

Draft Final Report

Establishment and Development of a National Water and Sanitation Regulatory Authority

to

Ministry of Water and Environment
Republic of Yemen

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Consulting**



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**Establishment and Development of a National Water and Sanitation
Regulatory Authority**

to

**Urban Water Supply and Sanitation Project
Ministry of Water and Environment
Republic of Yemen**



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1 INTRODUCTION

1.1 Project Overview

The main objective of this assignment is to produce a detailed framework for the establishment and development of an urban Water and Sanitation Services (WSS) Regulatory Authority for Yemen. The regulation strategy developed by the Consultants should take into account the nature of operational service provision in the country and future developments and reform policies planned for the industry including the possibility of the introduction of PPP arrangements. In developing the regulatory framework, the Consultants should:

- Consider and present a range of options for the provision of regulation services (together with the associated advantages and disadvantages associated with each given Yemen's particular circumstances).
- Develop an organisational structure for the regulatory authority.
- Create enabling legislation for the regulator to be established.
- Produce an implementation plan that sets out the actions that need to be taken for the regulatory authority to commence operations and which summarises the regulator's funding needs.

Phase One of the study entailed presenting a series of options to the Government of Yemen (GoY) and the Ministry of Water and Environment (MWE) in particular with respect to how the WSS strategy may best be realised. The Consultants also presented an overview of how the WSS would operate, the nature of the regulatory objectives it should meet, an organisational and high-level operational structure for the regulator and a review of the legal framework within which the agency would operate.

The Consultants recommended that an independent WSS regulatory agency be developed i.e. a body formed outside of the MWE and not formally linked with any of its constituent departments and authorities. This WSS regulator should be established by law and adopt a legal organisational form (a 'Jihaz') that maximises its independence and operational flexibility i.e. it should be free to recruit its own staff, be responsible for its own financing and have powers to implement and enforce its authority.

A second choice approach entailed adopting a two phased approach to developing this independent WSS regulator for reasons of political and temporal expediency i.e. there was a concern that it may take some considerable time to pass a law to create an independent regulator from the outset. The first phase of the strategy, therefore, had the regulator being established within the MWE but at 'arms length' from the Minister and the other departments / authorities comprising the Ministry. Whilst such a regulatory agency was being established a parallel stream of activity would be undertaken leading to passage of the law transforming the regulator into an independent body.

The Implementation Plan assumes that the recommended strategy of establishing an independent regulator is adopted. The Consultants are also firmly of the opinion that it is unwise to proceed with the development and capacity building of the Regulator without additional consultancy support. Terms of Reference for such support form part of this

study (Appendix III). However, the process for recruiting the consultants to provide this support will likely take a minimum of twelve months to complete. Consequently, during this time the Ministry of Water & Environment (MWE) should make every effort to secure passage of the law establishing the Regulator or, at the very least, achieve significant progress in the process. If it appears that the law will be considerably delayed i.e. will take more than eighteen months from the conclusion of this project to be enacted, then the second option of adopting a two phase approach should be adopted. Under either strategy, technical assistance will be required in order to help ensure the Regulator is properly established, equipped and staffed.

1.2 Structure of the Report

This Draft Final Report is principally an Implementation Document as it contains the key ingredients needed to realise the WSS regulation strategy put forward by the Consultants. Specifically, it contains the following elements:

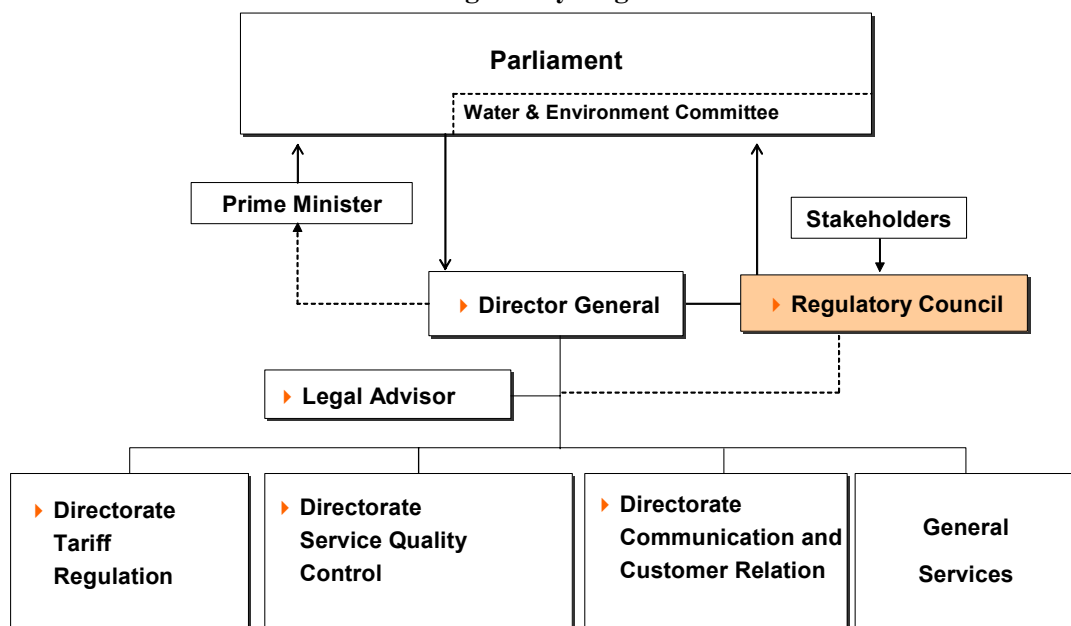
- Chapter 2: Organisational framework for the regulator (with detailed job descriptions included as an Appendix).
- Chapter 3: Enabling legislation for establishing the independent regulator will be contained in this Chapter in the Final Report. For this version of the Draft Final Report a separate document containing draft legislation will be circulated..
- Chapter 4: An implementation plan for regulatory development (with an Implementation Budget and Terms of Reference for the next phase of support activities required to bring the WSS regulator into operational reality included as Appendices).
- Chapter 5 discusses the Next Steps required in the process to facilitate the agreed upon regulatory strategy.
- Three Appendices contain respectively: detailed job descriptions for each of the staff of the Regulator; an Implementation Budget, Terms of Reference for the next phase of technical support to establish the Regulator.

2 ORGANISATIONAL STRUCTURE

2.1 Governance Structure

In order to achieve a reasonable degree of organisational independence best practice is to have the Regulator attached to the Parliament (in Yemen, the House of Representatives), as it is the state’s highest organ. The following figure indicates the proposed governance structure:

**Figure 2.1:
Governance Structure of the National Water & Wastewater
Regulatory Organisation**



The Regulator (NJRWSS) reports to the Water and Environment Committee, meaning that the Regulator should submit its annual report to the Committee for approval. The Committee, in turn, presents the report to the House. The Regulator will submit its budget to the Ministry of Finance to be included in the government’s annual proposed budget for submission to, and approval by, parliament.

The Regulatory Council is the decision-making body of the NJRWSS. In order to facilitate transparent regulatory decision making based on technical grounds, it would be composed of the Director General, the Director for Tariff Regulation, the Director for Service Quality, Control and the Director for Communication and Customer Relations as well as two additional stakeholder representatives. The objective of including the stakeholder representatives is to enhance transparency and to include an ‘outside’ perspective into the decision taking. The stakeholder representatives could come for instance from the Congress of Chambers of Commerce and the Consumers’ Protection Association.

The Regulatory Council shall be chaired by the Director General and it shall meet for the dispatch of business as often as it is called in by the chair, but at least once a quarter. The

decisions of the Regulatory Council shall be taken by majority voting of all members present at the meeting. The quorum shall be four, although the Director General has to be present. Each member has one vote and in the case of equality of votes, the Director General shall have the casting vote in addition to a deliberative vote.

A further element to enhance independent decision taking by the Regulator is to include in the Law establishing the Regulator a formal recruitment process for the Director General and for the heads of the three directorates. A special Working Group (supported an international recruitment consultant) will be created by the Water and Environment Committee and charged with proposing a shortlist of candidates for each post. The Committee will make a selection from the shortlist and submit its recommendation for each position to the President (for the Director General position) or Prime Minister (for the heads of directorates positions).

Also, the terms of office (number of years in office) of the Director General and the Head of the Directorates will be limited to five years with only one possibility for reappointment. The timing should not coincide with the mandate of the President or the Government and will be staggered to ensure continuity (i.e. contracts for directors would expire in different years).

2.2 Management and Administration

The proposed internal organisational structure is geared to facilitate independent decision taking by the Regulator in line with the governance structure described previously. Furthermore, the internal organisation of the regulator has to ensure accountability and transparency. It also has to provide a structure that enables highly qualified staff to effectively prepare the material needed for decision taking as well as to carry out the other regulatory functions. A draft staffing plan including detailed job descriptions and indicating staff requirements is presented in Appendix I.

2.2.1 Management

The organisation is headed by the Director General. His function is the general management of the organisation and he should officially represent the Regulator in public. The Director General also chairs the meetings of the Regulatory Council with the power to break a voting tie, if needed.

The Director General is responsible for: overall management of the Regulator; defining its objectives and management guidelines; ensuring regulation policy is translated into day-to-day operational management; reporting to the House of Representatives; guaranteeing efficient coordination between Directorates and Departments, liaising with external entities (external interfaces) including any international interventions made by the Regulator; ensuring legality of all acts executed by the enterprise; supervising regulatory concepts and methodologies; and leading the Regulator's engagement in any private sector participation (PSP) initiatives that may be undertaken in the sector.

The person selected for the Director General position should, ideally, have occupied a senior management position in the utility sector (preferably water and wastewater) or a regulatory institution for at least 10 years. During his/her

professional career he/she also should, preferably, have had private sector experience. On this basis he/she should have developed a good understanding of: modern utility management; knowledge of water/wastewater services; sensitivity in relation to the political implications of public service provision; an understanding of economic, technical and customer orientation issues; the capability to mediate between technical, economic and political subjects; the ability to guide decision making within time constraints; and the competence to lead the organisation towards providing efficient regulatory service decision making and financial self-sufficiency.

In order to carry out its attributed functions, the Regulator is structured into three main directorates. In addition the organisation should have a legal advisor and a general services department. The tasks of the directorates are structured as follows:

- Tariff Regulation.
- Service Quality Control.
- Communication and Customer Relations.

The heads of the directorates are selected, nominated and appointed according to the same procedure as the Director General. As they form part of the Regulatory Council, it is important to ensure a relatively high degree of independence in order to facilitate solid regulatory decisions. Consequently, the heads of the directorates manage their area of responsibility with broad autonomy, reporting on regulatory issues to the Regulatory Council. With respect to internal management they are a line function subordinate to the Director General.

2.2.2 Directorate: Tariff Regulation

The directorate for tariff regulation will focus on tariff setting by the Water and Wastewater Service Providers. It has to develop and update financial models for each of the Water and Wastewater Service Providers taking into consideration all provided services (water and wastewater). The regulator will evaluate the financial viability and efficiency of the Water and Wastewater Service Providers on an ongoing basis. To be able to accomplish this, the Water and Wastewater Service Providers' capital development and operational expenditure plans have to be known and need to be evaluated with respect to their appropriateness. The directorate will have the following functions:

- Assessing financial viability and efficiency.
- Evaluating justification of investments and their cost effectiveness.
- Reviewing and recommending revisions to tariffs according to a procedure established by the directorate.
- Reviewing and recommending subsidy schemes that impact upon the Water and Wastewater Service Providers' pricing policy.
- Developing milestones for asset and tariff development to ensure or enhance financial viability and efficiency of utility operations.

On the basis of the directorate's work, the Regulatory Council will approve or reject the Water and Wastewater Service Providers' applications for tariff adjustments. In the Yemeni environment, with Water and Wastewater Service Provider tariffs typically below full cost coverage, it may be necessary to phase in tariff increases gradually until a target tariff level is achieved.

The Director (who must be a qualified engineer or economist with at least 10 years of experience in his field) manages the directorate's work in relation to tariff regulation, including the development and update of financial models for each of the Water and Wastewater Service Providers. He/she leads the development of tariff methodologies, procedures and internal guidelines and their application once approved.

The directorate will be staffed with one water supply planning engineer, one wastewater planning engineer and one economist or financial analyst all of whom must have work experience of not less than 5 years in their field of specialisation. In addition, the directorate will need at least two support staff.

2.2.3 Directorate: Service Quality Control

The directorate for Service Quality Control focuses on the performance and operational efficiency of the Water and Wastewater Service Providers'. It will differentiate the Water and Wastewater Service Providers performance according to: (i) service quality as perceived by the users; (ii) service provider's efficiency according to quantitative performance indicators; and (iii) compliance with technical industry standards. The work will build on the experience of the PIIS developed with support of the GTZ sponsored Technical Secretariat and now operated by the MWE's planning department. The directorate will revise the set of performance data that is currently requested to be provided by the Water and Wastewater Service Providers and will then undertake regular and ongoing analysis. Furthermore, the directorate will carry out the following functions:

- Developing (in association with the Regulatory Council) and monitoring each Water Service Provider's compliance with standards for service quality, efficiency, customer relations, industry technical standards and other performance objectives required by its license and its approved Development Plan.
- Enhancing competition in the sector wherever possible.
- Evaluating the consistency and complementarity of relevant technical, operational and financial rules and regulations and proposing revisions as required to achieve consistency and complementarity.
- Auditing of drinking water quality tests.
- Auditing of wastewater analysis.
- Developing milestone targets and benchmarks for assessing the service performance of each service provider as well as for the sector as a whole.

- Working with the Legal Advisor with respect to licensing policy.

Indicators of performance are calculated for each Water and Wastewater Service Provider on a regular basis and then presented to the Water and Wastewater Service Providers and the general public (the customers) in a comparative way. The transparency created by this methodology results on the one hand in peer pressure among the regulated Water and Wastewater Service Providers, as they have to explain apparent inefficiencies among themselves and, on the other hand, pressure from customers who may start to question why “their” Water and Wastewater Service Provider delivers below average service.

Comparative Competition can be further enhanced through the definition of performance targets or benchmarks to be accomplished for certain indicators. The objective of performance targets and benchmarks is to indicate the optimal level of service quality to be either achieved in the framework of a milestone concept by those Water and Wastewater Service Providers that are currently below desired target levels of performance or to be maintained by the already better performing Water and Wastewater Service Providers. As the sector’s Water and Wastewater Service Provider performance may be expected to improve over time, so the targets will need to be adjusted in order to enhance service quality for the customer and to further improve the operator’s efficiency. Appropriate targets and benchmarks and schedules for achieving them will be established by the Regulatory Council on the basis of technical proposals made by the directorate.

Part of the directorate’s work also entails the monitoring of drinking water quality control carried out by the Water and Wastewater Service Providers and other service providers (tanker trucks, purification plants, jerry cans and smaller private networks). This monitoring activity will entail reviewing existing procedures followed by the Water and Wastewater Service Providers and service providers that are already monitoring drinking water quality, and proposing changes where required, or in requiring the introduction of regular quality control in cases where this is not the case yet. The directorate will develop the concept for the reviews and then contract local external consultants to carry out the field work. The same concept will also be applied to the control of effluents of waste water treatment plants. Furthermore, regular auditing of the reported data on drinking water quality and effluents will be carried out through local consultants contracted through public bidding by the Regulator.

Based on the performance data provided by the Water and Wastewater Service Providers, the directorate, in coordination with the Legal Advisor, prepares decision taking proposals for the Regulatory Council concerning the issuing of licenses or enforcement of existing license conditions for water supply and wastewater service providers.

The head of the directorate must have a degree in Engineering or Economics and occupied an operational management position in a water supply and wastewater utility for at least 10 years. He/she must have acquired a profound understanding of the interdependencies between commercial and technical issues; developed the capability to delegate functions and to monitor staff performance; have a proven record in concept development and analytical thinking; and possess good communication skills.

The staff of the directorate will also be comprised by one operations engineer, one environmental engineer and one economist, all of whom must be qualified professionals with practical experience of not less than 5 years. In addition the directorate will require four support staff.

2.2.4 Directorate: Communication and Customer Relations

Communication with Water and Wastewater Service Providers, as well as with other sector organisations and with the general public, is paramount for the regulator. Although the regulator will have leverage over the Water and Wastewater Service Providers through the issue of licenses and the tariff approval process, day-to-day work will be much easier if the Water and Wastewater Service Providers co-operate voluntarily with the regulator. This is the reason why the regulator should follow a transparent and consultative approach. It is also necessary for the NJRWSS to communicate and liaise directly with customers through mechanisms such as the holding of public hearings and conducting consumer satisfaction surveys in order to ascertain how well Water and Wastewater Service Providers are performing from the perspective of their customers.

Part of this communication process will be formalised in committees (one committee for the Water and Wastewater Service Providers and another for other regulatory organisations in Yemen) and part will have to be carried out within the framework of a general public relations strategy developed by the Regulator. For this purpose the Regulator is well advised to maintain a specialised directorate for Communication and Customer Relations. The directorate would carry out the following functions:

- Publishing regular information on the activities of and decisions taken by the NJRWSS.
- Publishing regular information on Water and Wastewater Service Provider performance.
- Liaising with Water and Wastewater Service Providers (“Utility Advisory Committee”).
- Liaising with MWE, NWRA, EPA and YSMQCO (“Regulator Coordination Committee”).
- Liaising with MoLA and Local Council Service Committees.
- Consulting with, survey and educate customers as necessary.
- Liaising with the Water and Environment Committee.
- Initiating and supporting scientific projects on water supply and sanitation issues with universities or schools and other activities that are able to raise the Regulator’s own information base and the awareness on water supply issues of the general public.

The head of the directorate must have acquired 10 years of experience in marketing, ending in a management position. Additional experience in journalism with strong media relations as well as public utility would be an asset. Excellent communication, writing and interpersonal skills, are required as well as good planning, project management and organisational skills.

The Director for Communication and Customer Relations will be assisted by a professional journalist and publishing and designing expert, each of whom with at least 5 years of experience in their fields and two support staff.

2.2.5 Department: General Services

General Services is a support unit to the Regulatory Council, Management and Directorates and refers to the internal administration and logistical support functions of the organisation. Therefore, this area does not have the status of a Directorate, but is regarded as a department. As a consequence, the head is not submitted to the previously described Director appointment procedures but will be contracted directly by the Director General.

As the total number of staff of the Regulator is relatively small, the respective administrative support structure may also be lean. Also, the financial administration of the NJRWSS should not be too complex due to a relatively small budget and clear financing rules.

Special attention will be necessary for IT activities, as the Regulator's IT structure will not only consist of simple "from the shelf" office software but also database applications, modern internet communication and website management. The functions of the General Services Department may be summarised as follows:

- Manage NJRWSS's human resources.
- Manage NJRWSS's finances.
- Provide office logistics.
- Manage IT procurement and support.

The department is headed by the Chief of Staff who manages the internal administration and logistical support of the regulator organisation, which includes administration of staff, keeping the financial records and providing IT administration. The Chief of Staff should have work experience in administrative management positions in the private as well as in the public sector of at least 7 years.

