KRM, which covers about 64 percent of the Gaza Strip's total geographic area and serves around 900,000 of the Gaza Strip population (46% of Gaza Strip population). The additional finance (AF) would be used to support operational costs associated with the infrastructure and services supported under the Gaza Solid Waste Management Project (GSWMP) that include the new landfill in Sofa, upgraded transfer stations, collection equipment, and medical waste treatment. In doing so, the grant for the additional finance fund will (a) allow the service provider (JSC-KRM) to deliver quality solid waste services; (b) strengthen the operational and financial capacity of the JSC-KRM and member Local Government Units (LGU's); (c) help ensure the project's operational and financial sustainability, hence amplifying the project's long-term impact; and (d) contribute to the development of operational standards that could be replicated across the West Bank and Gaza.

The Municipal Development & Lending Fund (MDLF), as the delegated implementation agency for the additional finance of GSWMP, is now seeking the services of a highly qualified consultancy firm to provide technical assistance to the JSC-KRM and its 17 member LGU's in terms of financial management and planning, and more specifically in cost and revenue management for solid waste management services.

2. Objective of the Assignment:

The overall objective of this consultancy services is to strengthen the financial capacity of the JSC-KRM and its member Local Government Units (LGU's) through enhancing their revenue collection and optimizing expenditures, with an aim to enhance financial sustainability. This will be done by providing the required support and technical assistance through the identification of existing gaps and opportunities, and development of the necessary capacity building measures that will contribute to enhancing LGU's capacity to plan and implement the recommendations towards reducing costs and increasing revenue streams of the various solid waste management related services.



3. Scope of Work:

Within the objective of this consultancy service, the scope of work includes technical assistance and capacity building for the JSC-KRM and its member LGU's towards strengthening its financial management. The consultant shall provide clear and abreast assessment of the financial standing of the JSC and its 17 member LGU's in terms of costs and revenues of Solid Waste Management Services within the broader structural and affordability dimensions, producing an output that will be of guidance to financial managers at the JSC and member LGU's, in addition to serving as a reliable reference for informed decisions concerning costs and revenues by the JSC Board that consists of the Mayors of the 17 member LGU's in the governorates of Khan Younis, Rafah, and the Middle Area. The scope of work is divided into four main tasks as follows:

- **Task 1:** Desk Review of relevant financial documents and institutional set-up/arrangements of the JSC-KRM and participating municipalities;
- **Task 2:** Assessment of Existing Solid Waste Management Cost/Revenue System;
- **Task 3:** Carry out Options Analysis and Provide Specific Recommendations;
- **Task 4:** Presentations & Discussions of Findings

3.1 Task (1): Desk Review

The Consultant shall review existing documents pertaining to financial standing of the Solid Waste Management services at both the JSC and member LGU's. It is important for the Consultant to be acquainted with the historical background of the JSC; that the regional approach is viewed as an optimum and sustainable institutional arrangement for solid waste management services as adopted by the Palestinian Government's policies. This historical context is essential for the Consultant to maintain in the backdrop in order to set the overall direction of this assignment towards sustaining and improving the financing of solid waste management services with its respective institutional arrangements that includes the JSC-KRM in the center being responsible for a vital and indispensable category of services at both the daily level, as felt by the residents in middle and southern Gaza, and at the strategic level in terms of protecting the environment and public health and welfare. The review of all relevant documents will better inform the Consultant to pinpoint his data collection and analysis for the next task. This will provide a good inventory of data to be included in the second deliverable under task 2, with a comprehensive and verified compilation of data from different sources that will directly serve the objective of the assignment and provide unique document for JSC and member LGU's. The following are particular documents the Consultant shall review, among others:

- (1) Annual Reports: JSC and member LGU's;
- (2) External Audit Financial Reports: JSC and member LGU's. for the last five years (2016 to 2020);



- (3) Financial Policies and Procedures Manual; including national policies and strategies of relevance;
- (4) Study Reports on Optimizing Waste Collection.
- (5) Previous assignments of relevance to the subject and entities under this assignment; (i) JSC Business Plan, (ii) “Service Total Cost Calculation Equation for the Services of Water Delivery, Solid Waste Collection”¹.

