



MINISTÉRIO DAS CIDADES
Secretaria Nacional de Saneamento Ambiental
Programa de Modernização do Setor Saneamento-PMSS
Unidade de Gerenciamento do Programa-UGP/PMSS



Terms of Reference

**CONSULTANCY SERVICES FOR ASSESSING THE IMPACT OF PRIVATE
SECTOR PARTICIPATION IN THE PROVISION OF WATER SUPPLY AND
SANITATION SERVICES IN BRAZIL.**

CONTENTS

Acronyms and Definitions

ABCON - Associação Brasileira das Concessionárias Privadas de Serviços Públicos de Saneamento (Brazilian Association of Private Concessionaires of Water Supply and Sanitation Public Services)

ABDIB - Brazilian Association of Basic Infrastructure and Industry (Associação Brasileira da Infra-estrutura e Indústrias de Base)

ABES - Brazilian Association of Sanitary and Environmental Engineering (Associação Brasileira de Engenharia Sanitária e Ambiental)

ABNT – Brazilian Association of Technical Norms (Associação Brasileira de Normas Técnicas)

AESBE - Association of States' Basic Water Supply and Sanitation Companies (Associação das Empresas de Saneamento Básico Estaduais)

AGUA e VIDA - Centre for Studies on Environmental Sanitation (Centro de Estudos de Saneamento Ambiental)

AIDIS - Inter-American Association of Sanitary and Environmental Engineering (Associação Interamericana de Engenharia Sanitária e Ambiental)

ASFAMAS - Brazilian Association of Manufacturers of Sanitation Materials and Equipment (Associação Brasileira dos Fabricantes de Materiais e Equipamentos para Saneamento)

ASSEMAE – National Association of Municipal Water Supply and Sanitation Services (Associação Nacional dos Serviços Municipais de Saneamento)

BIRD – International Bank for Reconstruction and Development (World Bank) (Banco Internacional para a Reconstrução e o Desenvolvimento/Banco Mundial)

BOT – Built, Operate and Transfer (Construção, Operação e Transferência)

CD – Compact Disk

FNU - National Front of Urban Service Providers (Frente Nacional dos Urbanitários)

FUNASA - National Health Foundation (Fundação Nacional de Saúde)

IBGE – Brazilian Institute of Geography and Statistics Foundation (Fundação Instituto Brasileiro de Geografia e Estatística)

MCIDADES – Ministry of Cities

ONG – Non-Governmental Organization

SO – Service Order

PMSS - Water Sector Modernization Programme (Programa de Modernização do Setor Saneamento)

PNAD - National Research of Households Sampling (Pesquisa Nacional de Amostra por Domicílios)

PNSB - National Research on Basic Water Supply and Sanitation (Pesquisa Nacional de Saneamento Básico)

PNUD - United Nations Development Programme

Work Schedule – Characterization, methodology of execution and schedule of activities

that comprise the services, to be presented by the Consultant in its proposal and approved by the UGP.

PSP - Private Sector Participation

SANEPAR – Water Supply and Sanitation Company of the State of Paraná (Companhia de Saneamento do Paraná)

SANEATINS – Water Supply and Sanitation Company of the State of Tocantins (Companhia de Saneamento do Tocantins)

SDP – Proposals Request

SINAENCO - National Trade Union of Architecture, Advisory Engineering Companies (Sindicato Nacional das Empresas de Arquitetura, Engenharia Consultiva)

SNIS – National System Information on Water Supply and Sanitation (Sistema Nacional de Informações sobre Saneamento)

SNSA - Environmental Sanitation National Secretariat at the Ministry of Cities (Secretaria Nacional de Saneamento Ambiental do Ministério das Cidades)

Terms of Reference (TOR) – Set of technical information and prescriptions preliminarily established by the Client, in order to define and characterize the guidelines, the Programme and the methodology related to the work or service to be executed

UGP/PMSS – Programme Management Unit/Water Sector Modernization Programme (Unidade de Gerenciamento do Programa/Programa de Modernização do Setor Saneamento)

CONSULTANCY SERVICES FOR ASSESSING THE IMPACT OF PRIVATE SECTOR PARTICIPATION IN THE PROVISION OF WATER SUPPLY AND SANITATION SERVICES IN BRAZIL

1. OBJECTIVE

The objective of the consultant services to be financed under the Second Water Sector Modernization Program (PMSS II) is to assess the impact of Private Sector Participation (PSP) in the provision of water supply and sanitation services in Brazil. More insight in the impact of PSP can potentially contribute to achieving universal service provision of water supply and sanitation, and as such help to comply with the “Millennium Development Goals” - MDG.