He/she will be assisted by an accountant, two IT experts and four support staff. The total staff of the department includes three support staff for the Director General, the Legal Advisor and the Regulatory Council respectively.

2.3 Staffing Plan

The Table below summarises the staffing strategy described in the previous sections. In its final ‘steady state’ form, it is proposed that the Regulator will employ a total of 32 staff, 17 of whom will have professional qualifications. These staff will, of course, be employed in a gradual manner over the course of the first two to three years of operation of the Regulator.

In terms of the proposed salary structure presented in the Table, the following points should be noted:

- The salary rates for each grade of staff have purposely been set at a relatively high level by Yemeni standards. This is in order to attract the best possible individuals and to reduce the likelihood of corruption.
- In order to develop a budget, a salary range for each level for staff has been forecast. In practice, different applicants will have different qualifications and experience and so the salaries paid will have to reflect these differing capabilities.

**Table 2.1:
Salary Schedule**

Job Category	Salary group	Salary Rate				number of positions	Total Monthly Payroll				Total Yearly Payroll		Total Yearly Payroll	
		From		To			From		To		From		Total Yearly Payroll	
		USD	YER	USD	YER		USD	YER	USD	YER	USD	YER	USD	YER
Director General	1	1,128	220,000	2,256	440,000	1	1,128	220,000	2,256	440,000	13,538	2,640,000	27,077	5,280,000
Head of Directorate	2	1,026	200,000	2,051	400,000	3	3,077	600,000	6,154	1,200,000	36,923	7,200,000	73,846	14,400,000
Chief of Staff and Legal Advisor	3	872	170,000	1,538	300,000	2	1,744	340,000	3,077	600,000	20,923	4,080,000	36,923	7,200,000
Professional Staff	4	667	130,000	1,128	220,000	11	7,333	1,430,000	12,410	2,420,000	88,000	17,160,000	148,923	29,040,000
Executive Secretaries	5	308	60,000	513	100,000	5	1,538	300,000	2,564	500,000	18,462	3,600,000	30,769	6,000,000
Office Assistants	6	205	40,000	308	60,000	5	1,026	200,000	1,538	300,000	12,308	2,400,000	18,462	3,600,000
Clerks and Driver	7	103	20,000	154	30,000	5	513	100,000	769	150,000	6,154	1,200,000	9,231	1,800,000
Total						32	16,359	3,190,000	28,769	5,610,000	196,308	38,280,000	345,231	67,320,000

Exchange Rate USD/YER

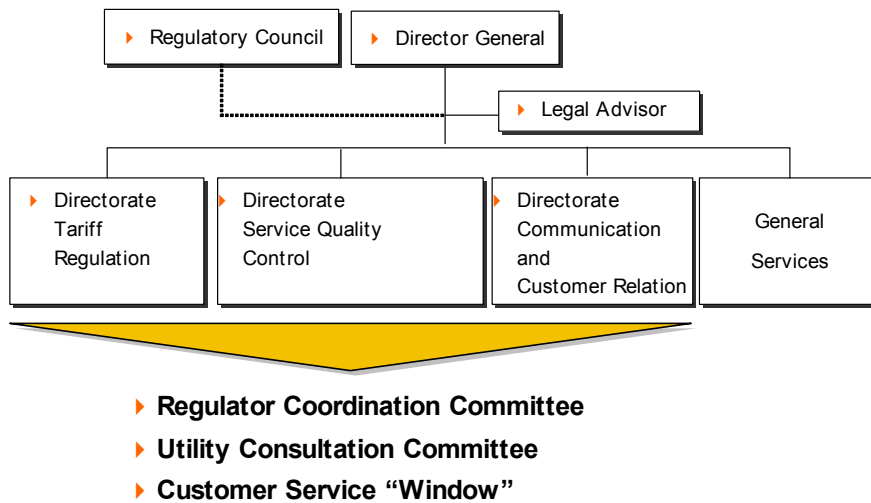
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2.4 External Interfaces

The Regulator, through its Communication and Customer Relations Directorate, will have to develop external communication channels with legislative and executive organs in order to facilitate the NJRWSS’s participation in national (and possibly international) policy dialogue. Furthermore, it has to interact with a series of sector organisations. First of all, there is a need to co-ordinate standard setting and enforcement procedures with other existing regulatory institutions. Therefore, it is proposed to formalise this coordination through a special Regulator Coordination Committee. It is also necessary that the Regulator maintains an active dialogue with the regulated Water and Wastewater Service Providers and other service providers. This should be formalised through a Utility Advisory Committee. Lastly, the Regulator needs to have the opportunity to interact with customers. Presently in Yemen, customers are not yet especially well organised into consumer representation groups and so the concept of a “Customer Window” has been

developed which would enable communication channels to be established with the Service Committees of the District Local Councils as well as civil society organisations.

Figure 2.2
A Structure of formal Interfaces



The meetings of the Committees can be organised by the Directorate for Communication and Customer Relations of the NJRWSS, which can also provide secretarial support. Rules and procedures would need to be drafted for each committee. Meetings could be held at different levels, e.g. head of organisations, department chief, etc., depending on the agenda. If policy clarification is needed, representatives of the MWE should be invited.

2.4.1 Regulator Coordination Committee

The Regulator has to interact with three other organisations that handle regulatory issues relevant for the urban water supply and wastewater sector. First of all, NWRA is in charge of water resources regulation and, among other activities, monitors the development of groundwater tables and issues licenses for wells. The protection of water resources and the supervision of water supply service standards are intimately related in a country where water resources are generally depleting. Concerning wastewater, EPA issues guidelines for environmental protection assessments. The organisation is also in charge of supervising the utility’s wastewater treatment installations and operations and this activity will need to be carried out in coordination with the Regulator. Finally, YSMQCO regulates national norms and standards including those relating to water quality. The institution is also engaged in quality testing. In order to avoid overlapping activities, co-ordination with the NJRWSS will be required.

The function of the proposed Regulator Coordination Committee can be summarised as follows:

- Consulting with regard to standards and their impacts on the members’ respective areas of jurisdiction and enforcement.
- Promoting the establishment by each of its members in a co-ordinated manner of standards and enforcement mechanisms..

- Reporting on different institution's monitoring work to avoid overlapping activities and to inform on the level of compliance with standards.
- Defining common positions and resolving common problems.
- Helping to define and coordinate enforcement mechanisms and procedures between members.

Besides the future regulator for water and wastewater itself, the members are:

- NWRA, which is in charge of the water resources regulation.
- EPA, which is in charge of environmental protection regulation.
- YSMQCO, responsible for national norms and standards regulation.
- Others, as appropriate.

2.4.2 Utility Consultation Committee

Although the Regulator acts autonomously from the water supply and wastewater utilities and service providers are obliged to implement regulatory decisions, the Regulator should follow a consultative approach towards the Water and Wastewater Service Providers in order to ease a potentially conflicting relationship. In this sense the work of the committee is envisioned as being complementary to the one-to-one relationship that the Regulator will establish during the course of carrying out its responsibilities with the regulated Water and Wastewater Service Providers. If service providers are well informed about the Regulator's "thinking" and the philosophy behind its decision making, they can better plan their own policies and activities for which they will need the Regulator's approval. A consultative approach also means that the regulator should be willing to listen to the Water and Wastewater Service Providers' concerns and problems which they may have regarding certain actions or policies undertaken by the Regulator. Through the work of this committee, the Regulator should be able to facilitate communication with the service providers and to avoid deadlock situations in case of conflict.

Issues for consultation with the regulated Water and Wastewater Service Providers will likely include:

- Establishment and/or harmonisation of procedures among Water and Wastewater Service Providers so that Water and Wastewater Service Provider data and documents (e.g. financial statements, cost estimations, etc.) are transparent and comparable.
- Compliance with, and enforcement of, standards.
- Development of performance benchmarks.
- Tariff regulation.
- Other issues of common interest.

Besides the future regulator for water and wastewater itself, the committee members are:

- NWSA.
- Autonomous NWSA Branches.
- LCs.
- Autonomous Branches of LCs.
- Others as appropriate. For specific issues of concern to this committee, such as water quality, also other organisations such as the envisioned Tanker Service Association, Purification Plants operators and private small network operators can be invited.

2.4.3 Customer Service Window

The functions of the “Customer Service Window” are to (i) consult with customers to identify their needs and monitor their satisfaction with services; and (ii) provide mechanisms for resolving complaints that have not been resolved by the service providers.

For the purpose of consultation, the Regulator would approach the Service Committees of the District Local Councils and other customer organisations that may exist, as appropriate. In addition, the Regulatory may organize and *ad hoc* meetings at the local level for the purpose of consultation, conduct surveys or use other means to measure customer satisfaction.

The Customer Service Window will be operated by the Directorate for Communication and Customer Relations. Initially, meetings will be organised with representatives of the District Service Committees to explain the function of the new Regulator and to obtain feedback on how the committees can best interact with the NJRWSS. The intention would be to eventually establish customer service committees that could integrate members of several District Service Committees and through which the Regulator could communicate directly with customer representatives. This communication channel can also provide information from the Local Councils on the public perception of Water and Wastewater Service Provider performance.

For specific questions of interest to the Regulator, such as the affordability of current or future water tariffs or the consumption pattern of specific customer groups, the NJRWSS may organise focus groups or contract customer surveys independently from the Water and Wastewater Service Provider’s own customer relations activities. Obtaining independent information will be important for the Regulator to be able to assess the Water and Wastewater Service Provider’s performance with respect to meeting customer concerns.

Another important process through which the Regulator will be able to monitor Water and Wastewater Service Provider’s performance concerns the handling of

customer complaints. Included in the draft legislation establishing the Regulator (and eventually also a licence condition) are provisions requiring each Water and Wastewater Service Provider to establish customer complaint handling procedures. Any customer complaints should first be presented to the Water and Wastewater Service Provider for attempted resolution. If the problem is not resolved, or if the customer remains dissatisfied with the management of the issue, then the complaint may be presented to the Regulator to investigate. Providing the matter is of sufficient importance, the Regulator will investigate the matter and attempt to find a solution to the problem. The resolution to the matter may result in new conditions, standards or obligations imposed on some or all Water and Wastewater Service Providers.

3 DRAFT LAW

A separate document containing the draft law establishing the Regulator will be created and distributed to stakeholders. A final version of the draft law will be included in the Final Report.

4 IMPLEMENTATION PLAN

4.1 Introduction

The Implementation Plan draws together a number of enabling elements for the establishment of a Regulator for Yemen's WSS and covers the following areas:

- Recruitment and training.
- Public awareness.
- Organisational funding.
- Budget and timing.
- Implementation funding.
- Relationships with other organisations.
- Risk analysis.

4.2 Recruitment and Training

Once legislation establishing the Regulator has been adopted, the most important next step will be to recruit and train regulatory staff. Yemen, like most other developing countries, suffers significant constraints in terms of skilled and experienced resources in the field of regulation available to work within the WSS Regulator. Therefore, a well thought out and comprehensive recruitment strategy will be essential to obtaining high calibre individuals who may lack practical experience in regulation but will have the capability to undertake regulatory work once properly trained. In view of this resource constraint, recruitment may also require the NJRWSS to look outside of Yemen for appropriate people to take on key roles. In this instance, it is important to ensure that externally recruited resources properly understand the Yemeni environment and are able to transfer their knowledge to local resources.

A training plan will need to be developed in coordination with the recruitment process. As it is unlikely that all recruited staff will be sufficiently experienced to undertake regulatory work, an appropriate training strategy must be in place to quickly and effectively educate staff on regulatory issues and skill them in basic regulatory techniques. A comprehensive Training Needs Assessment (TNA) will therefore have to be carried out once the Regulator has been formally established and the recruitment process gets underway in order to clearly establish the capacity development needs of these staff. Reference to how other regulatory agencies – the Regulation and Supervision Bureau (RSB) of the Emirate of Abu Dhabi for example – have undertaken this process should be made. It is fairly safe to conclude, however, that even if the staff with the right kind of educational and skill backgrounds are located and attracted to work for the Regulator, a significant degree of regulation policy specific training will have to be deployed. Training can range from on-the-job-training to short courses to formal qualifications (as summarised in the the table below). The strategy must consider both the immediate requirements of the Regulator and the ongoing development of its staff.

Table 4.1 Training Options Summary

	Type of training	Advantages/Disadvantages	Recommendation
1.	Extended study through a degree or diploma program	<ul style="list-style-type: none"> • In-depth training provided • Extended period of absence • Costly • Difficult to find suitable courses 	Worthwhile for key members of staff
2.	Placement / Exchanges / Twinning	<ul style="list-style-type: none"> • ‘Hands-on’ training provided • Useful contacts made • Extended period of absence • Can be difficult to find hosts 	Very useful form of learning and recommended for all staff; twinning practical once the Regulator has been operational for two years
3.	Short Term Programs provided by Institutions	<ul style="list-style-type: none"> • Useful introduction to a subject • Useful contacts can be made • Limited transfer of knowledge • Expensive, especially for multiple staff 	Courses focused on subjects of particular interest to regulator staff – particularly tariff setting, license enforcement, target setting, etc. – should be identified and attended
4.	On-Line Training Programs	<ul style="list-style-type: none"> • Useful introduction to a subject • Inexpensive • Limited transfer of knowledge • Self-discipline required 	Limited impact but low cost makes them worthwhile for an introduction to a subject and as a form of ‘back-up’ training
5.	Tailor Made Short Term Training Programs	<ul style="list-style-type: none"> • Useful introduction to a subject • Focus on issues of particular interest to Yemen • ‘One-to-one’ questions and answers possible • Costly for small groups 	More useful than standardised programs and recommended for teaching key policy skills (e.g. tariff design and implementation) as well as for providing a general regulation overview for all regulatory staff and other stakeholders
6.	In-House Expertise	<ul style="list-style-type: none"> • ‘Hands-on’ assistance • Focus on issues of particular interest to Yemen • ‘One-to-one’ questions and answers possible • Costly • Difficult to find suitable staff 	Very valuable source of regulatory support (e.g. filling policy / procedural gaps) and training and, assuming funding can be made available, is recommended once the Regulator is established

In addition, it is important that mechanisms be established whereby staff who have been trained provide guidance and instruction to new employees.

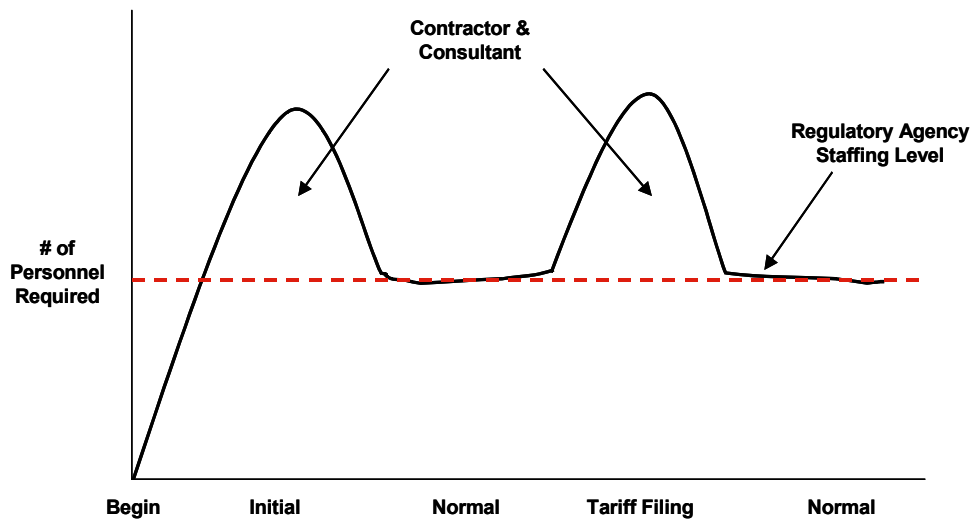
It is proposed that a combination of all six forms of training described above are used to train the staff of the Regulator. The TNA should set out a three year tailor made training regime for each employee of the Regulator depending on the skills possessed by that individual, the role he/she will play in the organisation and the level of funding available.

4.3 Staffing Levels and Remuneration

An important aspect of establishing the new Regulator concerns the recommended staffing level for each of the divisions contained within the organisation. Chapter 2 of this Report as well as Appendix I contain our initial proposals for how the Regulator should be staffed. This proposal represents the Consultant's best estimate for the level of capacity required for normal, 'steady-state' operations. The organisational staffing plan is not designed, and should not be designed, to meet peak load requirements for a number of reasons:

- The Regulator will have authority to hire temporary workers on a contract basis to either meet peak demands or to obtain expertise that the Regulator will require on specific occasions. An example of a type of expertise that might be required is the need for an expert to assist with defining Water and Wastewater Service Providers cost of capital or a depreciation expert to assist determining the depreciation tables of licensees in their tariff requests (note that a cost allowance has been made in the budget of the Regulator to pay for such assistance).
- The argument to increase staffing during the initial start-up phase is also a moot point for the same reason mentioned above. Typically, staff that are added to an organisation during an initial ramp-up phase actually never leave once the ramp-up period is over. Instead these excess employees are kept on for anticipated peak periods. To keep these excess employees busy, work is made for them that add questionable value for the enterprise and subsequently add unwarranted costs.
- It has also been observed that increases in staffing at this stage of an organisational life cycle is often associated with incoming managers veiled desire to gain power in the infant organisation by controlling as large a staff as possible and hence "owning" a larger share of the budget. The Regulator will have enough challenges without managers being more concerned with power than output of deliverables.

Figure 4.1: Staffing Requirements



The new Regulator should not allow material changes to the recommended levels of professional staff. If it does then, ultimately, excess staff will become a greater problem than the illusory regulatory issues they are meant to alleviate.

Another issue that will arise concerns the compensation bands for each grade of professional staff. In Chapter 2 of this Report we have provided initial proposals as to the kind of salary level that is appropriate for each grade of staff. Although it can be argued that professional staff at the same perceived level in the organisation should be paid the same this argument is not correct and is not recommended by the Consultant. Each staff member has a set of unique skills required to carry out the duties of a position. Each of the required skills is not equally available in the market or equal in what the market compensates for those skills. An example is that the skills to be an Administrator are valued differently in the market as opposed to a Financial Analyst. Therefore, if indeed it is the desire to recruit competent personnel for each position compensation should reflect market value.

Finally, although we have produced a forecast as to how many staff are expected to be engaged by the Regulator, it is not realistic to expect that a full complement of staff will be employed immediately. Rather, the objective should be to attract a core of key individuals – mostly senior level employees – who will form the nucleus around which the Regulator will grow.

4.4 Skills Sourcing & Training

4.4.1 Government Departments

Regulatory functions – such as tariff setting and performance monitoring – within the water sector are presently principally carried out by different departments and authorities within the Ministry of Water and Environment. When considering staffing the WSS Regulator, therefore, it is sensible to look first at those individuals who presently carry out quasi-regulatory functions.