Under task (1), the Consultant shall prepare a road map for the assignment based on the desk review and data collection and present it in the **Inception Report** along with refined methodology based on best practice, and propose a final work plan.

3.2 Task (2): Assessment of Existing SWM Cost/Revenue Systems

The Consultant shall build on data collected and information resulted from Task (1), the Consultant shall update the information to the most recent, and utilize data collection under Task (2) for each of the 17 member LGU’s of JSC-KRM (see annex 1), in addition to JSC-KRM’s own information. The assessment will target costs and revenues of solid waste management services per each LGU and the JSC, utilizing tabulation and infographic format, in addition to descriptive narrative to ensure clear and easy presentation of the findings to wide spectrum of stakeholders/audiences. The Consultant shall detail, per each LGU and the JSC the following:

- a. **SWM Cost Categories**: since not all LGUs use cost centers, the Consultant shall define what constitute the cost of service both direct and indirect, i.e., fuel, maintenance, salaries, etc. for in house services (provided by the LGU such as primary collection), and for the services provided by the JSC (secondary collection, hauling, and landfilling) or private contractors. Similarly, for JSC-KRM, adding the cost per each LGU considering the differences in the provided services. This cost information shall be measured against every ton of solid waste managed by each service category; by the service provider, and by subscriber category (households, commercial, industrial) and or (member LGU or non-member clients such as United Nations Relief and Works Agency – UNRWA) that will add up to present the total cost per ton for the entire cycle of waste management per individual LGU. The Consultant shall identify gaps in costs that are not accounted for, or costs that are not properly calculated or estimated where applicable. This includes non-subscribed users of service and/or deficiencies in subscribers’ data base that may drive the overall cost per unit up.
- b. **SWM Revenues**: the SWM costs are billed to subscribers included within the water bill, and at different tariff per LGU. The Consultant shall define: (i) the fee structure, (ii) sources of revenue by specifying the subscribers or from other external sources,

¹ A study commissioned by the German Technical Cooperation (GIZ) for LGUs in the West Bank & Gaza.



focus shall be made on regular revenue sources that are typically from subscribers. (iii) Disaggregate subscribers in terms of households, commercial, industrial, and others, and highlight revenue value per subscriber category against cost of service of such category (total and per ton), (iv) perform sensitivity analysis on the relationship between tariff value and rate of fee collection, and (v) identify gaps in revenues and (vi) cost recovery that is in term of both accounts receivables divided by cost of service (to measure adequacy of billing and tariff structure), and actual cash in divided by cost of service (to measure actual deficit and efficiency of bill collection), per each LGU and category of subscribers, and the same for JSC-KRM revenues.

- c. Capacity-Building Needs Assessment: throughout the assessment phase, the Consultant shall identify capacity-building needs that become apparent to the Consultant during the course of task (2). The Consultant shall use various methods to assess capacity needs via questionnaire and individual or group interviews, and by making his/her own judgement based on the quality of data, work methods, applied principles in financial management, as presented by financial departments at JSC-KRM and member LGUs. Capacity-Building needs shall be focused and prioritized to serve the objective of the assignment on the short term, in addition to long term capacity building requirements that can be addressed beyond the scope of this assignment.
- d. Benchmarking: The Consultant shall relate the findings under a, b, and c above against best performing LGUs within JSC members and extend that where possible to the national level for LGUs in West Bank and Gaza, and against international best practice.

Under task (2), and upon prior approval of draft report, the Consultant shall prepare and submit the **Assessment Report** including the findings in both Arabic and English and prepare an MS Power Point presentation to be presented before JSC-KRM Board and General Assembly.

3.3 Task (3): Explore Options for Reducing Costs and Increasing Revenues

In parallel with the assessment phase, and utilizing the collected data and information during task (2), the Consultant shall clearly define all factors and/or parameters that affect costs and revenues for the JSC-KRM and for each individual LGU member of the JSC-KRM. The Consultant shall then explore options for costs reduction and revenue enhancement without compromising the quality of service. The Consultant shall evaluate the existing tariff system in the 17 member municipalities and find out gaps or options for improving tariff setting. The Consultant shall place particular emphasis on JSC-KRM member LGU's that exhibit high accounts receivables from the perspective of at JSC-KRM accounts (owe the JSC), and those who make lower regular actual payments to the JSC. The Consultant shall consider the principles of efficiency