2. JUSTIFICATION

The prevailing model in Brazil at the end of the 20th century involved the provision of water supply and sanitation services through public water companies. Nevertheless, experience with private participation in water supply and sanitation services dates back in Brazil since the 19th century. During the 1990s, as in many other countries, private sector participation in the provision of public services became more prevalent, and focused initially on the supply and distribution of electric power, telephone services, and the granting of highway and railway concessions.

In 1994, the municipalities of Pereiras (5,000 pop) and Biritiba Mirim (20,000 pop) in the state of Sao Paulo were pioneers in the concession of service providing rights to private companies in the current cycle. In 1995, two laws (Laws 8.987/95 and 9.074/95) were enacted that regulated the schemes of public services concession and allowance to private companies in the country. After the enactment of these Laws many concessions have been granted.

In the period between 1994 and 1999, the largest concessions in Brazil occurred in the State of Rio de Janeiro. During that four-year period, the most important concessions as measured in population served were granted in the municipalities of Armação de Búzios, Arraial do Cabo, Cabo Frio, Iguaba Grande and Sao Pedro da Aldeia, comprising a current population of 412.573 inhabitants for which Pró-Lagos is the concessionaire. In addition, concessions were granted in Campos (350.000 inhabitants) , Niterói (465.000 inhabitants), and Petrópolis (229.559 inhabitants). Yet, the experience of PSP was not limited to concessions only. BOTs were granted for the cities of Birigui, Cajamar, Itu, Jaú, Jundiaí, Marília, Ourinhos, Ribeirão Preto and Sao Carlos. Other experiences relate to the partial capital divestiture of SANEPAR (State water company of Parana) and of SANEATINS (state water company of Tocantins).

In the period after that, between 1999 and 2004, for the first time in the country's history concessions were granted for state capital cities. The most significant concession was granted to the city of Manaus (state of Amazonas) in July, 2000, when DRMA-Suez Ambiental started to provide water supply and sanitation services to a population of 1.373.181 inhabitants. The capital city of the State of Mato Grosso do Sul, Campo Grande, also granted services in October, 2000 to Águas de Guariroba operator, as a full concession to serve 643.092 inhabitants.

Currently, private concessionaires serve a population of about 7 million people in 63 municipalities in the country, which represents approximately 4.5% of the country's population or 1% of its municipalities. According to ABCON – Brazilian Association of the Private Concessionaires of Water Supply and Sanitation Public Services, the private sector may invest R\$ 3.4 billion until the end of their concession contracts. Out of that total, R\$ 1.1 billion had been committed by December 2004, and the forecast for the next 5 (five) years (2005-2009) involve investments of approximately R\$ 635 million. The data also show that up to 2009 private operators may have invested the equivalent of almost 52% of the total investments established in the contracts that will expire between 2025 and 2030.

Table 1 below shows in detail the existing private concessions in Brazil as of today according to information provided by ABCON.

Table 1 - PSP Arrangements in Brazil by Type and Population Served

State	Population Served	Full Concessions (water supply and sanitation)	Partial and BOT	Partial Capital Divestiture	Management Contract
Amazonas (1)	1.373.181	1. Manaus.			
Ceará (1)	538.312				1. Fortaleza
Espírito Santo (1)	177.050	1. Cachoeiro do Itapemirim.			
Mato Grosso (7)	98.339	1. Carlinda; 2. Cláudia; 3. Guarantã do Norte; 4. Matupá; 5. Nobres; 6. Primavera do Leste; 7. Sorriso.			
Mato Grosso – concessionaires not associated to ABCON (10)**	431.947	1. Arenápolis; 2. Juscimera; 3. Guarantã do Norte; 4. Marcelândia; 5. Matupá; 6. Nova Xavantina; 7. Pontes and Lacerda; 8. Santa Carmem; 9. Sorriso; 10. União do Sul.			
Mato Grosso do Sul (1)	643.092	1. Campo Grande.			