It is important to note, however, that all applicants for posts within the Regulator will have to follow a formal and transparent recruitment process in which the skills and capabilities of each candidate are independently assessed against the criteria published for that position. No simple transfer of staff from a government department or some other government or non-government position should be permitted.

4.4.2 Other Skill Sources

Multiple other potential sources of staffing for the Regulator exist both within Yemen and abroad. These include:

- Water and Wastewater Service Providers – staff with appropriate qualifications and useful relevant experience may be attracted to the Regulator.
- Quasi-regulatory functions in Yemen – institutions such as the National Bank of Yemen perform a quasi-regulatory function in terms of overseeing the performance of operators within their industries. Such institutions may potentially offer a useful source of staff with experience in monitoring and enforcement activities.
- Foreign staff – multiple utility regulatory bodies have now been established across the world and an appropriate advertising campaign may appeal to experienced regulators to come and work for at least a two or three year period in Sana'a. Specific donor support may also be utilised to fund one or more such postings.
- Commerce and industry – although specialised skills and industry knowledge are required to act as an effective regulator, such expertise can quickly be taught to capable individuals. Therefore, the Regulator should cast its recruitment net as wide as possible to attract qualified accountants, lawyers, engineers, economists, businessmen, etc. who can rapidly adapt to working as a regulator.
- Graduates – recent university graduates, at both undergraduate and graduate level, can be brought in and trained to fill less senior positions within the Regulator despite their lack of work experience.

4.5 Public Awareness

A public awareness campaign is a crucial part of the implementation process for any new regulatory body. If the Regulator is to be successful, stakeholders, interest groups and customers must be aware of its existence and its role. The Regulator will rely heavily on stakeholder support as an empowerment tool and so sufficient funding and attention needs to be paid to communications and outreach activities.

4.6 Regulator Funding

The source of funding for the Regulator is a critical concern in terms of enabling it to undertake its work without the threat that resources may be withheld or cut. The draft legislation establishing the Regulator will help ensure that the organisation is neither fully

dependent on the government or industry for funding of its operational costs. Reliance on government may make the regulators susceptible to political intervention. Reliance on industry, particularly on a single monopoly or a few large firms, may mean the Regulator is compromised in carrying out its regulatory duties.

Given the organisational structure outlined in the Interim Report, we have estimated the expected operational costs for the new Regulator (note that these costs represent the expected final, ‘steady state’ expenses reached by the Regulator at maturity). This budget forecast is summarised in the Table below.

Table 4.2 Draft Budget for the Regulator

	unit	(month)				(year)			
		From		To		From		To	
		USD	YER	USD	YER	USD	YER	USD	YER
a) Salaries									
Director General	1	1,128	220,000	2,256	440,000	13,538	2,640,000	27,077	5,280,000
Head Directorates	3	3,077	600,000	6,154	1,200,000	36,923	7,200,000	73,846	14,400,000
Head General Services	1	872	170,000	1,538	300,000	10,462	2,040,000	18,462	3,600,000
Professional Staff	12	8,000	1,560,000	13,538	2,640,000	96,000	18,720,000	162,462	31,680,000
Support Staff	15	3,077	600,000	6,154	1,200,000	36,923	7,200,000	73,846	14,400,000
<i>Sub Total</i>		16,154	3,150,000	29,641	5,780,000	193,846	37,800,000	355,692	69,360,000
b) Admin running costs	lump sum					60,185	11,736,000	60,185	11,736,000
c) External Services	lump sum					98,174	19,144,000	98,174	19,144,000
TOTAL						352,205	68,680,000	514,051	100,240,000

Exchange Rate USD/YER

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It is important to note that these are only estimates and final budgets would need to be audited and approved by Government before being passed onto licensees and other fundors to pay.

It should also be noted that the following key assumptions have been made in producing the budget forecast:

- In order to attract highly qualified staff (and to reduce the potential for corruption), salaries have to be at private sector levels. Staff costs, therefore, will amount to anywhere from 55 – 69% of the total budget depending where in the salary range staff are paid.
- The Regulator’s administrative expenses (for office space, telephone, office supplies, etc.) are estimated as a lump sum of YER 11.7 million, which amounts to between 12 – 17% of total expenses.
- Provisions for external services, also a lump sum, are made in order to finance the foreseen on-site audits of drinking water quality control and waste water analysis as well as inspections of data collection. Furthermore, short term consulting support, publications and other marketing activities are to be financed out of this budget item.

4.7 Implementation Funding

Implementation costs are likely to be reasonably significant in the establishment of the Regulator. Costs will include:

- Locating the organisation.
- Capital infrastructure such as computers, phones, fax machines, photocopiers.
- Recruitment costs.
- Initial training costs.
- Public Awareness.
- Consultancy support.

As part of this study we have conducted an assessment of the likely costs for each of these factors. We have estimated the implementation costs as being approximately US\$ 600,000. This is considered a minimum amount. A breakdown of this estimate can be found in Appendix II. Terms of Reference for the consultancy support required to help establish the Regulator are presented in Appendix III.

4.8 Relationship with other Organisations

As discussed in Chapter 2, the Regulator's relationship with other organisations and stakeholders is crucial for its success. Primarily, it must establish good working relationships with its line ministry and the industry operators with whom it will be regulating, not to mention customers. Whilst regulatory capture is to be strongly avoided, it is important that both industry and government have confidence in the Regulator to make fair and appropriate rulings.

In addition, the Regulator must form relationships with other key stakeholders within the WSS. This may include environmental groups, consumer groups and standards organisations. The Regulator must be aware of the roles of these stakeholders within the industry and have an understanding as to how all concerned organisations can work together.

Finally, it is beneficial for the Regulator to establish relationships with other regulatory bodies, both within the region as well as more broadly, through regulatory forums. When regulatory policy is in its formation stage and there is relatively little historical experience to rely upon, support mechanisms provided by relationships with other (existing) regulatory bodies can give confidence and understanding to staff working within the Regulator.

4.9 Risk Analysis

There are, of course, a very large number of factors that could, potentially, slow down or derail the implementation of the recommended regulatory framework. Rather than try and produce an exhaustive list of these factors, we have presented below some of the fundamental concerns that need to be addressed in order to give the strategy at least a fighting chance of being fulfilled. These key concerns include:

- Lack of understanding and knowledge concerning the proposals. It is very much a part of human nature to resist change particularly when it is not clear to the individual why such change is necessary. In order for these regulation proposals to be accepted therefore, a broad consensus-building exercise is necessary. This is clearly not an easy thing to achieve not least because of the multiple different, and sometimes conflicting, interests that are present in this arena. Making repeated presentations to interested stakeholder groups is perhaps the best, and at least most pragmatic, approach to adopt. To this end, several such presentations have been made during the course of this project and further educative sessions may need to be undertaken by the MWE.
- Considerable delays in passing enabling legislation is clearly both a possibility and a major concern in terms of slowing down the momentum created through the course of this study. This is the principle reason for the inclusion of the option of a two-phased approach in Phase One of the project in which a Ministerial Decree is used to establish a 'semi-autonomous Regulator' as a first step (although even here it is clearly vital that such a Decree is implemented in the near term) whilst the law enabling a fully independent regulator continues its progress and, once passed, becomes the second step. The Consultant's concerns with respect to this strategy – principally that the second stage involving passage of a law to create an independent Regulator may never happen – have been well documented. However, as discussed in the Introduction of this Report the Consultant's proposal is that if it appears that the law will be considerably delayed i.e. will take more than eighteen months from the conclusion of this project to be enacted, then the second option of adopting a two phase approach should be adopted.
- Locating and attracting skilled staff to populate the new Regulator is likely to present a major problem. We have purposely kept the numbers required to staff the Regulator to a minimum, but even so it will possibly take several years before a full complement of staff are found. It is important that sufficient funding is put in place in order both to appeal to quality candidates through the ability to offer attractive salaries and to enable proper and effective training to be delivered to these individuals. Nonetheless, it cannot be emphasised enough that a failure to employ quality staff will result in the creation of a discreditable regulator which will serve no purpose for anyone.
- Ongoing donor support to establish and develop regulatory capacity will be necessary and it is important to try and attract such commitment sooner rather than later.

4.10 Implementation Plan

The policy and operational environment of Yemen's WSS will fundamentally change with the introduction of the Regulator. In order to ensure that such change is managed properly, sufficient time must be allowed for effective implementation to occur. This is particularly relevant with respect to the recruitment and training process for the staff of the Regulator.

An outline of the suggested timeframe for implementation can be found below. The timelines assume that legislation process is not unduly slow and that Government and Donor Agencies have approved and will financially support the implementation of the organisation. Two key assumptions underlying the plan are:

- Implementation activities such as developing a business plan, starting the recruitment process, identifying premises for locating the Regulator and starting to develop the codes, procedures and rules needed for regulatory policy implementation are assumed to get underway before the legislative process is necessarily completed. Some activities, such as those relating to the creation of licenses, regulations and codes, can commence prior to the employment of the Director General and other senior regulatory staff. However, it is important that these individuals become engaged in the development process as early as possible in order that they can take ownership of the output and to facilitate capacity building.
- A certain period of time has been permitted for the legislative process to be completed. Even taking into account the previous assumption, there will come a point at which commencement of operations of the Regulator will be dependent upon this legislation being enacted. We have assumed that this takes place within the specified legislative timeframe. If it does not, then either the implementation process will have to be suspended in terms of technical support provision or else a switch to the 'two-stage' strategy is adopted.

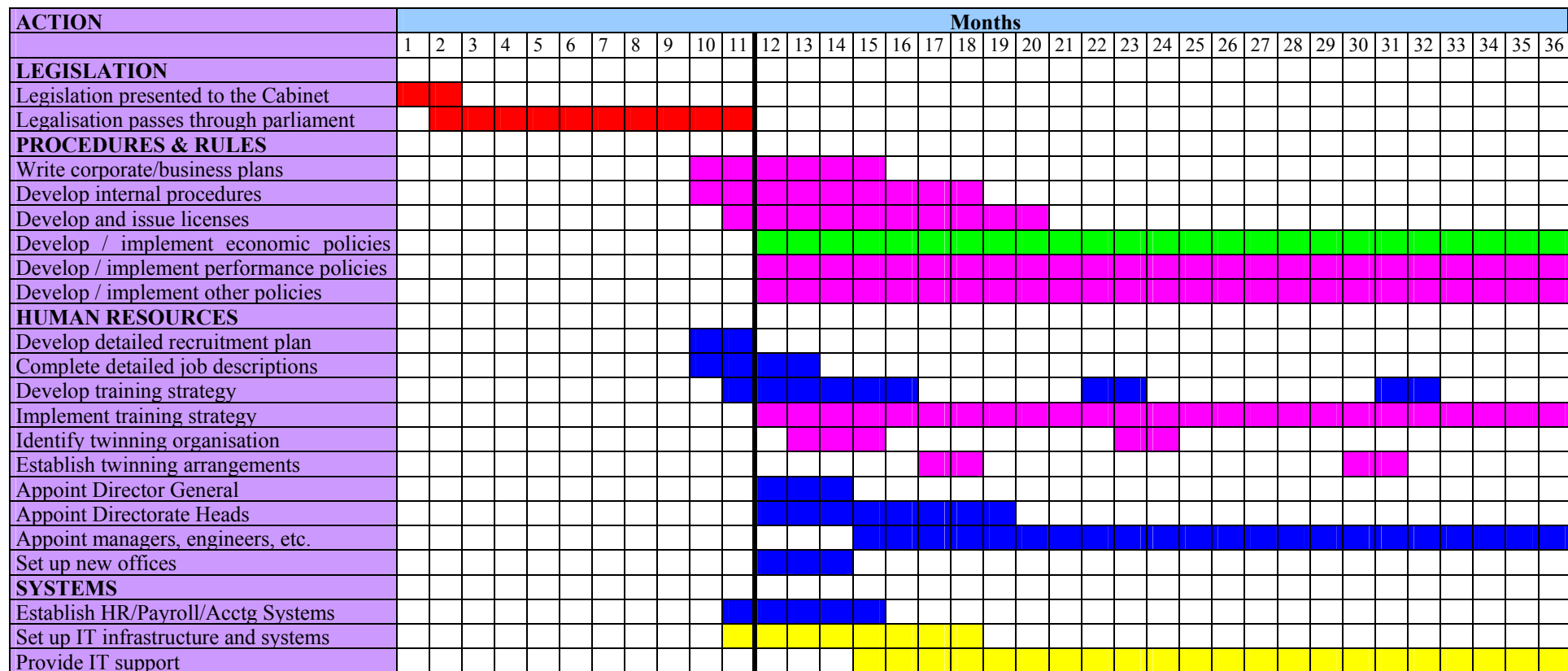
As agreed with the MWE, separate time plans have been developed for the two possible scenarios discussed at the Workshop in May: the approach recommended by the Consultant in which a Law is used to establish the Regulator as an independent organisation and a 'two-stage' process in which an enabling Ministerial Decree is used to establish the Regulator under the auspices of the Ministry of Water and Environment whilst a parallel stream of legislative activity continues with the objective of passing a law to re-establish the Regulator as a more independent organisation.

The activities comprising the Implementation Plan set out below have been split up into four categories – Legislation, Procedures & Rules, Human Resources and Systems. The activities carried out under each of these categories are assumed to be undertaken by different teams of Implementation Consultants. The following points may be noted with respect to the activities comprising the Implementation Plan:

- Legislation – it is assumed that an initial two month phase occurs during which the Minister presents the Regulation strategy to the Cabinet and attempts to secure support that will permit a relatively smooth passage of the legislation through parliament (a ten month parliamentary process is assumed).

- Legislation – under the ‘two-step’ approach (Figure 4), it is assumed that a Ministerial Decree is passed with very little difficulty or delay (two months is supposed) and that a parallel stream of activity resulting in passage of a law gets underway immediately following passage of the Decree. A longer period is assumed for this law to pass through parliament. Aside from this change however, the two Implementation work-streams are assumed to be virtually identical although clearly there is assumed to be less time prior to enablement of the Decree for preparation activities to get underway.
- Procedures and Rules – the Business Plan for the Regulator sets out a very detailed plan of action for how the Regulator will be going about fully establishing itself, its work priority areas, long term recruitment and training plan, etc.
- Procedures and Rules – licenses have been separated out as a specific policy (rather than being lumped in with other activities) because it is a critical action with respect to conferring authority and power on the Regulator.
- Procedures and Rules – a large number of activities are assumed to be included under the heading ‘economic policies’ such as tariff setting, license monitoring, financial analysis, competition assessment, etc.
- Procedures and Rules – performance policies are assumed to be a combined resource activity as they will require both technical and economic input as well as the engagement of stakeholders (including, potentially, bodies charged with carrying out audit activities on a sub-contracted basis).
- Procedures and Rules – a large number of activities are also assumed to be included under the heading ‘other policies’ such as dispute resolution, communications, PSP facilitation etc.
- Human Resources – although much of the HR recruitment and training planning activities are assumed to take place before legislation is enabled, the formal recruitment and training process is assumed to have to wait until enablement occurs and then is assumed to take place in a sequential fashion.
- Human Resources – the training process is assumed to carry on virtually continuously for the first three years of operation of the Regulator.
- Systems – IT support is assumed to carry on for the life of the Regulator.

Figure 4.2 Implementation Plan for WSS Regulator – One Step (Legislation) Process



Key:



Figure 4.3 Implementation Plan for WSS Regulator – Two Step (Legislation) Process

ACTION	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	
LEGISLATION																																					
Ministerial Decree passed	█	█																																			
Legislation presented to the Cabinet			█	█																																	
Legalisation passes through parliament			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
PROCEDURES & RULES																																					
Write corporate/business plans			█	█	█	█	█	█	█	█																											
Develop internal procedures			█	█	█	█	█	█	█	█	█																										
Develop and issue licenses			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Develop / implement economic policies			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Develop / implement performance policies			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Develop / implement other policies			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
HUMAN RESOURCES																																					
Develop detailed recruitment plan		█	█	█	█	█	█	█	█																												
Complete detailed job descriptions		█	█	█	█	█	█	█	█	█																											
Develop training strategy		█	█	█	█	█	█	█	█	█	█					█	█					█	█														
Implement training strategy			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Identify twinning organisation			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Establish twinning arrangements					█	█	█	█	█																												
Appoint Director General			█	█	█	█	█	█	█	█																											
Appoint Directorate Heads			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Appoint managers, engineers, etc.			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Set up new offices			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
SYSTEMS																																					
Establish HR/Payroll/Acctg Systems		█	█	█	█	█	█	█	█																												
Set up IT infrastructure and systems		█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Provide IT support																																					

Key:

- Legal Team
- Economic/Technical Team
- Organisational/HR Team
- IT Team
- Combined

5 NEXT STEPS

The key priority is for the legislative process to get underway which, in turn, requires the support and approval of the Cabinet. The Minister for Water and Environment will need to take a highly proactive stance if the preferred strategy for securing passage of a law through parliament in the near term is to be achieved. Similarly, firm Ministerial support will also be needed if the ‘two-step’ strategy is adopted and a Decree is to be quickly enacted.

A second priority is for the Technical Secretariat at the MWE to approach donors to start the process of securing funding for the implementation of the regulatory strategy. As indicated earlier in this Report, it is important that momentum is not lost and that the implementation process gets underway as soon as possible.

A third priority is to start the recruitment process. It is not necessary for donors to be identified or for the legislation to have been enacted, for job descriptions to have been prepared, newspaper advertisements to have been created, and appropriate individuals for some of the positions to have been identified, if not actually approached.

As an ancillary point, it might be considered a sensible course of action to conduct a public relations exercise with MWE staff and other key stakeholders in order to inform them that the move towards independent regulation is underway and what such a strategy will entail for both their functions as well as the industry more broadly.