and effectiveness in parallel with the consideration of realistic options for cost reduction and revenue increase for both JSC-KRM and its member municipalities. The Consultant shall tailor the recommended options for the JSC-KRM and for individual member LGUs or group of LGU's of similar sizes or similar needs. This would mean what is applicable to one LGU may not be applicable to the other, for example shifting particular service to JSC or vice versa may prove to be efficient to one locality, while this may not be an applicable option to another locality and call for a different cost reduction option. Hence it is crucial for the Consultant to study each category and sub-category of expenditure and calculate its weight to the total cost, and compare/evaluate this finding against the solid waste being managed in tons...etc. Use of MS Excel is required to present the findings in different illustrative methods (charts and figures). This will facilitate the presentation of findings to both specialized and non-specialized audiences. An example of simplified data form is presented below.

Expenditure Category (or factor/parameter/direct/indirect)		JSC-KRM		LGU (I)		LGU (X)	
		Value (USD)	(%) ²	Value (USD)	(%)	Value (USD)	(%)
Main Category	Sub-Category						
1. Fuel	1.1....						
	1.2....						
	1.x....						
2. Maintenance	2.1....						
	2.2....						
	2.x....						
3. Salaries	3.1....						
	3.2....						
	3.x....						
4. Other Categories	X.x...						

Under task (3), and upon prior approval of draft report, the Consultant shall prepare and submit **Recommendation Report** including findings in both Arabic and English and prepare an MS Power Point presentation to be presented before JSC-KRM Board and General Assembly.

3.4 Task (4): Presentation & Discussion of Findings

The Consultant is expected to conduct multiple workshops³ for the purpose of discussing the findings and to fill the gaps in perspective and understanding by the different stakeholders within JSC and its member municipalities. LGU Technical personnel may view the challenges, resources, expenses, and revenues from different angles depending on the demands of own department or workstation, and that may affect priorities of needed actions at the decision makers' level; such actions may place short term gain over long term benefits. The workshops shall present the opportunity

² Weight to total cost

³ In line with Ministry of Health Guidelines on COVID19 precautions.



to unify a common perspective with a focus on reducing costs and increasing revenues without compromising the quality of solid waste management services. The Consultant shall conduct at least **3 Workshops** during the assignment targeting technical staff (finance and operations departments) providing all necessary technical tools (spread sheets and guiding document) and utilizing MS Power Point, and at least **1 Workshop** reserved at the end of the assignment for decision makers (JSC Board and General Assembly), and **1 Workshop** that can present entire assignment performance before the financing partners; making the minimum required **total workshops five (5)**. The order of such workshops shall be in line with the task milestones achieved and will depend on the Consultant's approved methodology and work plan. Workshop organization in terms of logistics, stationary, and refreshments is the responsibility of the Consultant and should be included in his/her financial proposal. The documentation of the workshops shall be presented in the **Final Report** that includes summary, main finding, and recommendation of the assignment.

4. Time Frame and Deliverables

The expected duration of the assignment is **Four (4) months**, starting from July 2021. The below table identifies the required deliverables and timeframe for the consultant:

No.	Description	Due Date
1	Inception Report	Following completion of Task (1) , to be submitted no later than Two (2) Weeks after signing the contract.
2	Assessment Report	Following completion of Task (2) , to be submitted no later than Eight (8) Weeks after signing the contract.
3	Recommendation Report	Following completion of Task (3) , to be submitted no later than Twelve (12) Weeks after signing the contract.
4	Final Report	Following completion of Task (4) , to be submitted no later than Sixteen (16) Weeks after signing the contract.

5. Reporting

The consultant shall sustain proactive communication with the Joint Service Council (JSC-KRM) and member LGU's to ensure effective transmission of all information and documents. MDLF will be responsible for coordinating main activities with the consultant, processing payments, and for acceptance of the deliverables, the consultant is requested to report to:

Mr. Nouredin Al-Madhoun
PDSU Team Leader
Municipal Development and Lending Fund (MDLF),
Project Development and Safeguard Unit (PDSU) Office:
Address: Gaza City, near Barcelona Garden, Tal Al Hawa, Dallol Building.
Tel: (08) 207-6001 | Fax: (08) 207-6008 | Mob: (059) 9 480-257
E-mail: nmadhoun@mdlf.org.ps