State	Population Served	Full Concessions (water supply and sanitation)	Partial and BOT	Partial Capital Divestiture	Management Contract
Minas Gerais (3)	36.397	1. Araújo; 2. Bom Sucesso; 3. Paraguaçu.			
Paraná (1)	135.856	1. Paranaguá.			
Rio de Janeiro (7)	1.827.209	1. Araruama, Silva Jardim, Saquarema; 2. Armação de Búzios, Arraial do Cabo, Cabo Frio, Iguaba Grande and Sao Pedro D'Aldeia; 3. Campos; 4. Guapimirim; 5. Niterói; 6. Petrópolis; 7. Nova Friburgo.			
Santa Catarina (1)	31.510	1. Itapema.			
Sao Paulo (17)	2.236.383	1. Guará; 2. Limeira; 3. Mairinque; 4. Mineiros do Tietê; 5. Mirassol.	1. Araçatuba; 2. Birigui; 3. Cajamar; 4. Itu; 5. Jaú; 6. Jundiaí; 7. Marília; 8. Matão;		

State	Population Served	Full Concessions (water supply and sanitation)	Partial and BOT	Partial Capital Divestiture	Management Contract
			9. Mauá; 10. Ourinhos; 11. Ribeirão Preto; 12. São Carlos.		
Tocantins (1)	937.660			1. SANEATINS (117 served municipalities)	
TOTAL	8.466.936	37	12	1	1

Notes:

1. Source: ABCON – Brazilian Association of Private Concessionaires of Water Supply and Sanitation Public Services.

**. Since concessions are in the stage of studies there is no precise information to categorize them as full or partial.

Although customer satisfaction surveys are regularly undertaken by concessionaires to evaluate the general satisfaction with the provision of water and sanitation services and information is provided on the level of investments planned and implemented, there are no systematic studies evaluating the impact of PSP.

There is no consolidated information that allows us to evaluate the way private sector companies have entered these markets, the options taken by each municipality and the degree of service improvements (with regard to the operational, financial and management performance of the utilities) and the quality of services provided by concessionaires. Also, there are no structured analyses on the institutional and legislation basis offered to the participation of private concessionaires and investors.

Neither do we have studies to demonstrate improvements in the access to services by income groups, the degree of institutional improvement of grantors in the conduction of long term concession processes, or their ability to adjust the flaws that may have occurred at the time of concession, even after more than ten years of the commencement of private participation in the provision of water supply and sanitation services in Brazil.

It is necessary, then, an analysis of issues related to the advantages and disadvantages of this format of provision. Such analyses are of great relevance for the design of public policies, especially in the current context of achieving the Millennium Development Goals related to the access of safe and sustainable water supply and sanitation services.

Additionally, independent groups and many agencies involved in the provision of water supply and sanitation services at worldwide level agree that a global review is necessary to evaluate the impact of private sector participation in these services, with the purpose of achieving the Millennium Development Goals.

The International Water Conference held in Bonn Germany, in 2001, led to the *Global Water Scoping Process*, a Working Group comprising six different sub-groups all members with distinct operational experience in water supply and sanitation services who agreed on reviewing the impact of PSP in the provision of such services. This *Global Water Scoping Process* Working Group includes ASSEMAE (National Association of Municipal Water and Sanitation Services), Consumers International, WaterAid, RWE Thames Water and the Environmental Monitoring Group. This Group coordinated the initial studies to undertake a review of private participation in the provision of water supply and sanitation services and has organized a workshop in Berlin, held in June 2004, with 60 participants from all over the world, where they ratified the idea of undertaking PSP impact studies in different countries, with the objective to globally disseminate the studies' results.

As a result, a Brazilian Group made up of eleven agencies representative of the water supply and sanitation sector in the country was created. These agencies are (in alphabetical order): ABCON (Brazilian Association of Private Concessionaires of Water Supply and Sanitation Public Services), ABDIB (Brazilian Association of Basic Infrastructure and Industry), ABES (Brazilian Association of Sanitary and Environmental

Engineering), AESBE (Association of States' Basic Water Supply and Sanitation Companies), AGUA e VIDA (Centre for Studies on Environmental Sanitation), AIDIS (Inter-American Association of Sanitary and Environmental Engineering), ASFAMAS (Brazilian Association of Manufacturers of Water Supply and Sanitation Materials and Equipment), ASSEMAE (National Association of Municipal Water Supply and Sanitation Services), FNU (National Front of Urban Service Providers), SNSA (National Secretariat for Environmental Sanitation at the Ministry of Cities) and SINAENCO (National Trade Union of Architecture, Advisory Engineering Companies). The Brazil Working Group has been working since 2003 and is coordinated by ABES and its Executive Secretariat is managed by ABCON.