APPENDIX I – REGULATOR STAFFING

DIRECTOR GENERAL	
Job-number	001
Directorate	
Department	--
Sub-Department	--
Job-title	Director General
Objective of Position	Overall Management; definition of objectives and management guidelines; implementation of regulatory policy through appropriate day-to-day management; reporting to the Water and Environment Committee of the House of Representatives; guaranteeing efficient coordination between Directorates and Departments, liaison with external entities (external interfaces); ensuring legality of all acts executed by the enterprise; supervision of concepts and methodologies.
Subordinated to	The House of Representatives
Superior to	Directorate Tariff Regulation, Directorate Service Quality Control, Directorate Communication and Customer Relation, General Services
Deputy	Director Tariff Regulation, Director Service Quality Control
Required	
» Qualification	Economist (M.SC); Engineer (M. SC), proficient in Arabic and English Language
» Experience	Senior management position in the utility sector (preferably water and wastewater) or another regulatory institution for at least 10 years. Experience in the private sector is desirable.
» Competencies	Understanding of the management of modern water and wastewater service providers; knowledge of water /wastewater services; sensitivity to political implications of public service provision; understanding of economic, technical and customer relations; ability to mediate between technical, economic and political subjects and guide timely decision making; competence to steer the organization towards efficient provision of regulatory services and financial self-sufficiency; team building capability
Job-description (Activities)	The Director General is the highest executive employee of the regulator. He is appointed by the House of Representatives and represents the regulatory body in relations with third parties. He chairs the meetings of the Regulatory Council with the power to break the tie. He develops and establishes the business policy as defined by the Regulatory Council. He is responsible for steering and supervising the organization in day-to-day-operations in line with the adopted charter. His scope of work includes the preparation of reports related to the execution of the regulatory function as well as internal documents related to the organization itself (such as yearly business plans, etc.)
Salary-level	1

LEGAL ADVISOR	
Job-number	006
Directorate	--
Department	--
Sub-Department	--
Job-title	Legal Advisor
Objective of Position	The Legal Advisor analyses legal issues and ensures the legality of regulatory activities such as the issuance of licenses and regulations, monitoring, enforcement, dispute resolution and the conduct of public hearings.
Subordinated to	Director General
Superior to	
Deputy Required	
» Qualification	Lawyer, proficient in Arabic and English Language
» Experience	Min of 10 years experience as lawyer in the public and private sectors
» Competencies	Sound knowledge of pertinent public and private law. Familiarity with relevant sector institutions including central and local authorities. Some knowledge of international law. Excellent writing and communication skills.
Job-description (Activities)	<ul style="list-style-type: none"> ■ Providing legal advice on a day to day basis ■ Assisting in drafting of rules, regulations, licenses and legislation within the competency of the Jihaz ■ Appearing on behalf of the Jihaz in all judicial and administrative court proceedings ■ Supervising the Jihaz's document control center in receiving and distributing all documents received by the Jihaz, including e.g. applications for licenses, reports from service providers and correspondence from the public or governmental officials (docketing) as well as creating and maintaining archives public access to the records of the Jihaz (record keeping)
Salary-level	3

DIRECTOR TARIFF REGULATION	
Job-number	002
Directorate	Tariff Regulation
Department	--
Sub-Department	--
Job-title	Director Tariff Regulation
Objective of Position	Manage the work of the tariff regulation directorate, including the development and update of financial models for each of the service providers. Development and follow up on relevant methodological approaches, procedures and internal guidelines. On the basis of the Directorate's work, the Regulatory Council will approve or reject the service providers' applications for tariff adjustments
Subordinated to	Director General
Superior to	All professional and support staff of the Directorate
Deputy	Economist/Financial Analyst
Required	
» Qualification	Economist (M. SC) or Engineer (M. SC), proficient in Arabic and English Language
» Experience	Finance Management Position in the utility sector for at least 10 years
» Competencies	Understanding of interdependency between commercial and technical issues; capability to delegate and to monitor staff performance; strong analytical skills and capacity to operationalize concepts; good communication skills team building capability
Job-description (Activities)	<p>The Director of Tariff regulation and his/her team evaluate the financial viability of the service providers on a yearly basis and propose or recommend tariff revisions. For that purpose, the service providers' costs including those for operations, maintenance, administration, depreciation and capital development, must be evaluated and a judgement about their appropriateness must be made. The Director General will manage the following tasks:</p> <ul style="list-style-type: none"> ■ To review regulations and advise the Regulatory Council with respect to financial matters, e.g. tariffs, tariff setting methodology, cost and tariff implications of service standards and other (e.g., environmental) standards, audit procedures etc ■ To propose tariff methodologies, procedures and guidelines for the approval of the Regulatory Council ■ To propose financial performance targets in accordance with regulations for the service providers for inclusion in the tariff determinations ■ To propose reporting requirements for financial monitoring ■ To contribute to the preparation of interim and annual comparative performance reports on the financial performances of the service providers. ■ To assess financial viability and efficiency of service providers ■ To evaluate justification of investments and their affordability and cost effectiveness ■ To review and evaluate tariffs and tariff proposals according to established methodology and procedures and to be primarily responsible for proposing or recommending decisions by the Regulatory Council with regard to tariffs ■ To review, evaluate and make recommendations with regard to subsidies that affect the efficiency and financial viability of services ■ To develop a strategy for asset and tariff development to ensure or enhance financial viability and efficiency of the service providers ■ To report to the Regulatory Council any failures by service providers with regard to their financial obligations, assist in the preparation of enforcement notices when required, and follow up to confirm compliance ■ To be a member of the Regulatory Council
Salary-level	2

ECONOMIST /FINANCIAL ANALYST	
Job-number	007
Directorate	Tariff Regulation
Department	--
Sub-Department	--
Job-title	Economist / Financial Analyst
Objective of Position	Provide financial analysis of water and wastewater service providers in the framework of tariff evaluation and tariff setting
Subordinated to	Director Tariff Evaluation
Superior to	--
Deputy	--
Required	
» Qualification	Degree in Finance or Economics (M. SC)
» Experience	Experience as Financial Analyst for at least 5 years, familiarity with financial analysis of infrastructure projects (preferably in the water and wastewater sector). Desirable: Experience in regulation of public utilities, financial audits of public utility organizations, financial management of public utility organizations, detailed tariff determinations, and experience with and understanding of socio-economic and the economic aspects of water supply and wastewater services.
» Competencies	Understanding of interdependency between technical and financial issues. Strong analytical skills including state of the art financial modeling and forecasting. Excellent writing and good communication skills
Job-description (Activities)	<ul style="list-style-type: none"> ■ To undertake regulatory financial monitoring and audits of the service providers and provide regular reports to the Director of Tariff Regulation ■ To review asset management plans, investment projects, and capital maintenance programs for their appropriateness and to report findings to the Director of Tariff Regulation. ■ To scrutinize financial analyses of investment projects and the underlying assumptions to determine their appropriateness and legitimacy and their effect on tariffs ■ To contribute to the preparation of interim and annual comparative performance reports on the financial performance of the service providers. ■ To assist other members of the regulatory team as and when required in accordance with internal procedures
Salary-level	4

PLANNING ENGINEER WATER SUPPLY	
Job-number	008
Directorate	Tariff Regulation
Department	--
Sub-Department	--
Job-title	Planning Engineer Water Supply
Objective of Position	Provide technical analysis of water supply systems in the framework of tariff evaluation and tariff setting
Subordinated to	Director Tariff Evaluation
Superior to	--
Deputy	--
Required	
» Qualification	Civil or Mechanical Engineer (M. SC)
» Experience	Position as project or planning engineer at a water supply or wastewater utility and/or experience as a engineering consultant or in a construction company for at least 5 years. Desirable: Experience of regulation in the water and wastewater sectors, experience and understanding of water quality control, experience in asset management plans, master plans, feasibility studies etc. and experience with operational management of water supply systems.
» Competencies	Knowledge of state of the art technology for production, treatment and storage and distribution of drinking water. Strong analytical and project planning and implementation skills. Ability to determine the appropriateness of planning parameters, unit prices and project implementation plans. Excellent writing and good communication skills
Job-description (Activities)	<ul style="list-style-type: none"> ▪ To review asset management plans, investment projects, and capital maintenance programs for their appropriateness and cost effectiveness and to report findings to the Director of Tariff Regulation ▪ Contribute to the develop milestones for asset and tariff development to ensure or enhance financial viability and efficiency of the service providers ▪ To contribute to the preparation of interim and annual comparative performance reports on the financial performances of the service providers. ▪ To assist other members of the regulatory team as and when required in accordance with internal procedures
Salary-level	4

PLANNING ENGINEER WASTEWATER	
Job-number	009
Directorate	Tariff Regulation
Department	--
Sub-Department	--
Job-title	Planning Engineer Wastewater
Objective of Position	Provide technical analysis of wastewater systems in the framework of tariff evaluation and tariff setting
Subordinated to	Director Tariff Evaluation
Superior to	--
Deputy	--
Required	
» Qualification	Civil or Mechanical (M. SC)
» Experience	Position as project or planning engineer at a wastewater utility and/or engineering consultant or construction company for at least 5 years. Desirable: Experience in regulation of the water and wastewater sectors, experience and understanding of wastewater quality control, experience in asset management plans, master plans, feasibility studies etc. and experience with operational management of wastewater systems.
» Competencies	Knowledge of state of the art technology in wastewater collection and treatment. Strong analytical, project planning and project implementation skills. Ability to determine the appropriateness of planning parameters, unit prices and project implementation plans. Excellent writing and good communication skills
Job-description (Activities)	<ul style="list-style-type: none"> ■ To review asset management plans, investment projects, and capital maintenance programs for their appropriateness and cost effectiveness and to report findings to the Director of Tariff Regulation ■ Contribute to the develop milestones for asset and tariff development to ensure or enhance financial viability and efficiency of the service providers ■ To contribute to the preparation of interim and annual comparative performance reports on the financial performances of the service providers. ■ To assist other members of the regulatory team as and when required in accordance with internal procedures
Salary-level	4

DIRECTORATE EXECUTIVE SECRETARY

Job-number	019
Directorate	Tariff Regulation
Department	--
Sub-Department	--
Job-title	Executive Secretary
Objective of Position	Support the Director and the professional staff of the Directorate in the administration of the office
Subordinated to	Director Tariff Evaluation
Superior to	Directorate Office Clerk
Deputy	Executive Secretary of another Directorate
Required	
» Qualification	Professional Secretary, proficiency in Arabic, basic knowledge of English Language
» Experience	5 years of experience in a similar position
» Competencies	Proven ability to organize and set priorities; ability to understand a range of issues quickly; capable of self-management; discreet behaviour; good communication skills, basic English and computer literacy.
Job-description (Activities)	<ul style="list-style-type: none"> ▪ Drafting routine correspondence ▪ Editing simple documents prepared by the director and the professional staff ▪ Managing telephone calls ▪ Managing register of incoming and outgoing correspondence of the Directorate ▪ Filing of the Directorate's internal documents ▪ Managing appointments of the professional staff ▪ Managing the Directorate's office supplies ▪ Organizing any other logistical support
Salary-level	5

DIRECTORATE OFFICE CLERK	
Job-number	028
Directorate	Tariff Regulation
Department	--
Sub-Department	--
Job-title	Office Clerk
Objective of Position	Support the Executive Secretary in the administration of the office
Subordinated to	Directorate Executive Secretary
Superior to	--
Deputy	
Required	
» Qualification	Secondary school graduate with full literacy
» Experience	No previous work experience
» Competencies	Fast understanding of different issues; good sense for order and accuracy as well as good communication skills
Job-description (Activities)	Office support activities including: <ul style="list-style-type: none"> ▪ Cleaning office space ▪ Photocopying ▪ Kitchen functions ▪ Carrying out errands on behalf of staff
Salary-level	7

DIRECTOR SERVICE QUALITY CONTROL	
Job-number	003
Directorate	Service Quality Control
Department	
Sub-Department	
Job-title	Director Service Quality Control
Objective of Position	Manage the directorate's work with regard to service quality and performance regulation
Subordinated to	Director General
Superior to	All professional and support staff of the Directorate
Deputy	Operations Engineer
Required	
» Qualification	Economist (M. SC), Engineer (M. SC), proficient in Arabic and English Language
» Experience	Operational management position in water supply and/or wastewater utility for at least 10 years.
» Competencies	Understanding of interdependency between commercial and technical issues; capability to delegate and to monitor staff performance; strong analytical skills and capacity to operationalize concepts; good communication skills team building capability
Job-description (Activities)	<ul style="list-style-type: none"> ■ To review, develop and propose service quality standards, benchmarks, indicators and regulations for: service quality as perceived by the users, (ii) investment and operational performance and efficiency, and (iii) compliance with technical industry standards ■ To propose performance targets for each service provider to the Regulatory Council ■ To propose reporting requirements for monitoring compliance with service quality regulations. ■ To monitor the Water Service Providers' compliance with standards for service quality, efficiency, customer relations, industry technical standards and other performance objectives required by its license and its approved Development Plan ■ To report to the Regulatory Council any failure by service providers to meet service quality obligations, assist in the preparation of enforcement notices when required and follow up to ensure compliance. ■ To prepare interim and annual comparative performance reports on the technical performances of the service providers. ■ Evaluate the consistency and complementarity of technical, operational and financial rules and regulations and propose revisions as required to achieve consistency and complementarity ■ To contribute to the preparation of interim and annual comparative performance reports on the financial performances of the service providers. ■ To be member of the Regulatory Council
Salary-level	2

OPERATIONS ENGINEER	
Job-number	010
Directorate	Service Quality Control
Department	
Sub-Department	
Job-title	Operations Engineer
Objective of Position	Provide analysis of technical operational processes of water supply and wastewater systems necessary for service quality control
Subordinated to	Director of Service Quality Control
Superior to	--
Deputy	--
Required	
» Qualification	Degree in Mechanical, Electrical or Process Engineering
» Experience	Operations Engineer in a water and wastewater utility for at least 5 years
» Competencies	Knowledge of modern operational activities and procedures for water supply and wastewater systems. Strong analytical skills concerning technical performance targets and benchmarks. Excellent drafting and good communication skills
Job-description (Activities)	<ul style="list-style-type: none"> ▪ To undertake regulatory monitoring of service delivery by service providers under regulatory control and to provide regular reports to the Director of Service Quality Control. ▪ To suggest reporting requirements and procedures for service monitoring ▪ To scrutinize on-site reporting procedures and technical facilities needed for service provision. ▪ To contribute to the preparation of interim and annual comparative performance reports on the financial performances of the service providers. ▪ To assist other members of the regulatory team as and when required in accordance with internal procedures
Salary-level	4

ENVIRONMENTAL ENGINEER

Job-number	011
Directorate	Service Quality Control
Department	
Sub-Department	--
Job-title	Environmental Engineer
Objective of Position	Provide analysis of health and environmental protection issues with respect to regulated service providers
Subordinated to	Director of Service Quality Control
Superior to	--
Deputy	--
Required	
» Qualification	Degree in Engineering with specialization in Environmental Protection
» Experience	Previous work related to the monitoring of environmental protection standards preferably in the water and sanitation sector.
» Competencies	Knowledge of pertinent health and environmental legislation and procedures as well as relevant institutions. Knowledge of sampling and testing methodologies as well as existing technologies for water and wastewater quality control. Excellent drafting and good communication skills
Job-description (Activities)	<ul style="list-style-type: none"> ▪ To manage auditing of drinking water quality tests ▪ To manage auditing of wastewater analysis ▪ To support the Director of Service Control and the Director General in their liaison work concerning environmental issues ▪ To contribute to the preparation of interim and annual comparative performance reports on the financial performances of the service providers. ▪ To assist other members of the regulatory team as and when required in accordance with internal procedures
Salary-level	4

ECONOMIC ANALYST

Job-number	012
Directorate	Service Quality Control
Department	--
Sub-Department	--
Job-title	Economic Analyst
Objective of Position	Provide economic and financial analysis of water and wastewater service providers within the framework of service quality control
Subordinated to	Director of Service Quality Control
Superior to	--
Deputy	--
Required	
» Qualification	Economist (M. SC) or Accountant
» Experience	Worked as an economist or accountant for at least 5 years. Additional desired skills include: experience in regulating public service providers, experience in conducting financial audits of public utility organizations; experience in the financial management of public utility organizations.
» Competencies	Sound knowledge of accounting and the analysis of financial statements as well as an understanding of socio-economic policy and the economics of water supply and wastewater services. Strong analytical skills in the field of financial and economic statistics and good understanding of relevant software applications. Excellent drafting and good communication skills.
Job-description (Activities)	<ul style="list-style-type: none"> ■ To undertake regulatory monitoring of the quality of service provision by regulated water and sanitation providers and providing regular reports to the Director of Service Quality Control ■ To review water and sanitation regulations and advise the Director of Service Quality Control with respect to economic aspects of service provision, e.g. cost / revenue structures, audit procedures etc. ■ To assist the Director of Service Quality Control in the preparation of service quality guidelines ■ To establish reporting requirements for economic and financial monitoring ■ To report to the Director of Service Quality Control concerning failures by service providers in meeting financial obligations, to assist in the preparation of enforcement notices when required and to follow up to ensure that notices are complied with ■ To contribute to the preparation of interim and annual comparative performance reports on the financial and economic performances of the service providers ■ To suggest performance targets to the Director of Service Quality Control ■ To assist other members of the regulatory team as and when required in accordance with internal regulations

Salary-level

4

DIRECTORATE EXECUTIVE SECRETARY	
Job-number	020
Directorate	Service Quality Control
Department	--
Sub-Department	--
Job-title	Executive Secretary
Objective of Position	Support the Director and the professional staff of the Directorate in the administration of the office
Subordinated to	Director Service Quality Control
Superior to	Directorate Office Clerk
Deputy	Executive Secretary of another Directorate
Required	
» Qualification	Professional Secretary, proficiency in Arabic, basic knowledge of English Language
» Experience	5 years of experience in a similar position
» Competencies	Proven ability to organize and set priorities; ability to understand a range of issues quickly; capable of self-management; discreet behavior; good communication skills, basic English and computer literacy.
Job-description (Activities)	<ul style="list-style-type: none"> ▪ Drafting routine correspondence ▪ Editing simple documents prepared by the director and the professional staff ▪ Managing telephone calls ▪ Managing register of incoming and outgoing correspondence of the Directorate ▪ Filing of the Directorate's internal documents ▪ Managing appointments of the professional staff ▪ Managing the Directorate's office supplies ▪ Organizing any other logistical support
Salary-level	5

DIRECTORATE OFFICE ASSISTANT	
Job-number	025
Directorate	Service Quality Control
Department	--
Sub-Department	--
Job-title	Office Assistant
Objective of Position	Provide support to the professional staff of the Directorate
Subordinated to Superior to	Operations Engineer, Environmental Engineer and Economic Analyst
Deputy	Office Assistant
Required	
» Qualification	Advanced University Studies in Engineering, Economics or Law
» Experience	Up to three years experience or internships in relevant institutions (Consultant, Corporations, Service providers, etc.)
» Competencies	Analytical thinking, fast understanding of different issues; well organised; high degree of accuracy in drafting; good communication skills, PC-literate
Job-description (Activities)	<ul style="list-style-type: none"> ▪ Drafting internal memos ▪ Editing simple documents produced by professional staff ▪ Data retrieval and data entry ▪ Reading and summarizing reports
Salary-level	6

DIRECTORATE OFFICE ASSISTANT	
Job-number	026
Directorate	Service Quality Control
Department	--
Sub-Department	--
Job-title	Office Assistant
Objective of Position	Provide support to the professional staff of the Directorate
Subordinated to Superior to	Operations Engineer, Environmental Engineer and Economic Analyst
Deputy	Office Assistant
Required	
» Qualification	Advanced University Studies in Engineering, Economics or Law
» Experience	Up to three years experience or internships in relevant institutions (Consultant, Corporations, Service providers, etc.)
» Competencies	Analytical thinking, fast understanding of different issues; well organised; high degree of accuracy in drafting; good communication skills, PC-literate
Job-description (Activities)	<ul style="list-style-type: none"> ▪ Drafting internal memos ▪ Editing simple documents produced by professional staff ▪ Data retrieval and data entry ▪ Reading and summarizing reports
Salary-level	6