6. Team Composition & Qualification Requirements for the Key Experts

The consultant's team shall include the following main key experts with an estimated level of effort:

Team	Level of Effort for Key Staff (Man-Month)
Team Leader / Public Finance Expert	1.5
Solid Waste Management Operations Expert;	1
Community Mobilization Expert;	1
Project Coordinator.	2
Total	5.5 Man-Month

The Consultant firm shall have proven experience in public service performance assessment, with particular experience in financial and administration aspects, therefore members of the team must possess the following minimum qualifications:

6.1. Team leader / Public Finance Expert:

1. At least a Master's degree in Financial Management, Accounting, Economics or with minimum 10 years of proven experience;
2. Proven experience in public accounting and municipal financial management;
3. Good knowledge/experience in performance assessment; both financial and technical performance;
4. Proven experience in conducting similar assignments with regional/local work experience with prior experience in leading technical teams;
5. Excellent skills and experience in reporting writing;
6. Excellent English language skills (written and spoken), knowledge in Arabic is essential.

6.2. Solid Waste Management Operations Experts:

1. Minimum BSc degree in Civil, Mechanical or Environmental Engineering from accredited university; Master's degree is desirable.
2. At least 10 years of experience in implementing or managing operations; preferred in the municipal sector with particular expertise in the solid waste management sector;
3. Excellent communication and reporting skills.
4. Excellent English language skills (written and spoken).

6.3. Community Mobilization Expert:

1. Minimum BSc degree in human resource, social sciences or business administration;
2. Proven experience in community mobilization and public dialogue;



3. Proven experience in developing metrics for public participation and public confidence;
4. Proven experience in the development and implementation of training material;
5. Certified Trainer with proven track record in the area of training and capacity works;
6. High computer skills, including MS package with ability to visualize concepts and convey messages;
7. Excellent English language skills (written and spoken).

6.4. Project Coordinator:

1. University degree in Accounting, Business Administration;
2. Experience in public sector with proven knowledge in project area context and stakeholders;
3. Excellent Computer skills in MS Excel, Word, and Power Point, with expertise in accounting software in use by local government units;
4. Proven experience in data collection and field works documentation;
5. Good English and Arabic language skills (written and spoken);
6. Excellent communication skills.

7. Selection Method, Type of Contract

7.1. Selection Method:

The consultant will be selected in accordance with the procedures set out in the World Bank's Regulations: World Bank Procurement Regulations for Investment Project Financing (IPF) Borrowers, dated July 2016, and revised in November 2017 and August 2018. The selection of the consultant shall be in accordance with the **Consultant Qualification Selection (CQS)** procedures as defined in the Bank Guidelines.

7.2. Type of Contract:

The contract shall be based on a **lump-sum** amount and payments shall be linked to the outputs as defined by the tasks to be carried out as defined in this TOR.

8. Payment Schedule

Payments will be paid according to the following:

- Payment 1: Twenty (**20%**) percent of the contract amount shall be paid upon the submission of the **Inception Report** acceptable to the Client.
- Payment 2: Forty (**40%**) percent of the contract amount shall be paid upon the submission of the **Assessment Report** (Tasks 1 and 2) acceptable to the Client.



- Payment 3: Forty (**40%**) percent of the contract amount shall be paid upon submission of **Recommendation Report** and **Final Report** (Tasks 3 and 4) acceptable to the Client.



Annex 1: Member LGUs at the Joint Service Council (JSC-KRM)

Not including UNRWA Refugee Camps.

Governorate	Local Government Unit	Population 2020
Middle Area	1. Nuseirat	59,079
	2. Bureij	16,685
	3. Zawayda	25,679
	4. Maghazi	10,415
	5. Deir al Balah	80,924
	6. Musaddar	2,786
	7. Wadi as Salqa	7,233
Khan Younis	8. Al Qarara	31,425
	9. Khan Yunis	222,251
	10. Bani Suheila	44,899
	11. A'basan al Jadida	10,066
	12. A'basan al Kabira	29,002
	13. Khuza'a	12,339
	14. Al Fukkhari	6,981
Rafah	15. Rafah	185,735
	16. Al-Nnaser	9,707
	17. Al Shokat	17,769