3. OBJECTIVE AND SCOPE OF WORKS

3.1 Objective

The Consultancy Services aim to assess the impact of PSP in the provision of water supply and sanitation in Brazil. Consultants shall examine the impacts by answering the questions that shall guide the investigation and that are described in the Scope of Works (defined in Section 3.2 of this Terms of Reference).

3.2 Scope of Work

To examine the impact of PSP in the provision of water supply and sanitation services, consultants shall comply with the requirements contained in the current section and which are divided into two parts:

Part 1: The purpose of Part 1 is the elaboration of a general and short document related to the provision of water supply and sanitation services in Brazil. The document shall highlight the key elements that allow (i) to detail the participation of public and private providers, services coverage levels and regional disparities among the largest geographical regions; (ii) the sector's general regulatory environment; and (iii) particularly regarding the private sector, the interactions of the water supply and sanitation sector with sectors such as water resources management, health, natural environment and urban development, as well as others the consultant may deem pertinent in the context of this document.

Part 2: Consultant shall answer three fundamental questions. As a guideline to the elaboration of the answers to these questions, the Consultant shall analyze in detail the impact of PSP in these three areas.

Question 1 – What is the impact of Private Sector Participation on the performance of utilities in the delivery of water and sanitation services?

The answer to this question must necessarily include an analysis of the following aspects:

- 1.1 improvement in the utilities' operational performance;
- 1.2 improvement in the utilities' financial performance;
- 1.3 increase of investments in the sector

While researching items 1.1, 1.2 and 1.3, the consultant shall at least be taking into consideration but not limited to the following aspects:

- (i) level of investments made, including own resources, government sources and financing, and estimated benefits regarding access, both from investments already made and to be made, annually and *per capita* and whenever possible in comparison with contract goals;
- (ii) sources and costs of the funding used by concessionaires (own resources and resources from third parties, for example) as well as the net profit throughout the concession period;
- (iii) economic costs for the provision of water supply and sanitation services and identification of productivity gains;
- (iv) assessment of operational efficiency, improvements and deteriorations;
- (v) the companies' Chart of Accounts, especially from the point of view of control by the incumbent provider of services and of the obligations undertaken in relation to the concession;
- (vi) the compliance with environmental and health norms including an evaluation of the pertinent indicators;
- (vii) management innovations implemented and the information system for commercial management, such as the structure, the quality and efficiency of collection;
- (viii) levels of physical and non-physical water losses, as well as the actions that have been implemented for the management of water losses, including technical, institutional and commercial aspects, among others; and
- (ix) actions implemented for the efficient use of energy and other inputs to the production of water or the collection, treatment and disposal of wastewater.

Question 2 – What is the impact of Private Sector Participation on households and their access to and the quality of water and sanitation services?

The answer to this question must necessarily include an analysis of the following aspects:

- 2.1 access to services

2.2 tariff and subsidy policies

2.3 quality of services provided

This analysis shall be measured through a household survey that the consultant should ensure is representative of the population served. This household survey may be supplemented by specific surveys that are more participatory in nature.

While researching items 2.1, 2.2 and 2.3, the consultant shall take into consideration at least, but not necessarily be limited to, the following aspects:

(i) The development of coverage as established in the concession contract and verification of compliance. In the case of non-compliance with these coverage goals, investigate the solutions adopted. Should no goals have been defined for coverage levels, consultants shall present the evolution of coverage of services during the period of concession;

(ii) analysis and evaluation of the coverage of services involving water supply, collection, treatment and final disposal of sewage systems, in specific areas of servicing, including low-income areas, and areas that are in the periphery of the service area; if, for any reason, areas were not included in the concession, the solutions taken;

(iii) evolution of water supply and sanitation tariff levels, readjustments and revisions applied to tariffs, since the start of the concession, in comparison with price indexes deemed appropriate to the sector with the purpose of identifying the behaviour of tariffs in relation to inflation rates;

(iv) The default status of consumers;

(v) The social tariff policy implemented by the concessionaire, or other instruments that facilitate access to the low-income households, such as the existence of direct and/or indirect subsidies, social programmes, *inter alia*; and

(vi) The most important factors to evaluate the quality of services provided, such as, for example, the continuity and regularity of services.

Question 3 – What is the fiscal impact of Private Sector Participation?
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The Consultant shall investigate if there has been any fiscal impacts for the municipality or the State arising from PSP.