DIRECTORATE OFFICE CLERK	
Job-number	029
Directorate	Tariff Regulation
Department	--
Sub-Department	--
Job-title	Office Clerk
Objective of Position	Support the Executive Secretary in the administration of the office
Subordinated to	Executive Secretary
Superior to	--
Deputy	--
Required	
» Qualification	Secondary school graduate with full literacy
» Experience	No previous work experience
» Competencies	Fast understanding of different issues; good sense for order and accuracy as well as good communication skills
Job-description (Activities)	Office support activities including: <ul style="list-style-type: none"> ▪ Cleaning office space ▪ Photocopying ▪ Kitchen functions ▪ Carrying out errands on behalf of staff
Salary-level	7

DIRECTOR COMMUNICATION AND CUSTOMER RELATIONS	
Job-number	004
Directorate	Communication and Customer Relation
Department	--
Sub-Department	--
Job-title	Director of Communication and Customer Relation
Objective of Position	Manage the directorate's work of communicating with service providers as well as with other sector organizations, formal committees and with the general public.
Subordinated to	Director General
Superior to	All professional and support staff of the Directorate
Deputy	Journalist
Required	
» Qualification	Economist (M. SC), Arabic and English Language
» Experience	10 years of marketing experience culminating in a senior management position. Preferred additional experience includes working as a journalist journalism and experience dealing, particularly within a regulatory context, with public service providers
» Competencies	Strong media relations skills; excellent communication, writing and interpersonal skills; good planning, project management and organizational skills; team building capability
Job-description (Activities)	<ul style="list-style-type: none"> ■ To take responsibility for ensuring and promoting public awareness of the role of the regulator. ■ To be primarily responsible for the publication of the regulator's statutory reports. ■ To represent the regulator at press conferences and on radio and television etc. when required. ■ To advise the Regulatory Council on the publication of policy, guidelines and other statements. ■ To advise the Regulatory Council with respect to communications with state and federal governments, funding agencies, and professional associations ■ To liaise with service providers ("Utility Advisory Committee") ■ To liaise with MWE, NWRA, EPA, YSMQCO ("Regulator Coordination Committee") ■ To liaise with MoLA and Local Council Service Committees ■ To Liaise with Parliamentary Service Committee ■ To prepare conferences etc. ■ To assist the Regulatory Council in the preparation of replies to Government queries. ■ To respond to the press. ■ To undertake market research activities on behalf of the regulator, e.g. socio-economic analyses, level of service expectations, affordability, tariff structure preferences etc. and to report the findings to the Regulatory Council. ■ To be a member of the Regulatory Council
Salary-level	2

TEXT EDITING	
Job-number	013
Directorate	Communication and Customer Relation
Department	--
Sub-Department	--
Job-title	Drafting and Text Editing Officer
Objective of Position	External communication is paramount for the regulator to effectively carry out its role. Written information to be published has therefore to be drafted in a professional way in order to ensure that information is understood properly and external communication reaches the intended target group.
Subordinated to	Director Communication and Customer Relations
Superior to	
Deputy	
Required	
» Qualification	Professional Journalist, Arabic and English Language
» Experience	Worked as a Journalist or Editor in the mass media for at least 5 years
» Competencies	Strong media relations capability and excellent drafting, communication and interpersonal skills
Job-description (Activities)	<ul style="list-style-type: none"> ▪ To be primarily responsible for the drafting of the regulator's statutory reports. ▪ To prepare other reports and statements as requested by the Head of the Directorate ▪ To prepare press releases on behalf of the Head of the Directorate.
Salary-level	4

PUBLISHING /GRAPHIC DESIGNING	
Job-number	014
Directorate	Communication and Customer Relation
Department	--
Sub-Department	--
Job-title	Publishing Officer
Objective of Position	External communication activities need to be carried out within a Corporate Identity (CI) framework. Professional design of templates for information to be published (tables, graphics, reports, brochures and web-sites) is a key issue in the framework of CI development. The publishing officer will develop the lay-out of documents in accordance with the CI concept.
Subordinated to	Director Communication and Customer Relations
Superior to	
Deputy	
Required	
» Qualification	Professional Graphic Designer, Arabic and English Language
» Experience	Worked as a graphic designer in the mass media or marketing sector for at least 5 years.
» Competencies	Highly creative individual with excellent communication and interpersonal skills. High degree of capability with relevant publishing software.
Job-description (Activities)	<ul style="list-style-type: none"> ▪ To be responsible for the design of all sorts of CI templates ▪ To be responsible for designing the lay-out of reports and other documents and to manage the production (printing) of such materials ▪ To design and maintain the lay out of the organization's web-site ▪ To design power point presentations
Salary-level	4

DIRECTORATE EXECUTIVE SECRETARY

Job-number	021
Directorate	Communications and Customer Relations
Department	--
Sub-Department	--
Job-title	Executive Secretary
Objective of Position	Supporting the Director and the professional staff of the Directorate in the administration of the office
Subordinated to Superior to	Director Communications and Customer Relations Directorate Office Clerk
Deputy	Executive Secretary of another Directorate
Required	
» Qualification	Professional Secretary, proficiency in Arabic, basic knowledge of English Language
» Experience	5 years of experience in a similar position
» Competencies	Proven ability to organize and set priorities; ability to understand a range of issues quickly; capable of self-management; discreet behaviour; good communication skills, basic English and computer literacy.
Job-description (Activities)	<ul style="list-style-type: none"> ▪ Drafting routine correspondence ▪ Editing simple documents prepared by the director and the professional staff ▪ Managing telephone calls ▪ Managing register of incoming and outgoing correspondence of the Directorate ▪ Filing of the Directorate's internal documents ▪ Managing appointments of the professional staff ▪ Managing the Directorate's office supplies ▪ Organizing any other logistical support
Salary-level	5

DIRECTORATE OFFICE CLERK

Job-number	030
Directorate	Communications and Customer Relations
Department	--
Sub-Department	--
Job-title	Office Clerk
Objective of Position	Supporting the Executive Secretary in the administration of the office
Subordinated to	Directorate Executive Secretary
Superior to	--
Deputy	--
Required	
» Qualification	Secondary school graduate with full literacy
» Experience	No previous work experience
» Competencies	Fast understanding of different issues; good sense for order and accuracy as well as good communication skills
Job-description (Activities)	Office support activities including: <ul style="list-style-type: none"> ▪ Cleaning office space ▪ Photocopying ▪ Kitchen functions ▪ Carrying out errands on behalf of staff
Salary-level	7

CHIEF OF STAFF	
Job-number	005
Directorate	--
Department	General Services
Sub-Department	--
Job-title	Chief of Staff
Objective of Position	General Services is a support unit to the Regulatory Council, the Director General and Directorates. The Head of the department manages the internal administration and logistical support of the organization. This includes staff, financial and IT administration.
Subordinated to	Director General
Superior to Deputy	Accountant, IT Experts, 4 department support staff Accountant
Required	
» Qualification	Administrator
» Experience	Management position in the private and public sector for together at least 7 years
» Competencies	Ability to implement internal administrative activities such as document control procedures, archiving, and workflow processes; ability to provide appropriate working conditions for staff; good understanding of HR development; knowledge of accounting and standard IT solutions (hard and software); strong communication skills.
Job-description (Activities)	<ul style="list-style-type: none"> ▪ Assist the Regulatory Council in the development of the organization's HR policy and procedures ▪ Communication with staff on administrative affairs and keeping staff records updated ▪ Set up and maintain the organization's archive (documentation of files and documents) ▪ Manage NJRWSS's financial records (assisted by the accountant) ▪ Liaise with the external auditor ▪ Procurement of office logistic (goods and services) ▪ Manage IT support functions (assisted by IT experts)
Salary-level	3

ACCOUNTANT / FINANCIAL OFFICER	
Job-number	015
Directorate	--
Department	General Services
Sub-Department	--
Job-title	Accountant / Financial Officer
Objective of Position	Support the Chief of Staff in the financial administration of the organization.
Subordinated to	Chief of Staff
Superior to Deputy	
Required	
» Qualification	Chartered Accountant
» Experience	Worked as a qualified accountant for at least 5 years
» Competencies	Sound knowledge of all aspects of accounting, including the preparation and publishing of financial statements; familiarity with the development of annual budgets and budget controls; good organizational skills to manage payment operations and to oversee the collection of licensing (and other) fees and penalties; good understanding and knowledge of state of the art accounting software.
Job-description (Activities)	<ul style="list-style-type: none"> ▪ Keeping the accounts and financial records of the organization ▪ Managing all payments of the organization (bank transfers) ▪ Assisting the Chief of Staff and the Regulatory Council in the preparation of the organization's annual budget and in the quarterly monitoring of its implementation. ▪ Preparing monthly reports on revenues (collection of licensing fees) and expenditures ▪ Preparing proposals for the Regulatory Council on the calculation of licensing fees to be charged to service providers in order to finance the regulator's budget. ▪ Preparing the annual financial statements of the organization to be subject to external auditing ▪ Liaising with the external auditor on behalf of the Chief of Staff.
Salary-level	4

SYSTEMS OPERATOR	
Job-number	016
Directorate	--
Department	General Services
Sub-Department	--
Job-title	IT and Communications Officer
Objective of Position	Maintain the organization's IT in-house infrastructure (hard and software) and telecommunication networks including links to Internet provider(s) and other external communication links and providing support to in-house users.
Subordinated to	Chief of Staff
Superior to Deputy	Data Base Manager
Required	
» Qualification	Degree in Engineering (Electronics and IT) and vocational training as programmer
» Experience	At least 3 years experience in operating computer and telecommunication networks, software and the fixing of faults
» Competencies	Knowledge of state of the art network technology, maintenance tools and internet oriented software applications; analytical way of thinking; good communication skills
Job-description (Activities)	<p>The IT Officer is responsible for the working of the internal computer and communications networks. He ensures that IT-supported internal communication facilities within the organization function properly. He is in charge of assessing hardware and software requirements and advises the Chief of Staff on of hardware and software procurement. In addition, he is responsible for the technical aspects of the organizations internet presentation. In particular he carries out the following activities:</p> <ul style="list-style-type: none"> ▪ Internal user support in relation to IT systems related questions and problems ▪ Maintenance of the physical IT infrastructure including desktop computers, printers, servers, hubs, switches, UPS and wiring ▪ Maintenance of operating systems ▪ Assessing future hardware and software requirements and advising the Chief of Staff in this regard ▪ Establishing and maintaining contact with suppliers for hardware and software provision ▪ Executing the guidelines and orders of the Regulatory Council and Chief of Staff with respect to user access and privileges in the organization's Local Area Network ▪ Implementing the instructions given by the Regulatory Council and Chief of Staff concerning regular data backups and the safe storage of information.
Salary-level	4

DATA BASE MANAGER	
Job-number	017
Directorate	--
Department	General Services
Sub-Department	--
Job-title	Data Base Manager
Objective of Position	Design and maintenance of the organization's databases and provision of support to in-house users concerning database applications.
Subordinated to	Chief of Staff
Superior to Deputy	IT and Communications Officer
Required	
» Qualification	Degree in Engineering (Electronics and IT) and vocational training as programmer
» Experience	Up to 3 years proven work experience in systems analysis and database design
» Competencies	Knowledge of state of the art database design, development and storage tools; knowledge of modern data base applications including reporting tools; analytical way of thinking; good communication skills
Job-description (Activities)	<p>The database manager is responsible for developing the organization's database capabilities which the Regulator needs in order to keep, retrieve and analyze financial and performance data provided to it by regulated service providers. He is in charge of assessing related hardware and software requirements in relation to database applications and advises the Chief of Staff in this regard. In particular he carries out the following activities:</p> <ul style="list-style-type: none"> ▪ Providing internal user support in relation to database related questions and problems ▪ Providing internal user support in relation to handling data base applications (user interface) ▪ Maintaining the organization's database applications (safeguard consistent data records, avoid redundancy) ▪ Assessing future hardware and software requirements and advising the Chief of Staff in this regard ▪ Establishing and maintaining contact with for hardware and software suppliers ▪ Executing the guidelines and orders of the Regulatory Council and Chief of Staff with respect to user access and privileges on the organization's databases ▪ Implementing the instructions given by the Regulatory Council and Chief of Staff concerning regular data backups and information safe storage.
Salary-level	4

GENERAL SERVICES EXECUTIVE SECRETARY	
Job-number	022
Directorate	
Department	General Services
Sub-Department	--
Job-title	Executive Secretary
Objective of Position	Providing support to the Chief of Staff
Subordinated to	Chief of Staff
Superior to	General Services Office Clerk
Deputy	Executive Secretary of another Directorate
Required	
» Qualification	Professional Secretary, Arabic and English Language
» Experience	5 years of experience in a similar position
» Competencies	Proven ability to organize and set priorities; ability to understand a range of issues quickly; capable of self-management; discreet behaviour; good communication skills, basic English and computer literacy.
Job-description (Activities)	<ul style="list-style-type: none"> ▪ Drafting routine correspondence ▪ Editing simple documents prepared by the director and the professional staff ▪ Managing telephone calls ▪ Managing register of incoming and outgoing correspondence of the Directorate ▪ Filing of the Directorate's internal documents ▪ Managing appointments of the professional staff ▪ Managing the Directorate's office supplies ▪ Organizing any other logistical support
Salary-level	5

GENERAL SERVICES OFFICE CLERK	
Job-number	031
Directorate	General Services
Department	--
Sub-Department	--
Job-title	Office Clerk
Objective of Position	Supporting the Executive Secretary in the administration of the office
Subordinated to	General Services Executive Secretary
Superior to	--
Deputy	--
Required	
» Qualification	Secondary school graduate with full literacy
» Experience	No previous work experience
» Competencies	Fast understanding of different issues; good sense for order and accuracy as well as good communication skills
Job-description (Activities)	Office support activities including: <ul style="list-style-type: none"> ▪ Cleaning office space ▪ Photocopying ▪ Kitchen functions ▪ Carrying out errands on behalf of staff
Salary-level	7

GENERAL SERVICES OFFICE ASSISTANT

Job-number	027
Directorate	
Department	General Services
Sub-Department	--
Job-title	Office Assistant
Objective of Position	Providing support to the Accountant
Subordinated to	Accountant
Superior to	
Deputy	--
Required	
» Qualification	Advanced University Studies in Economics, Administration or Accounting
» Experience	Up to three years experience or internships in relevant institutions (Law Firm, Corporations, Service providers, etc.)
» Competencies	Knowledge of accounting; fast understanding of different issues; well organised; high degree of accuracy in drafting; good communication skills, PC-literate
Job-description (Activities)	<ul style="list-style-type: none"> ▪ Data retrieval and data entry ▪ Drafting internal memos ▪ Contributing to internal reports
Salary-level	6

DRIVER	
Job-number	032
Directorate	General Services
Department	--
Sub-Department	--
Job-title	Driver
Objective of Position	Provide transport to all professional staff when required
Subordinated to	Chief of Staff
Superior to	
Deputy	--
Required	
» Qualification	Driving License, basic English
» Experience	Five years of proven work experience as professional driver
» Competencies	Good organisation skills; able to work and think independently; high degree of discretion.
Job-description (Activities)	<ul style="list-style-type: none"> ▪ Driving the official car for transport of staff , delivery of documents etc. ▪ Cleaning the official car ▪ Keeping a record of maintenance intervals and communicating to the Chief of Staff any problems with the official car
Salary-level	6

DIRECTOR GENERAL EXECUTIVE SECRETARY	
Job-number	018
Directorate	
Department	General Services
Sub-Department	--
Job-title	Director General Executive Secretary
Objective of Position	Support the Director and the professional staff of the Directorate in the administration of the Director's office
Subordinated to	Director General
Superior to	
Deputy	--
Required	
» Qualification	Professional Secretary, Arabic and English Language
» Experience	5 years of experience in a similar position
» Competencies	High level of capability to organize and set priorities; ability to rapidly assimilate and understand multiple issues and tasks; to work and think independently; high degree of discretion; good communication skills; basic proficiency in English; PC-literate.
Job-description (Activities)	<ul style="list-style-type: none"> ▪ Drafting simple correspondence ▪ Editing documents for the director ▪ Managing telephone calls ▪ Managing a register of incoming and outgoing correspondence to the Director's office in coordination with the Legal Advisor ▪ Filing of the Director General's internal documents ▪ Managing appointments for the Director General ▪ Organizing any other necessary logistical support for the Director General
Salary-level	5

ASSISTANT TO REGULATORY COUNCIL	
Job-number	23
Directorate	
Department	General Services
Sub-Department	--
Job-title	Assistant to Regulatory Council
Objective of Position	Provide secretarial and logistical support to the Regulatory Council
Subordinated to	Director General
Superior to	
Deputy	--
Required	
» Qualification	Advanced University Studies in Economics, Administration or Law
» Experience	Up to three years experience or several internship in relevant institutions (Law Firm, Corporations, Service providers, etc.)
» Competencies	Strong capability to organize and multi-task; ability to rapidly assimilate and understand regulatory policy issues; able to work and think independently; high degree of discretion; good communication skills; basic proficiency in English and PC-literate.
Job-description (Activities)	<ul style="list-style-type: none"> ▪ Drafting simple correspondence and internal memos for the Regulatory Council ▪ Managing a register of incoming and outgoing correspondence to the Regulator Council in coordination with the Executive Secretary of the Director General and the Assistant to the Legal Advisor ▪ Organizing any other necessary logistical support for the Regulatory Council
Salary-level	5

ASSISTANT TO LEGAL ADVISOR	
Job-number	24
Directorate	
Department	General Services
Sub-Department	--
Job-title	Assistant to Legal Advisor
Objective of Position	Provide support to the Legal Advisor
Subordinated to	Legal Advisor
Superior to	
Deputy	--
Required	
» Qualification	Advanced University Studies in Law
» Experience	Up to three years experience or several internships with Law Firms
» Competencies	Knowledge of relevant public and private law; ability to quickly assimilate and understand interrelationships between regulatory policy delivery and the law; well organised; high degree of accuracy in drafting; good communication skills, PC-literate.
Job-description (Activities)	<ul style="list-style-type: none"> ▪ Drafting simple correspondence and internal memos ▪ Editing simple documents for the Legal Advisor ▪ Managing a register of incoming and outgoing correspondence concerning the Legal Advisor ▪ Filing of the Legal Advisor's internal documents ▪ Managing appointments for the Legal Advisor ▪ Organizing any other necessary logistical support for the Legal Advisor
Salary-level	5

APPENDIX II – IMPLEMENTATION BUDGET

	US\$	
Office Costs:		
Packing and removals	2,000	
Renovation and refitting	5,000	7,000
Capital Costs		
Computers	20,000	
Fax and Phone	4,000	
Photocopiers	4,000	
Furniture	12,000	
Vehicles	15,000	55,000
Recruitment and Training Costs		
Implementation consultants*	372,750	
Advertising	5,000	
Travel	20,000	
Training	80,000	
Course and materials	40,000	517,750
Public Awareness		
Advertising - print media	20,000	
Radio Media	15,000	35,000
Total Implementation Budget		614,750

* Please see Implementation Consultant Breakdown

Implementation consultants - cost breakdown

	days	rate	cost	
Legal team				
1 International lawyer	10	1,500	15,000	
Complete amendments to sectoral legislation				
2 Local lawyers				
Assist in drafting amendments	15	800	12,000	
Organisational Team				
1 Organisational Specialist	20	800	16,000	
Find new offices				
Organise re-fitting				
Manage re-location				
Set up twinning arrangements				
Contribute to corporate business plan				
1 HR Specialist	40	800	32,000	
Recruitment Strategy and implementation				
Training Strategy and implementation				
Contribute to Corp/bus plan				
Local HR Specialist	40	500	20,000	
Technical Team				
Technical Staff	50	1,000	50,000	
Water Codes / Rules / Targets				
Contribute to corp./bus plan				
2 Economists	80	1,000	80,000	
Tariff Policies				
Incentive regimes				
Licenses				
Competition				
Appeals				
Monitoring and enforcement				
Contribute to corp./bus plan				
IT				
HR Systems				
Financial Systems				
IT Network				
Total	300			258,750
Expenses				
Office Costs	12	2,000	24,000	
Flights	30	1,500	45,000	
Per diems	300	150	45,000	114,000
Total Cost				372,750

APPENDIX III – TERMS OF REFERENCE

REQUEST FOR PROPOSALS

RFP #

Country: Yemen

Project Name: Utility Reform Project

Credit #

Title of Consulting Services: WSS Regulatory Implementation

Terms of Reference

MINISTRY OF WATER AND ENVIRONMENT

APPOINTMENT OF AN IMPLEMENTATION CONSULTANT TO ASSIST THE YEMEN GOVERNMENT TO ESTABLISH A REGULATORY AUTHORITY FOR THE WATER AND SANITATION SERVICES SECTOR

TERMS OF REFERENCE

I. BACKGROUND

1. General:

The Government of Yemen (GOY) is radically reforming the water supply and sanitation (WSS) sector. Cabinet Resolution No. (237) of 1997 sets out the original template for the reform policy. The Technical Secretariat (TS) is guiding the reforms in the urban WSS sector. The Chairman of the TS works closely with the Minister of Water and Environment. The Ministry (MWE) is the agency responsible for the sector at Cabinet level. The TS has long-term technical support from GTZ (German Technical Assistance) and co-operates closely with KfW, the World Bank, the Government of the Netherlands, European Commission and other donors in all aspects of reform process.