To determine the fiscal impact, the consultant shall take into consideration at least the following aspects without necessarily be limited to them:

(i) The change in expenditure related to public debts and deficits due to PSP ;

(ii) The change in payments and/or receipts from the municipality or the State related to PSP; and

(iii) The PSP transaction costs (as measured for instance, in terms of investments regulatory costs, and other expenses incurred by the municipality or the State) to ensure the entry of a private operator in the water supply and sanitation market and its effecting by

stressing the treatment these expenses have received in the municipality's or State's accounts.

When determining the impact of PSP on utilities, households and government, the Consultant will evaluate how the different forms of PSP and existing institutional arrangements have impacted the results. The consultant shall take into consideration the following aspects without, however, being limited only to them:

- (a) different types of contracts;
- (b) the regulatory mechanisms that govern the different institutional arrangements, through an evaluation of the efficacy of such regulation;
- (c) the economic and financial incentives granted to the concessionaire as established in the PSP contract ;
- (d) the consonance or discordance of concession contracts objectives in relation to the urban policy established by the municipality/State and to Master Plans;

4. METHODOLOGY

The study shall have an investigative character and the Consultants shall use impact evaluation methods for their methodological approach. The basic characteristic of an **impact evaluation** is that it is an assessment of the extent to which interventions or programs cause changes in the well-being of target populations. An impact evaluation must estimate the counterfactual, which attempts to define the situation that would occur in the absence of a certain policy (in this case PSP). For more information on impact evaluations, see references as summarized in Section 8 of this Terms of Reference.

The Consultant may propose different methodologies in its Technical Proposal to provide answers to the three impacts to be measured, by taking into consideration the nature of these questions.

To design the methodological proposals the Consultant shall take into consideration the following elements:

4.1 Methodology Design

The Consultant shall:

The choice of methodology will depend on the evaluation questions, timing, budget constraints and implementation capacity. The scope of works lays out the different elements of the proposed impact evaluation, which is to make an assessment of the extent to which PSP has caused changes in the behavior and performance of households, utilities and governments.

The Consultant should in its Technical Proposal explain the evaluation methodology, addressing each of the three questions separately, discuss and accomplish the followings:

- (i) the type of evaluation to be undertaken addressing the degree of validity of results, and the degree of selection bias and how these will be addressed during the study;
- (ii) the estimation methods that follow the evaluation design;
- (iii) discuss the implementation issues that may compromise the PSP impact evaluation;
- (iv) wherever possible, complement quantitative research methods with qualitative ones;
- (v) wherever possible, design the study as in a way that follow-up studies can be easily facilitated and implemented;
- (vi) and report extensively on the methodology used to ensure future replicability of the study as the selection of the methodologies are considered a fundamental part of the study. To that effect, the Consultant should in its Final Report deliver to the PMSS all survey instruments, sampling design strategies, questionnaires, databases, interviewer manuals, codebooks, and any other pertinent information collected through the assignment; and
- (vii) and elaborate in the Technical Proposal strategies for the collection of additional information for the implementation of the study.

4.2 Use of Data and Information

The consultants shall use

- a) secondary databases, as much as possible, for their analyses, except for the impact on households that will require primary data collection. The secondary databases that could be used by the Consultant are including, but not limited to, data and information from SNIS (www.snis.gov.br), PNAD, PNSB, the Demographic Census (www.ibge.gov.br);
- b) with the purpose of complementing the existing secondary information, consultants shall undertake field research with qualified personnel, when the necessary additional data shall be collected from households, service providers and state or municipal agencies;
- c) in the specific case of examining private participation in the SANEATINS, the collection of complimentary data for the analyses will be done through a field research only at the Company's headquarters.

The information and indicators used to evaluate PSP in the provision of water and sanitation services shall make up the databases compatible with the systematic of SNIS – National System of Information on Water Supply and Sanitation.

We suggest that the following phases, at least, shall comprise the study:

- (i) Work Plan – the Consultant shall elaborate a work proposal considering the current Terms of Reference;
- (ii) Methodology – definition of the methodology considering its theoretical foundations and the identification of the analysis' scope;

- (iii) Methodology Application and Results;
- (iv) Database – construction of a database with the information and indicators used, formatted in a friendly fashion and compatible to that of SNIS, with updating mechanisms, operational manual and full documentation; and
- (v) Analysis of study consistency, considering the interviews with selected actors and triangulation of information.