2. The Reform Process:

The reforms are founded on the triple aspirations of decentralisation, corporatisation and private sector participation. A keystone of the reform programme is to separate policymaking and regulatory powers for water and sanitation services from operational provision and the management of those services. The management of service provision will be decentralised to Local Water Supply and Sanitation Corporations (LCs) based initially on existing National Water and Sanitation Authority (NWSA) Branches. Human resources development (HRD) and training are essential components of the reform plans. A major sector HRD project is ongoing. A ten year period is envisaged for the complete reform process.

3. Decentralization - Phase I:

The old arrangement of a single NWSA with its Headquarters (HQ) in Sana'a and Branches in other towns and cities is now being replaced by a progressively decentralized system of autonomous Public WSS utilities (ex-NWSA Branches) operating independently of NWSA-HQ. So far, the decentralisation programme has covered twenty towns: nine Local Corporations have been established in the bigger cities and eleven Public Utilities (ex-NWSA Branches) in provincial towns. Eighteen NWSA-branches are still depending on support from NWSA-HQ and/or the Local Corporations. Current institutional support from the EU covers five of those branches

(the “Aden” branches), providing technical assistance for those branches to become autonomous Public Utilities. A decentralisation and institutional support programme is foreseen for the remaining thirteen NWSA-branches under the World Bank’s Adaptable Program of Lending.

4. Local WSS Corporations - Phase II:

Under this phase nine LCs have been established by Republic Decrees (RDs) to carry out the local management activities, based on the larger decentralised NWSA Branches (Sana’a, Aden, Taiz, Hodeidah, Ibb, Mukalla and Wadi Hadhramout during 2000 and 2001, and Hajjah and Al Bayda in 2005). The corporatisation is envisaged as a phased process with the establishment of two LCs per year. There is no blueprint for the constitution of LCs, which vary in size according to local circumstances. On a ten-year time horizon it is expected that in each capital of a governorate an LC will be established, serving the capital town. Public Utilities are established in secondary towns in the governorates. Rural areas (towns/clusters of villages with less than 15,000 people) are served through community-managed schemes and are not part of the urban WSS sector reform programme. The nine LCs are now being monitored by their own Boards of Directors, ultimately reporting to the Ministry of Water and Environment (replacing the previous role of NWSA HQ). Concurrent with LC formation, capacity building is being applied.

5. Private Sector Participation - Phase III:

There are many possibilities for Public Private Partnership (PPP) including public/private partnerships, contracting out of services/functions, management contracts, direct shareholdings, concessions and the usual range of formulae. It is the Government’s policy that PSP will only be considered in the context of LC formation and once the water enterprises are operating efficiently. The Technical Secretariat is now working on the legal framework to enable the reform process to move forward as well as addressing a range of other reform issues. Sana’a was proposed by the Government for a fast track to Public-Private-Partnership, and an arrangement for a lease contract was to have been put in place during 2001-2002. However, the bidding did not attract any serious offers and the Government has now decided to re-bid on the basis of a management contract where the risks to the operator will be reduced.

NATIONAL INSTITUTIONAL FRAMEWORK FOR WSS IN YEMEN:

6. The present institutional structure at the central level is as follows:

MWE The Ministry of Water and Environment (MWE), established in 2003, is the line Ministry and the most important actor in the sector. Under the responsibility of the Ministry come the following agencies:

- National Water and Sanitation Authority (NWSA) – Headquarters and Branches
- Local Water Supply and Sanitation Corporations (LCs) and Public Utilities (PUs)
- National Water Resources Authority (NWRA)

- General Authority for Rural Water Supply and Sanitation Projects (GARWSP)
- Environmental Protection Agency (EPA)

NWSA

Until the sector reform process commenced, the National Water and Sanitation Authority (NWSA), with its Headquarters in Sana'a, was in charge of delivery of water and sanitation services through its national network of Branches. Once NWSA Branches have been decentralized, GOY policy is that NWSA Headquarters should relinquish its executive functions and become a Technical Support Centre for the Urban WSS sector. In 2004, NWSA drafted a new decree of establishment in which it foresees functions in training, human resources development, special studies and technical support.

TS

The Technical Secretariat for Water Supply and Sanitation Sector Reform was set up to guide and implement the sector reform. The TS is supported financially and technically by GTZ through the Yemeni-German Development Cooperation Programme. The GTZ partner organisation is the Ministry of Water and Environment.

NWRA and Other Actors

Also directly under the Minister of Water and Environment is the National Water Resources Authority established in 1995. NWRA has the key task of setting up and implementing a system of integrated water resources management in Yemen. It is responsible for licensing of wells and groundwater abstractions. Other actors include the Environment Protection Authority (EPA), which also operates under the MWE, the Ministry of Local Administration, the Ministry of Planning and Development, the Ministry of the Civil Service, the Ministry of Agriculture and Irrigation, and the Ministry of Public Health.

7. Institutional Restructuring:

The Policy and Strategy Study of September 1996 which was adopted by GOY and which preceded the Cabinet Resolution 237 of November 1997 has a number of recommendations for changing the WSS institutional framework both at the central and decentralized levels. The Cabinet Resolution spells these out in broad terms (Articles 29-35) but does not clarify the allocation of detailed tasks and responsibilities. Neither does it clearly define the new institutional arrangements and functions that need to be established at the centre to accompany the decentralization process. For example, there is likely to be a common need among autonomous PUs and LCs for services, which could be more economically provided from a central institution, such as the organisation of training, specialised technical support, etc. It is important in the interests of the sector and its clients to define in more details the future role of the central organisations.

8. Studies & Reports:

Two recent studies are of particular relevance for this assignment. The first is an assignment completed in September 2006 by IPA Consulting (UK) entitled "Technical Assistance for the Establishment and Development of an Urban National Water and Sanitation Regulatory Authority". The principal objective of this study was to produce a detailed framework for the establishment and development of an urban Water and Sanitation Services Regulatory Authority for Yemen. Key outputs from this study were:

- An Interim Report comprising:
 - A summary of the objectives of water and sanitation regulation in Yemen.
 - Presentation of six options of alternative water and sanitation regulation frameworks that may be appropriate for Yemen together with a summary of the strengths and weaknesses, costs and benefits of each option and, finally, a ranking of each option together with an associated recommendation.
 - A discussion of the different roles, responsibilities, governance, funding, reporting and institutional arrangements that need to be considered in any regulatory design.
 - A review of the legislative framework required to establish the regulatory authority.

- Final Report containing the following principal sections:
 - Detailed description of the role and responsibilities of the regulatory authority under the agreed upon water and sanitation regulation framework.
 - Detailed description of the organisation framework for the water and sanitation regulatory authority including organisational structure, human and financial resource requirements, funding options, job descriptions, rules for the appointment and dismissal of staff and regulatory reporting obligations.
 - Description of how the regulatory authority will interface with other national, regional and local organisations.
 - Drafting of the necessary legal documentation and regulations to establish the proposed regulatory authority (by-laws, decrees, amendments to existing legislation, etc.).
 - Development of a detailed action plan for establishing the regulatory authority including terms of reference for a technical assistance programme to carry out the operational establishment of the regulator.

A second study entitled: "the Future Role of NWSA as Regulator and/or Service Provider", produced in August 2001 by WRc plc (UK) in a draft working paper form, set out the possible future of NWSA-HQ and recommended the establishment of two organisations to replace/succeed existing NWSA-HQ: i.e., a regulatory authority and "NWSA-Services". NWSA expressed certain reservations on the findings of the draft report. Accordingly, it was felt that there is an urgent need for another study and workshop (the IPA study described above) to justify and promote the establishment

of a National Regulatory Authority by defining in more precise terms the division of tasks and responsibilities in the urban WSS sector at the national level.

The GOY now seeks to recruit a firm of consultants to assist with the implementation of the regulatory strategy proposed by the IPA Consultants and accepted by the GoY. The proposed legislation is now being considered/was approved by Parliament.....

II. Objectives of the assignment

The main task of the implementation consultants will be to assist with the establishment of the WSS Regulator which, in turn, will require: organisational development and staffing assistance, including the provision of training; preparation of a financial and business plan including the production of a three year budget; the development of regulatory procedures; and the drafting, if necessary, of any additional required legal documents.

III. Scope of work

The Consultants will play a pivotal role in the implementation of the WSS Regulator and will liaise with the Ministry of Water and Environment (and its composite Departments and Authorities), and other line ministries, as necessary, in executing its functions.

The Consultant will be required to address all the issues listed below and any other matters necessary to achieve the objectives of the GOY and to produce the required outputs.

1. Review relevant reports and issues raised by the stakeholders to have a fair understanding of the context of the project as well as the strategy that has been developed and agreed.

It is recommended that the consultants convene a stakeholders' workshop at the outset of the project to obtain feedback on any relevant developments that may have taken place since the ToR was issued as well as to review the objectives, constraints and outputs in relation to the work to be done.

2. Assist the WSS Regulator to produce by-laws and regulations for implementing regulatory policy. In addition, assist the WSS Regulator in reviewing and understanding existing sector legislation (as well as proposing amendments where necessary) to ensure that regulatory policy is carried out in line with the existing WSS legal and institutional framework.
3. Assist the WSS Regulator in developing a recruitment strategy and manpower implementation plan to meet the requirements of the legislation establishing the WSS Regulator and assist in the identification and recruitment the required professionals (including an assessment of the potential for how existing staff working in the MWE may apply for positions within the Regulator).

This recruitment strategy should include the development of detailed job descriptions for senior, middle management and support staff positions. The job descriptions should clearly indicate the role and responsibilities of each position, the relationships with other positions within the agency, the boundaries or powers within which each position should function and the performance expectations. In addition, the consultant will assist the GOY in preparing detailed job specifications for senior and middle management positions on the basis of the associated job descriptions. The job specifications should detail the qualifications required as well as the skills and experience needed. They should indicate which skills and experience are essential and which are preferable, bearing in mind the availability of such human resources in Yemen.

The recruitment strategy should also entail recommending remuneration structures and levels for the Regulator's professional and support staff. In helping to develop the remuneration structure, the consultants should seek to ensure that it is tax efficient (i.e. remuneration might take the form of benefits other than salaries) but at the same time administratively simple to apply. The levels should recognise the need for management staff to be financially independent.

4. Assist the WSS Regulator in developing the IT and Management Information systems, accounting and operational procedures necessary for the Regulator to carry out its functions. A user manual should also be prepared which should incorporate sound accounting practices for record keeping and for disbursement, acceptable to the GOY and providing a good audit trail.
5. Assist the WSS Regulator in identifying physical resource requirements for the Regulator and prepare a procurement plan for the first three years. This is likely to include office space, office equipment, computers and motor vehicles.
6. Assist the WSS Regulator in developing a policy framework for the regulator which will include creating a tariff policy methodology and other associated regulations (i.e. performance monitoring, incentive management, sector planning, dispute resolution, etc.).
7. Assist the WSS Regulator in drafting the required licenses for the sector as well as competition rules and appeals procedures, where applicable. Where any such licenses or similar contractual documents exist, the consultant should review them for consistency with the new regulatory framework.
8. Assist the WSS Regulator in preparing manuals for monitoring and enforcement of licenses and standards, where applicable.
9. Assist the WSS Regulator in a code of ethics and conflict of interest manual to be applied to Regulator staff members.

10. Assist the WSS Regulator in preparing a Training Needs Assessment Plan (TNA) that sets out the training requirements of all staff to be employed by the Regulator including the Director General and Directorate Heads. The TNA report should include a three-year training plan and capacity building programme, indicating the source of training and the estimated cost associated with each training element.

The consultants would also be required to assist the WSS Regulator in identifying existing Regulators that could enter into twinning arrangements as appropriate with the Yemen's WSS regulator and facilitate the establishment of the twinning arrangements, if desirable.

11. Assist the WSS Regulator in forecasting the capital and operational budgets for the first three years of existence of the Regulator with greater detail for the first year. It is expected that the consultants will assist in outlining a budget control system that will be detailed and usable in subsequent years by the permanent staff of the Regulator.
12. Assist the WSS Regulator in preparing a Project Implementation Plan (PIP). This will be a suite of documents incorporating the procurement plan, the business plan and budget, the financial and accounting guidelines and the operational guidelines.
13. Review the organisational framework proposed for the WSS regulatory authority and, where necessary, assist the WSS Regulator in producing a more detailed structure. Under such circumstances, it is expected that the consultants will give examples of the organisation structure of existing WSS regulators in other parts of the world, and indicate their applicability to the Yemen environment.
14. Assist the WSS Regulator in preparing a detailed Action Plan on the way to implement the recommended organisational development of the Regulator, indicating the deadline for the completion of each task and the person responsible, where applicable.
15. Provide training and capacity building support to the staff of the WSS Regulator. It is expected that such support will principally entail providing on-the-job assistance to individuals as well as more general training programmes / seminars / workshops targeted both at WSS Regulator employees and other stakeholders.

IV. Timing of the work

The Consultants will assist with the implementation of the WSS Regulator both prior to and following the enablement of legislation creating the Regulator.

It is expected that the Consultant will be recruited prior to the passage of legislation bringing the Regulator into existence and, as such, will play an important role in both assisting with the development of the regulatory policy framework that the Regulator will ultimately implement and also assist with the logistics of establishing the organisation.

As such, although the Consultant will be required to address all the issues listed above, the work is likely to be undertaken in two phases:

Preparation Phase

This phase takes place before the legislation establishing the Regulator is passed. As such, the bulk of the work undertaken by the Consultant in this period will relate to the preparation of **draft** policies, procedures and manuals to be presented to the WSS Regulator once it has been established for their review and, as appropriate, adoption. In addition the Consultant will provide logistics support with respect to the implementation process such as with respect to developing a recruitment strategy, assisting with hardware and software procurement, locating appropriate office space, etc.

It is expected that work on certain activities, such as those relating to the creation of licenses, regulations and codes, can commence prior to the employment of the Director General and other senior regulatory staff. However, it is important that these individuals become engaged in the development process as early as possible in order that they can take ownership of the output and to facilitate capacity building.

Any significant delay that occurs in legislation implementation may well result in the Consultant having to suspend its activities in order that the bulk of the support will be provided after the WSS Regulator has been established.

Implementation Phase

This Phase commences once the enabling legislation has been passed and the WSS Regulator has been formally established in law. At this point, the remainder of the activities listed in Section III above should begin (if they have not already commenced) and the Consultant will devote its effort to getting the WSS Regulator into an operational state and in training regulatory staff to carry out their duties.

V. Reporting

At the beginning of the consultancy, the chronology of the above tasks in terms of priorities, linkages and reports as defined in the work plan contained in the Consultant's technical proposal will be confirmed or modified by the Client prior to inception of the substantive work. The technical work plan should take this preparatory step into consideration. An Inception Report produced by the Consultant should indicate any changes to the Consultant's original workplan as agreed to by the Client.

The consultant is required to prepare interim reports covering the areas of legal framework, communications policy, human resource plan and recruitment strategy, sector rules and policies, business plans and financial, IT and accounting systems. The interim reports should be presented to the Client at approximately the halfway stage of output completion.

Progress Reports should also be submitted to the Client on a monthly basis that summarise work to date, any issues or problems that may have arisen and any proposed changes to the project workplan.

In addition to the Interim and Progress Reports described above, the following reports shall be submitted to the Client in 15 copies

- Inception Report
- Legal Report (draft legislations and licenses)
- Organisation and HR Report (Org structure, staff positions etc)
- Training Needs Assessment and training plan.
- Communications strategy
- Procedures Manual
- IT and Systems Report
- Implementation Report
- Draft Final Report
- Final Report

VI. Level of Effort and Duration of Consultancy

It is estimated that the Consultant will expend approximately 18 man-months of professional technical effort over an elapsed period of 12 months in order to complete the above tasks and reporting requirements.

VII. Profile of Consultant

The Consultant will be expected to field a team of qualified personnel with experience in the following:

- Design of legislative and regulatory aspects (including policies, rules etc) of multi-sector regulators
- Accounting, financial and business development of regulatory authorities
- Identification/selection and recruitment of professional staff
- Management and information systems
- Procedures for preparation and execution of regulatory authority implementation
- Development of a communications and PR strategy

The table below summarises the kind of project team expected of the consultant, but the consultant may choose to amend or adapt it as necessary.

Table 1 Skills Required for the Assignment

Position	Preferred Qualification / Experience	Estimated Man-Months Input <i>(Insert as appropriate)</i>
Team Leader	Experience in the development of regulatory organisations preferably in the water sector and in a developing country context	
Financial Management Expert	Accountant / Financial Analyst / Economist with experience in financial management, budgeting and auditing	
Technical Regulation Expert	Water Engineer experienced in technical auditing and the development of benchmarking tools	
Tariffs Expert	Economist / Accountant with experience in tariff policy design and implementation	
Communications Expert	Experience in the creation of effective PR and regulatory communication tools	
Regulatory Legal Expert (International & Local)	Experience in the legal aspects of regulation including legal drafting, dispute resolution processes, consumer protection, etc.	
Human Resource / Training Expert	Experience in developing HR systems and creating training plans, ideally related to the development of regulatory organisations	
IT Experts	Experience in developing Management Information Systems and other business support functions	
Other Experts (as required)	For example: internet design skills, specific skills training facilitators (e.g. presentation skills, drafting skills)	

It is recognised that individual consultants may have experience in more than one of these fields, e.g. the financial expert may also be very experienced in the development tariff policies and determination methods. Combining tasks to create a smaller team is permissible providing the overall team effort is not diluted.

INTRODUCTION AND SUMMARY NOTES ON IMPLEMENTING THE LAW FOR THE REGULATION OF NATIONAL URBAN WATER SUPPLY AND SANITATION SERVICES

**Establishment and Development of a National
Water and Sanitation Regulatory Authority**

to

**Ministry of Water and Environment
Republic of Yemen**

January 2007



**IPA Energy + Water
Consulting**



**MACS
Management & Consulting
Services**



**Al Suwaidi &
Luqman**

**Establishment and Development of a National Water and Sanitation
Regulatory Authority**

to

**Urban Water Supply and Sanitation Project
Ministry of Water and Environment
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1 INTRODUCTION

This draft law is included as part of the Final Report which follows on from the assignment's Inception and Interim Reports whereby the proposals for the regulatory framework were developed.

1.1 Purpose of the Law

The purpose of the law is to:

- Establish the National Jihaz for the Regulation of Urban Water and Sanitation Services.
- Establish a clear legal basis for the NJRWSS's powers and the separation of functions between the government's policy and planning entities, the NJRWSS, other regulators and the Water and Wastewater Services Providers.
- Provide a foundation for ensuring the access of the urban population to basic water supply and wastewater services; setting standards for service quality and efficiency, drinking water quality, and customer relations; regulating tariffs and holding providers of water supply and wastewater services accountable.
- Define the organisational structure and funding of the regulator and support the concepts of regulatory independence and autonomy.
- Empower the NJRWSS to establish relevant regulatory processes and procedures, issue licenses, and monitor and enforce compliance with service licences.
- Establish a basis for improved reporting and data collection on water and sanitation services.
- Establish rights and obligations of Water and Wastewater Services Providers, customers and third parties, and establish offences relating to water supply and wastewater services.

2 STRUCTURE AND CONTENTS OF THE LAW

This section briefly summarises the structure and content of the law. The Law comprises 13 parts (containing a total of 70 Articles) and two schedules (Penalties and the proposed Appellate Body). The following summarises each part and highlights the most salient points. References to the appropriate articles follow in parenthesis.

Part I makes provision for preliminary matters, including definitions of words used throughout (2) and the principle objectives of the law (3).

Part II provides for the role and duties of the government with respect to water supply and wastewater services, which includes responsibility for policy and overall sector planning and investment coordination (5).

Part III provides for the establishment of the National Jihaz for the Regulation of Urban Water Water and Sanitation Services (NJRWSS) as a body corporate and specifies the objectives of the NJRWSS (6), in particular to:

- Promote the implementation of the republic's policies and laws.
- Promote efficiency, financial viability and competition in the provision of services.
- Maximise access to services and enforce minimum service standards.
- Ensure that customers are treated fairly and that the regulation of water supply and sanitation services is consistent with the republic's social and environmental policies and legislation.

This part specifies the composition of the NJRWSS including a Regulatory Council and three directorates (8). The Regulatory Council is the principal decision making body whereas the directorates comprise the executive arm of the NJRWSS. In order to promote transparency and accountability the Council must comprise two external members representing domestic and commercial/industrial customers (11).

The structure of the Jihaz in three directorates (10) (Tariff Regulation, Service Quality Control and Communications and Customer Relations) reflects its primary responsibilities.

This part of the Law includes specific provisions for the appointment, tenure and removal of the leadership and staff with provisions designed to eliminate potential conflicts of interests and to promote good governance (13, 14, 15). In particular the Law recognises the need to employ suitably qualified staff and therefore recognises the need for the salary structure to be commensurate with salaries for equivalent staff employed in the private sector (17)

Funding of the NJRWSS through licence fees and other funding sources including government subvention is provided for (21).

The Law requires the NJRWSS to produce annual reports on its activities (23) as well as a detailed comparative report on the performance of the regulated utilities (24), the latter being an important tool for promoting improved operational performance through a 'name and shame' psychology.

The NJRWSS is empowered to appoint committees to aid its activities (28) such as the Regulator Co-ordination Committee, which includes other government regulators and agencies that have relevant authority over the services; and the Utility Consultation Committee, which includes the regulated service providers. In addition the NJRWSS may employ the services of experts in their respective fields as and when the needs arise.

Part IV contains the principal functions and powers of the NJRWSS (29). These include

- Advising government,
- Issuing licenses,
- Issuing technical and financial guidelines,
- Resolving disputes and
- Issuing regulations (internal and external to the NJRWSS).

In carrying out its functions the NJRWSS shall abide by the concept of open and fair consultation, openness and transparency (30).

Part V sets out the licensing provisions which require all Water and Wastewater Services Providers to obtain a licence to provide the Prescribed Water and Wastewater Services, unless expressly exempted from that obligation (31). This provision gives the regulator discretionary authority to differentiate among Water Supply and Wastewater Services Providers in setting license requirements. For example, the regulator may exempt or reduce requirements for small service providers that operate in areas that would otherwise not have services, if subjecting them to strict licensing requirements would drive them out of business and undermine public welfare. The section also includes transitional provisions (interim licenses) to enable Water and Wastewater Services Providers to comply with this obligation (32).

Part VI authorizes the NJRWSS to establish service standards, technical codes and methodologies for setting tariffs. Compliance with standards and performance in relation to targets shall be monitored as part of the regulatory process. Standards may not necessarily be uniform and the NJRWSS may set different standards and targets for different service providers recognising their individual limitations and level of infrastructure development (39).

Tariff provisions specify that the tariff determination process shall recognise the need to promote financial viability of services, protect the interests of consumers and provide incentives for efficiency (40). All Water and Wastewater Services Providers must set tariffs in accordance with the applicable methodology prescribed by NJRWSS. The section anticipates that the NJRWSS will develop additional provisions for routine and extraordinary reviews of tariff methodologies (40).

Part VII specifies the obligations, rights and powers of the Water and Wastewater Services Providers including the payment of license fees, compliance with the prescribed regulatory reporting requirements and the establishment of procedures for dealing with complaints from customers (40).

Part VIII sets out the rights and obligations of consumers including the right to access information on the service obligations of the Water and Wastewater Services Provider, and the obligation to pay for water service (45).

Part IX establishes the right of consumers to make complaints to the NJRWSS and authorises the latter to hear and resolve disputes between consumers and Water and Wastewater Services Providers and to investigate Water and Wastewater Services Providers (46-47). It also gives NJRWSS enforcement powers which include issuing enforcement orders (48), cancelling or suspending licences (49) and appointment of statutory managers (50). This part also creates a right for affected parties to apply to the NJRWSS for reconsideration of a decision (51) and the right to appeal against a decision of the NJRWSS to an appellate body to be established under the law (52).

Part X sets out detailed requirements for the development of water and wastewater services development plans (53-54) and to engage the consumers in the development of the plan (55).

The NJRWSS is empowered to approve the development plan (56). All the development plans shall be consolidated into a national water supply and wastewater development plan prepared by the Ministry based upon the information provided to it by the NJRWSS (59).

Part XI sets out minimum requirements concerning the award of private sector participation agreements notably the obligations for competitive bidding in accordance with procurement laws and regulations (61).

Part XII sets out the obligations with respect to a National Information System and the obligation to place such information in the public domain (62-64).

Part XIII includes miscellaneous provisions including the right of NJRWSS to enter and inspect Water Services Works in order to ensure compliance with the law or any regulation.

Draft Legislation

Establishment and Development of a National Water and Sanitation Regulatory Authority

to

Ministry of Water and Environment
Republic of Yemen

September 2006



**IPA Energy + Water
Consulting**



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**Al Suwaidi &
Luqman**

**Establishment and Development of a National Water and Sanitation
Regulatory Authority**

to

**Urban Water Supply and Sanitation Project
Ministry of Water and Environment
Republic of Yemen**



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Draft Law No. () of 200()
For the Regulation of National Urban
Water Supply and Sanitation Services

IN THE NAME OF THE PEOPLE,

President of the Republic,

AFTER Perusal of the Constitution of the Yemen Republic,

AND Following approval by the House of Representatives,

PROMULGATES the law of the Following text:

PART I: CITATION, DEFINITIONS, OBJECT & SCOPE

Article (1): This law shall be cited as the National Urban Water and Sanitation Services Regulatory Law.

Article (2): In this law, unless the context provides otherwise, the following words and expression shall have the meanings shown before each of them:

"Appellate Body": the body established herein as having the authority to review the NJRWSS decisions, in accordance with this law and such other procedures established by the Appellate Body.

"Basic Water Supply": the prescribed minimum standard of water supply services necessary for the reliable supply of a sufficient quantity and quality of water to households, including informal households, to support life and personal hygiene, as specified from time to time by the NJRWSS.

"Constitution": Constitution of the Republic.

"Consumer": any actual or potential end user who receives Prescribed Water and Wastewater Services from a Water and Wastewater Service Provider and does not deliver or resell the service to others including an end user in an informal settlement.

"Development Plan": the aggregate () year investment plan and development plan created by the NJRWSS as approved in accordance with article () of this law.

"Government": Government of the Republic.

"NJRWSS": the national Jihaz for the regulation of Water & Sanitation Services.

"Director General": the director general of the NJRWSS

"Emergency Situation": any situation declared as such by the President of the Republic.

"Gazette": the official gazette of the Republic.

"House of Representatives": Parliament of the Republic.

"Person": a corporate entity, limited liability company, partnership or individual that is not prohibited from PSP by regulations prescribed by the NJRWSS.

"Prescribed Water and Wastewater Services": the abstraction, conveyance, treatment and distribution of potable water, water intended to be converted to potable water, water for commercial use, where such water is provided to Consumers or other Water and Wastewater Services Providers, and the collection, treatment and disposal of wastewater..

"PSP Agreement": a concession, management or any other agreement entered into by or on behalf of the Republic and a private sector person selected by the said competent authority through a competitive bidding process (i) to provide Prescribed Water and Wastewater Services or (ii) to improve, rehabilitate or expand the network of Prescribed Water and Wastewater Services capabilities within the Republic.

"National Information System": the system for the collection of information pertaining to Prescribed Water and Wastewater Services to be created and maintained in accordance with regulations prescribed by the NJRWSS and this law.

"Salary Structure Protocol": a system of remuneration and allowances differentiated according to grade of staff.

"Relevant Ministry": the Ministry of Water and Environment.

"Republic": Republic of Yemen.

"Tariffs": the charges for Prescribed Water and Wastewater Services set in accordance with this law, the prescribed regulation of the NJRWSS and the conditions for service of the applicable Water and Wastewater Services Provider.

"The Services Committee": the House of Representative's Standing Committee for Services.

"Water Quality Standards": the health, environmental and sanitation standards relating to the quality of drinking water consistent with the Republic's water legislation and policies and standards set by the competent bodies in the Republic.

"Water and Wastewater Services Intermediary": a Person obliged to provide Prescribed Water and Wastewater Services to another Person under terms of a contract where the obligation to provide such services is incidental to the main object of that contract, including, without limitation under a contract relating to a housing estate or under an employment contract with a farm or industry.

"Water and Wastewater Services Provider": any public or private company providing Prescribed Water and Wastewater Services to Consumers or other Water and Wastewater Services Providers, within a specific jurisdiction together with or without the responsibility to collect any tariffs that may be due and includes a Water and Wastewater Services Intermediary.

"Water and Wastewater Services Regulatory Functions": the prescribing of rules, orders and regulations for the provision of Prescribed Water and Wastewater Services, granting of Water and Wastewater Services Providers Licences and other functions of the NJRWSS in accordance with this law.

"WSP Licence: the licence issued pursuant to this law granting a Person rights to provide Prescribed Water and Wastewater Services within the geographical areas specified therein.

"Water and Wastewater Services Work": a reservoir, dam, well, pumphouse, pumping installation, borehole, purification work, sewage treatment plant, electricity transmission line, access road, pipeline, meter, fitting or apparatus built, installed or used by a Water Services Provider to provide Prescribed Water and Wastewater Services.

Article (3): The main objectives of this law are the provision for:

- (a) the establishment and organization of the National Jihaz for the Regulation of Urban Water and Sanitation Services.
- (b) the setting of principles, regulations standards and measures necessary for the regulation of Water Supply and sanitation services in order to create an environment that facilitates and encourages Water and Wastewater Services Providers to operate effectively and efficiently, and to ensure that customers receive a good quality service at a fair price.
- (c) the requirements for Water and Wastewater Services Providers.
- (d) the gathering of information in the Republic's Information System.

Article (4): This law will apply to all public and private Water and Wastewater Services Providers countrywide for the purpose of regulating the Prescribed Water and Wastewater Services provided by such entity.

PART II: THE GOVERNMENT'S ROLES AND DUTIES

WITH RESPECT TO THE WATER SECTOR

Article (5): (1) The Government is responsible for setting national policy and plans for water sector matters in accordance with the Constitution and all applicable Water Laws and policies, including approving changes to the structure of the water supply sector in the Republic, and approving the basis for private

sector participation in the provision of Prescribed Water and Wastewater Services; and

(2) The Government including the Relevant Ministry may issue general policy guidance to the NJRWSS on matters concerning regulation of Prescribed Water and Wastewater Services, including guidance on overall system planning and co-ordination, which the NJRWSS shall take into consideration in discharging its Water and Wastewater Services Regulatory Functions; provided that all such guidance shall be made publicly available and is published in the Gazette and is not conflicting with this law and the applicable Water Laws and policies.

(3) The Government, through its competent ministries and affiliated Public Corporations, may carry out Water and Wastewater Services Regulatory Functions until the NJRWSS has completely established: internal operational procedures to key activities, procedures for managing key regulatory activities such as tariff setting, performance, review, etc., standards for the largest utilities, a performance monitoring and reporting framework, and has developed a tariff methodology, created and issued licences to Water and Wastewater Service Providers, reviewed investment plans and trained regulatory staff to carry out their role; or until (24 months) from the enactment of this law, whichever occurs first.

PART III: ESTABLISHMENT OF THE NATIONAL

JHAZ for REGULATION OF URBAN WATER

AND SANITATION SERVICES.

Article (6): (1) There is hereby established a Jihaz to be known as the National Jihaz For the Regulation of Urban Water and Sanitation Services, which shall be a body corporate and, subject to this law, perform all acts that bodies corporate may, by law, perform.

(2) The NJRWSS shall have the following principal objectives:-

- (a) to promote the republic's water laws and policies.
- (b) to create, promote, and preserve efficient industry and market operations and structures, and to ensure the optimal utilization of resources for the provision of Prescribed Water and Wastewater Services;
- (c) to maximize access to Prescribed Water and Wastewater Services, by promoting and facilitating Consumer connections to private and public distribution systems in urban areas;

- (d) to ensure that an adequate supply of water is available to Consumers and ensure that Consumers (including low-income or vulnerable Consumers) benefit from any gains from increased competition and efficiency;
- (e) to promote the financial viability of Water and Wastewater Service Providers to ensure they are able to adequately finance their activities over the short and longer term;
- (f) to ensure the safety, security, reliability, and quality of service in the production and delivery of water to Consumers;
- (g) to protect the interests of stakeholders in a fair and balanced manner;
- (h) to determine the appropriate degree of competition for the sector and to help ensure that such competition is permitted to develop and to be sustained using fair and non-discriminatory means;
- (i) to provide mechanisms for the resolution of complaints and disputes in relation to PSP contracts and other agreements (when such intervention has been provided for in the contract/agreement) and between Water and Wastewater Services Providers and their customers; and
- (j) to ensure that regulatory decision-making has regard to all relevant health, safety, environmental and social legislations applying to the water sector.

(3) Without derogating from subsection (1) the Jihaz shall perform its functions and exercise its powers in such a manner as it considers best in achieving any of its objectives under this law.

(4) For the furtherance of the objects referred to in this section, the NJRWSS shall perform the regulatory functions conferred on it under Part (IV) and otherwise in this law.

Article (7): Except as expressly provided by or under this law, the NJRWSS is not subject to the direction or control of the Government or any other person in respect of its exercise of its regulatory functions including any determination, report or inquiry.

Article (8): The Jihaz shall be headed by a Director General and, in addition to him, shall be comprised of a Regulatory Council, which shall be the regulatory decision making body of the NRJWSS, as well as three directorates, a legal advisor and a general services department.

Article (9): The Director General shall be nominated by the Select Committee of Water and Environment the House of Representatives and appointed by the President of the Republic by a Republican Decree. Candidates for the Director General position shall be presented to the Select Committee by a specially formed Working Group of government officials in relevant policy and oversight positions who should conduct a transparent and competitive recruitment process. The Working Group shall undertake a comprehensive advertising campaign in order to maximise the number of candidates applying for the position.. When selecting a potential nominee, the Working Group shall ensure that he/she is chosen, from both the public and private sectors, for his/her experience, knowledge and professional qualification in one of the following fields or areas of competence in the water sector: in utilities regulation and in law, accountancy, economics, finance, engineering or administration.

Article (10): (1) The three directorates of the Jihaz shall be as follows:

- (i) Directorate for Tariff Regulation.
- (ii) Directorate for Service Quality Control.
- (iii) Directorate for Communication and Customer Relations.

(2) The heads of the directorates shall be nominated by the Select Committee of Water and Environment of the House of Representatives and appointed by the Prime Minister of the Republic by a Prime Minister's Decree. Candidates for the heads of the directorates positions shall be presented to the Select Committee by a specially formed Working Group of government officials in relevant policy and oversight positions who should conduct a transparent and competitive recruitment process. The Working Group shall undertake a comprehensive advertising campaign in order to maximise the number of candidates applying for the position. When selecting a potential nominee, the Committee shall ensure that he is chosen, from both the public and private sectors, in accordance with the professional qualifications and experience criteria set out in this law.