5. REPORTS, PRODUCTS AND WORKSHOPS

5.1. Reports and Products

When the proposal is presented, Consultant shall propose a Work Plan that will serve as the basis for contract implementation. In the Work Plan, the Consultant shall detail the products and the contents related to the studies contracted (including all phases and products) considering compliance with all aspects required by the current Terms of Reference. The Consultant may propose the presentation of intermediary products that facilitate the evaluation of works. The inclusion of these products in the Adjusted Work Plan will be decided by the Coordination of studies (Work Management and Follow-up Group). After making the adjustments agreed upon by the above mentioned Group, as described in item 6, and the Consultant contracted, this latter party shall present an Adjusted Work Plan.

The study shall generate, at least, the following products:

- Product 1 – Adjusted Work Plan;
- Product 2 – Methodology, containing a detailed description of the methodologies used to answer the questions and all the instruments that will be used in field research;
- Product 3 – Draft Report, containing the general context of the sector, compliance with Part 1 of the scope, full documentation on the analysis done and on the results generated by the application of the methodology;
- Product 4 – Final Report and Database. As part of the Final Report an executive summary shall be prepared on all the work, in no more than 20 (twenty) pages. The Final Report and the executive summary shall be presented in Portuguese and in English.

The final version of each product shall incorporate commentaries and suggestions made by the workshops and the Work Management and Monitoring Group.

Besides the products described above, the Work Management and Monitoring Group may request that the Consultant, during the period of conducting the studies, prepares summarized texts (in no more than 10 pages) on some specific items of the work that the Group may deem necessary, such as the approach used in the study to classify low-income households, a summary of methodologies, *inter alia*.

5.2. Workshops

The Consultant shall prepare a proposal for the organization of 2 (two) workshops, which will be held with the purpose of discussing the study's methodology, its implementation, and the results as established below:

Workshop 1: Presentation and Discussion of the Methodology: the purpose of this Workshop is to describe the study's methodology and implementation. After the conduction of this workshop, the Consultant shall complete the methodology using the recommendations proposed by the different stakeholders.

Workshop 2: Presentation and Discussion of Results: the purpose of this Workshop is to present the results to the different stakeholders and to gather recommendations that will be used to complete the study.

The trial agendas for the two workshops shall be proposed by the Consultant.

The Workshops will be held in Brasilia, DF, at a venue yet to be indicated by the Work Management and Monitoring Group.

The Workshop participants will also be appointed by the Group, comprising the following relative quantity of participants: Workshop 1: 15-25 participants; Workshops 2: 25-45 participants.

All equipment necessary for successful presentation of the workshops shall be provided by the Consultants

6. WORK MANAGEMENT AND MONITORING GROUP

The follow-up and the evaluation of the study will be done by a Work Management and Monitoring Group made up of two representatives from the UGP/PMSS, two from the Brazilian Group for the Review of Private Sector Participation in the Provision of Water Supply and Sanitation, as described in item 2, and the World Bank. The members of the Work Management and Monitoring Group may invite experts to participate in the Workshops.

The Work Management and Monitoring Group shall ensure a proper implementation of the study by providing permanent guidance, monitoring results and approving progress reports and the final report. Formal approval of reports and communication of opinions to the Consultants will be taken by consensus between the two representatives of the UGP/PMSS and the Brazilian Group for Review of PSP.

There will be a Contract Manager at the UGP/PMSS, especially assigned to implement this activity, responsible for issuing authorizations, receiving and forwarding documents and technical activities, and authorizing corresponding payments.

7. TEAM COMPOSITION

7.1 Key Team Members

It is envisaged that a successful completion of this study will rely heavily on the establishment of a strong team of specialists. The Consultant will demonstrate that the proposed project team comprises of sound technical competence in household surveys, utility management and fiscal expenditure analysis, while also including perceptive insights in the water and sanitation sector. The proposed team will demonstrate a realistic mix of relevant personal experience in impact evaluation design, conduct of household and other field surveys (sampling, data collection, survey techniques, quality control, data entry and data cleaning) and data analysis.

The Consultant will propose and justify the disciplines included in the project team. It is expected that the Consultant will field a team which principal members among them possess the following characteristics:

Table 2 – Key Team

Number of professionals	Professional experience/Position	Years of experience	Other requirements
1	Coordinator, knowledge and experience with: <ul style="list-style-type: none">• evaluation of the impact of reform policies;• quantitative research analyses;• understanding of the impact of private sector companies participation in the provision of water supply and sanitation services;• project coordination.	10	Excellent qualifications in the preparation of reports and the presentation of the issues in workshops
1	Expert in water and sanitation utility management, with knowledge and experience in: <ul style="list-style-type: none">• measuring the operational performance of water supply and sanitation utilities, including but not limited to management of water losses; technological innovations; efficiencies in service	10	Understanding of the problematics involving the provision of water supply and sanitation services in Brazil

Number of professionals	Professional experience/Position	Years of experience	Other requirements
	provision; measuring the financial performance of water supply and sanitation utilities.		
1	<p>Economist with knowledge and experience in:</p> <ul style="list-style-type: none"> • household survey design, implementation and analysis; • poverty analysis; • tariff and subsidy policies and its impact on utilities' performance and households' access to WSS services. 	10	
1	<p>Economist with knowledge and experience in:</p> <p>Fiscal expenditure and fiscal management</p>	10	
1	<p>Expert in legal and institutional analysis with knowledge and experience in:</p> <ul style="list-style-type: none"> • design and analyses of concession contracts; • legal instruments for the regulation of water supply and sanitation services provision. • institutional arrangements for the functioning of private sector activities. 	10	

Under no circumstance the professionals who participate in the Consultant team can be affiliated to or hired by any one of the utilities that provide water and sanitation services in or outside Brazil, neither to any one of their subsidiaries or controlled companies.

7.2 Support Team

The Consultant shall present in its Technical Proposal the complete technical team that will provide services, with their respective functions.

8. REFERENCES

The Consultants are provided with the following references :

Private Participation in Water Sector: Cases Studies, Lessons and Future Options. Revised Draft. Report No 19896 BR.

Antonio Estache, Andres Gomez Lobo and Danny Leipziger, *Utilities Privatization and the Poor: Lessons and Evidence from Latin America*. World Development 29 (7); pp. 1179-1198, 2001.

Vivien Foster and Caridad Araujo, *Does Infrastructure Reform Work for the Poor: A Case Study from Guatemala*. World Bank, Washington DC, December 2001.

Vivien Foster, *Measuring the Impact of Energy Reform: Practical Options*. Public Policy for the Private Sector nr. 210. Washington DC, May 2000.

Clarke, George R.G; Kosec, Katrina; Wallsten, Scott, *Has Private Participation in Water and Sewerage Improved Coverage? – Empirical Evidence from Latin America*. Policy Research Working Paper, no. 3445. Washington DC, 2004.

Caroline van den Berg, *Water Concessions: Who Wins, Who Loses, and What to Do about It*. Public Policy for the Private Sector nr. 217. Washington DC, October 2000

Judy L. Baker, *Evaluating the Impact of Development Projects on Poverty: the Handbook for Practitioners*. World Bank, Washington DC, 2000

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/EXTISPMA/0,,menuPK:384339~pagePK:162100~piPK:159310~theSitePK:384329,00.html>

Urquhart, Penny and Moore, Deborah. *Global Water Scoping Process: Is There the Case for the Multistakeholder review of Private Sector Participation in Water and Sanitation*. ASSEMAE – National Association of the Municipal Sanitation Services, Consumers International, WaterAid, RWE Thames Water and Environmental Monitoring Group, 2004.

The contact address for more additional information is:

Program Management Unit - UGP/PMSS

Water Sector Modernization Programme - PMSS

SCN Q 01 B 8th floor

Ed. América Office Tower

Zip Code: 70.711-905, Brasilia – DF, Brazil

Phone: 55-(61) 3327-5006

E-mail: nyedja.marinho@cidades.pmss.gov.br

Att.: Ms. Nyedja da Silva Marinho

from 9 to 12 am and from 2 to 6 pm (local time), from Monday to Friday.

9. PROVISION OF SERVICES

The consultancy will be implemented at the Consultant's Headquarters and in the places indicated in Table 1 of this Terms of Reference (PSP in Brazil and Population Served by Private Service Providers according to the type of PSP arrangement).

10. SUGGESTED IMPLEMENTATION SCHEDULE

The implementation of of the consultancy is 9 (nine) months to be counted from the issuance of the Service Order (SO) by the Client, to be made in no longer than 10 (ten) days after signing the contract. Below, you will find the activities as detailed in the SUGGESTED IMPLEMENTATION SCHEDULE.