(3) The Legal Advisor shall be appointed by the Director General. He must be a qualified professional lawyer with not less than ten years of practical experience.

(4) The head of the General Services department, who must be an experienced and qualified administrator, shall be appointed by the Director General.

The remaining staff of all departments of the NRJWSS shall be selected and appointed (or contracted on) by the Director General or, at his/her discretion, the heads of the directorates. The Director General (or heads of

the directorates) shall undertake a comprehensive advertising campaign in order to maximise the number of candidates applying for each position.

Article (11): (1) The Regulatory Council shall be composed of:

- | | | |
|-------|--|----------|
| (i) | The Director General | Chairman |
| (ii) | Director of the Directorate for Tariff Regulation. | Member |
| (iii) | Director of the Directorate for Service Quality Control | Member |
| (iv) | Director of the Directorate for Communication and Customer Relations | Member |
| (v) | A Customer Representative | Member |
| (vi) | A Business Community Representative | Member |

(2) The consumer representative shall be named by the Consumer Protection Associations and the Business Community Representative should be named by the Chamber of Commerce. Each of the two Representatives must be selected on the basis of their experience in their particular area of representation and their understanding of economics, utility regulation, law, engineering or accountancy.

Article (12): All directors and members of the structures of the Jihaz, including their staff, shall not be subject to the Civil Service Law.

Article (13): (1) Subject to this law, the Director General, each of the heads of the three directorates and the two Representatives will hold office for a period of five years, provided that, to ensure continuity in the Jihaz, the period of appointment of the first four directors shall be as follows:

- (a) the Director General shall be appointed for five years.
- (b) the directors of the three directorates shall be appointed for four years.

(2) A Director General, a director of a directorate or a Representative whose term of office has expired is eligible for re appointment for another equal term and there after shall not be eligible to serve in the Jihaz.

(3) The Director General shall continue in office after the expiry of his/her term until he/she has been re-appointed, or his/her successor has been

appointed, provided that he/she shall not continue in office pursuant to this subsection for longer than six months.

(4) The Director General and director of a directorate shall hold office on such reasonable terms and conditions fixed in the Republican Decree or the prime Minister's Decree respectively of his/her appointment. A Representative is entitled to recover any reasonable expenses incurred in the course of carrying out her/his obligations under this Law.

(5) The terms and conditions of office of the Director General and director of a directorate shall not be altered to his/her detriment during his/her tenure of office.

(6) The tenures and terms and conditions of service of all the other members and staff of the Jihaz will be as provided for in their contracts of employment.

Article (14): (1) A person shall not be appointed in the Jihaz or be a member of its Regulatory Council who:

- (a) is neither a citizen of Yemen nor permanently resident in Yemen ; or
- (b) has a pecuniary interest (either directly or indirectly through family or through nominee companies) in any Water and Wastewater Services Provider regulated under this law or any entity which is in competition with or provides similar services to those supplied by a Water and Wastewater Services Provider regulated under this law within Yemen unless the pecuniary interest is terminated prior to the appointment taking place ; or
- (c) has, in terms of a law in force in any country:
 - (i) been adjudged, by a court of competent jurisdiction, to be of unsound mind;
 - (ii) been banned from practicing his/her profession ;or
 - (iii) been convicted of an offence and sentenced to a term of imprisonment imported with or without the option of a fine, whether or not any portion has been suspended, and has not received a free pardon
 - (iv) operates directly as a trader in any products or services connected with the Water and Sanitation Sector regulated under this law; or

(2) A person who is a current:

- (i) member of the House of Representatives; or
- (ii) member of the Council of Ministers; or
- (iii) local government official; or
- (iv) permanent secretary or a deputy minister; or
- (v) judge of the Appellate Court or the Supreme Court ; or
- (vi) member of a committee of a Political Party at regional or national level.

shall not be appointed in the leadership of the Jihaz or its directorates or its Regulatory Council.

Article (15): (1) The Director General, Heads of Directorates and Representatives shall vacate their office and their office shall become vacant:

- (a) three months after the date upon which they give notice in writing to the President and Prime Minister respectively of their intention to resign, or on the expiry of such other period of notice as they and the President or Prime Minister may agree; or
- (b) becomes disqualified in terms of article (14) above ; or
- (c) on the date they begins to serve a sentence of imprisonment imposed without the option of a fine:
 - (i) in Yemen, in respect of an offence; or
 - (ii) outside Yemen, in respect of an offence involving financial impropriety or any conduct which, if committed in Yemen, would constitute an offence; or
- (d) when their term of office comes to an end and they have not been selected to serve for a further term, or when they attain the age of 65 years, whichever is earlier; or
- (e) if they suffer from physical or mental incapacity or impairment preventing them from performing their duties properly and efficiently and two independent doctors have certified this to be the case; or

(f) if they act contrary to the good name of the Jihaz or neglects their work by continuous unjustified absence from their office and meetings of the Regulatory Council.

(2) The Director General shall not be suspended or removed by the President unless a request is made by a member of the Regulatory Council and is supported by a two thirds majority of the House of Representatives.

(3) A Head of Directorates shall not be suspended or removed by the Prime Minister unless a request is made by a member of the Regulatory Council and is supported by a two thirds majority of the Council.

(4) On the death of, or vacation of office by, the Director General or Head of Directorate, the successor shall be appointed in the same manner as the predecessor.

Article (16): (1) The Director General shall be responsible for the general management of the Jihaz, officially represent the Jihaz in public, chair the meetings of the Regulatory Council, report on the business and activities of the Jihaz to the Services Standing Committee of the House of Representatives and shall assume and perform any other task and function assigned to him in accordance with this law.

(2) The Regulatory Council shall, subject to this law, decide on regulatory issues on the basis of technical proposals by the Directorates of the Jihaz and their work. It shall meet for the dispatch of business as often as is called by the Director General, but at least once a quarter, and:

- (i) the Director General shall preside at all meetings of the Regulatory Council;
- (ii) all decisions of the Regulatory Council shall be on the basis of the majority of the members present and voting.
- (iii) the quorum for the meeting of the Regulatory Council shall be four, one of whom must be the Director General, and each member present shall have one vote on each question before the Regulatory Council and, in the event of an equality of votes, the Director General shall have casting vote in addition to a deliberative vote.
- (iv) for a meeting of the Regulatory Council to review any previous decision taken by it, the quorum shall be no less than the Regulatory Council's members present when the decision was taken.

(3) The three Directorates of the Jihaz shall be headed by directors who shall manage their area of responsibility with wide autonomy and

independence, and staffed as provided for in this law. They shall report on, and make recommendations concerning, regulatory issues to the Regulatory Council and shall function under the direction and supervision of the Director General. The Directorates shall work in co-operation with one another in resolving regulatory issues although each shall have principal areas of responsibility. The Directorates shall perform the functions and be staffed as follows:

- (i) The Directorate for Tariff Regulation will focus on the tariff setting of the water and sanitation services, and develop and update financial models for each of the Water and Wastewater Services Providers taking into consideration the water and waste water services provided. It will perform the following functions:
 - (a) assess the financial viability and efficiency of the utilities regulated under this law,
 - (b) evaluate the justification of investments by the said utilities and their cost effectiveness,
 - (c) propose tariffs according to procedures established as under this law,
 - (d) recommend subsidy schemes that affect the said utilities' pricing policy,
 - (e) propose milestones for asset and tariff development to ensure or enhance financial viability and efficiency of the said utilities.
 - (f) work with other Directorates in order to meet the objectives set out for the Jihaz under this law.

The Directorate shall be headed by a Director who must be a qualified accountant, financial analyst or economist with practical experience of not less than [10] years in his/her field.

- (ii) The Directorate for Service Quality Control: will focus on the performance and operational efficiency of the Water and Wastewater Services Providers and perform the following functions:
 - (a) differentiate the performance of the Water and Wastewater Services Providers according to service quality as perceived by the user, service provider's

efficiency according to quantitative indicators and compliance with technical industry standards,

- (b) recommend the set of performance data requested to be provided by the Water and Wastewater Services Providers at the time of issue of this law, and then process regular analysis,
- (c) verify compliance with targets for service quality and efficiency and with industry technical standards,
- (d) enhance comparative competition in the sector by proposing to the Council for approval performance targets or benchmarks to be accomplished for certain indicators,
- (e) harmonize relevant technical, operational and financial rules and regulations,
- (f) conduct audits of drinking water quality tests,
- (g) conduct audits of wastewater analysis,
- (h) develop milestone targets and benchmarks, which will be decided by the Regulatory Council on the basis of technical proposals by the said directorate.
- (i) work with other Directorates in order to meet the objectives set out for the Jihaz under this law.

The Directorate shall be headed by a Director who must be a qualified engineer with a working experience of not less than [10] years in his/her field.

- (iii) The Directorate for Communication and Customer Relations acting as the communication process for the NJRWSS will in part be formalized in committees and in part will have to be carried out in the framework of a general marketing strategy, this directorate will perform the following functions:
 - (a) publish regular information concerning the activities and decisions taken by the National Jihaz for the Regulation of Water and Sanitation Services,
 - (b) publish regular information on the performance of the Water and Wastewater Services Providers,

- (c) liaise with the Water and Wastewater Services Providers through the "Utility Advisory Committee"
- (d) liaise with the regulatory organizations in the Republic such as the Relevant Ministry, the National Water Resources Corporation, the Environmental Protection Corporation and the Yemen Standardization, Metrology and Quality Control Corporation, through the "Regulator Coordination Committee"
- (e) liaise with the Ministry of Local Government and Local Council Service Committees.
- (f) consult with, survey and educate customers as necessary.
- (g) liaise with the Services Standing Committee of the House of Representatives.
- (h) work with other Directorates in order to meet the objectives set out for the Jihaz under this law.

The Directorate will be headed by a Director who must be a qualified communications professional with practical experience of not less than [10] years.

(4) The General Services Department will perform the following functions:

- (a) manage the Jihaz`s human resources,
- (b) manage the Jihaz`s finances,
- (c) provide office logistic, and
- (d) manage the information technology support.

The General Services Department shall be headed by a qualified administrator with work experience of not less than [7] years. The staff of the Department shall carry out the functions listed above and shall also provide all necessary support to the Director General, the Legal Advisor and the Regulatory Council of the Jihaz.

(5) The Legal Advisor: will play a pivotal role in the effective operation of the Jihaz through participation in most of the regulatory activities such as licence issuing, monitoring, enforcement, dispute resolution and the conduct of public hearing. His/Her functions shall include the following:

- (a) providing the Jihaz with legal advice on a day to day basis,
- (b) aiding in the drafting of the rules, regulations and legislations within the competence of the Jihaz including all licensing activities.
- (c) appearing on behalf of the Jihaz in all judicial and administrative court proceedings,
- (e) acting as the Jihaz`s document control centre through receiving and distributing all documents received by the Jihaz including applications for licences, reports from Water Providers and correspondence from the public or governmental officials (docketing) as well as creating and maintaining archives public access to the records of the Jihaz (record keeping).
- (f) acting as the co-ordinator of any dispute resolution activities engaged in by the NJRWSS.

(6) All other activities and functions undertaken by the NJRWSS in accordance with meeting its objectives as set out in this law but not ascribed to any particular Department shall be the principle responsibility of the Director General.

Article (17): (1) The Director General and Heads of Directorates shall be paid from the funds of the Jihaz such remuneration and allowances as prescribed by the Salary Structure Protocol produced by the Regulatory Council of the NJRWSS. This protocol shall have regard to the following principles:

- (a) the specialized nature of work to be performed by the Director General and Heads of Directorates.
- (b) the salaries paid in the private sector to individuals with equivalent, responsibilities, expertise and skills;
- (c) the nature of the expenses incurred by the Jihaz employees, including national and international travel expenses.

(2) Other staff of the Jihaz shall be paid from the funds of the Jihaz such remuneration and allowances as the the Salary Structure Protocol shall determine.

(3) All employee remuneration and allowances shall be delineated in the annual budget produced by the NJRWSS.

(4) Neither the Director General nor any Director of the Jihaz shall, for the period that is two years after his/her resignation or retirement, seek any

form of office, employment or consultancy arrangements, either for remuneration or otherwise, connected with any Water and Wastewater Services Provider regulated under this law or any entity which is in competition with or provides similar services to those supplied by a regulated Water and Wastewater Services Provider within the Republic.

(5) For the purposes of this part, employee shall include the Director General and all staff of the Jihaz.

Article (18): (1) If the Director General or any member of the Regulatory Council:

- (a) acquires or holds a direct or indirect pecuniary interest in any matter that is under consideration by the Jihaz,
- (b) owns any property or has a right in property or a direct or indirect pecuniary interest, in a company or association of persons which results in the private interests of the Director General coming or appearing to come into conflict with his/her functions as the Jihaz's Director General.
- (c) knows or has reason to believe that a relative of any one of the above-mentioned persons,
 - (i) has acquired or holds a direct or indirect pecuniary interest in any matter that is under consideration by the Jihaz, or
 - (ii) owns any property or has a right in property or a direct or indirect pecuniary interest in a company or association of persons which results in the private interests of the Director General coming or appearing to come into conflict with his/her functions as Director General of the Jihaz, or
- (d) if for any reason the private interests of the Regulatory Council member come into conflict with his/her functions as the Jihaz's Director General or director of any of its Directorates,

the Director General and any other member of the Regulatory Council shall forthwith disclose the fact to the Regulatory Council.

(2) The Director General and a member of the Regulatory Council referred to in subsection (1) above shall take no part in the consideration or discussion of, or vote on, any question before the Regulatory Council which relates to any contract, right, immovable property or interest referred to in that subsection.

(3) Prior to accepting his/her appointment, the Director General and every other member of the Regulatory Council shall make a declaration of assets in accordance with the Yemeni law in force.

(4) Any Regulatory Council member who contravenes subsection (1), (2) or (3) of this article commits an offence and is liable on conviction to a fine or to imprisonment or to both.

Article (19) (1) No decision or act of the Regulatory Council done under its direction shall be invalid on the ground that:

(a) there existed a vacancy or vacancies among the Directors of the Directorates of the Jihaz; or

(b) there existed some defect in the constitution of the Regulatory council at the time the decision was taken.

(2) If a Regulatory Council member referred to in article (18) takes part in the consideration of a matter in which his/her private interests are in conflict with his/her function as a Regulatory Council member, the other members of the Regulatory Council may subsequently ratify or reject any such decision or action.

Article (20): (1) On or before such date as the House of Representatives may specify before the beginning of every financial year, the Director General shall prepare and submit to the Ministry of Finance for review a budget showing the expenditures which the Jihaz proposes to incur in respect of that financial year in order to carry out the functions of the Jihaz. The budget is then included in the government's annual proposed budget that is submitted to Parliament for approval.

(2) During any financial year the Director General of the Jihaz may prepare and submit to the Ministry of Finance a supplementary budget relating to expenditures which were inadequately provided for in the annual budget due to unforeseen circumstances.

(3) A supplementary budget shall be deemed to form part of the annual budget of the Jihaz for the financial year to which it relates.

(4) The Jihaz may vary a budget prepared under this article, provided that no variation may be made which has the effect of increasing the total amount of expenditure provided for in the budget.

Article (21): (1) There is established for the Jihaz a fund into which all monies accruable to the Jihaz shall be paid and from which shall be defrayed all expenditure incurred by the Jihaz.

(2) The funds of the Jihaz shall consist of:

- (a) licence fees and any other fees, charges and income accruing to the Jihaz from Water and Wastewater Services Providers and other things done by it in terms of this law, excluding any fines or penalties recovered pursuant to this law;
- (b) funds allocated to the Jihaz by the Ministry of Finance, pursuant to a request by the Jihaz for additional funds required to meet its reasonable expenditures;
- (c) any unspent funds from the previous year's budget that should be carried over and applied to the following year's budget;
- (d) such other moneys as may vest in or accrue to the Jihaz, whether in the course of its operations or otherwise including funding provided by the donor community.

Article (22): (1) The Director General shall ensure that proper accounts and other records relating to such account are kept in respect of activities funds and property of the Jihaz, including such particular accounts and records as the Jihaz may require.

(2) The accounts shall be audited annually by external auditors appointed in accordance with the guidelines for the appointment of auditors provided for in law No. (26) of 1999 re accounts auditing.

(3) The auditor shall be entitled at all reasonable times to require to be produced to him all accounts and other records relating to such accounts which are kept by the Jihaz and to require from any officer or employee of the Jihaz such information and explanation as in the auditor's opinion are necessary for the purpose of their audit.

(4) Any officer or employee of the Jihaz who fails without just cause to comply with a requirement of an auditor in terms of subsection (1) of this article commits an offence and is liable on conviction to a fine or to imprisonment or to both.

Article (23): (1) The Jihaz shall submit an annual report of its activities to the President and the House of Representatives in accordance with the provisions of this law.

(2) The annual report shall, amongst other information, contain a detailed presentation of the Jihaz's performance during the reporting year stated against any targets set in the approved plans of the Jihaz together with an analysis of the opportunities and constraints impacting upon the performance of the Jihaz and the actions proposed for addressing them.

(3) The Jihaz shall, within six months after the end of the financial year, furnish the House of Representatives with:

- (a) a copy of the audited accounts of the Jihaz; and
- (b) a copy of the report of the external auditor.

(4) The Jihaz shall publish a summary of its annual report in two national daily newspapers circulating within the Republic and a full copy of the annual report shall be made available on the Internet.

(5) After complying with subsection (3) of this article, the Jihaz shall cause the audited accounts and annual report to be published in the Official Gazette.

Article (24): (1) The Jihaz shall produce an annual report concerning the activities and performance of all regulated entities. This Report should compare and contrast the performance of different entities in relation to standards and targets set by the Jihaz.

(2) This Report, together with all other regulatory determinations made by the Jihaz, should be made publicly available. Hard copies should be made available at the Jihaz headquarters, for which a fee may be charged. Electronic copies should be made available through the website of the Jihaz.

Article (25): (1) In addition to any report which the Jihaz is required by this law to submit to the President, the Jihaz shall submit to the President or House of Representatives such other reports as they may require and such other reports as the Jihaz considers advisable.

(2) The President shall publicly release any reports submitted pursuant to subsection (1) of this article within two months following the receipt of such a report.

Article (26): (1) No liability shall attach to the Director General or to any member of the Regulatory Council or an employee of the Jihaz for any loss or damage sustained by any person as a result of the bona fide exercise or performance of any function which by or in terms of this law, is conferred or imposed upon such person.

(2) No execution or attachment of process shall be issued against any property vested in the Jihaz except with the prior consent of the Republic's Public Prosecutor.

Article (27): (1) Subject to subsection (2) of this article, the Jihaz may in writing delegate any power vested in it by this law on any Water Services Provider or local Government Authority.

(2) The Jihaz may not delegate the power:

- (a) to make regulations; or
- (b) to set tariffs; or
- (c) to issue or cancel Water and Wastewater Services Provider Licences; or
- (d) to enforce regulation rules; or
- (e) to impose penalties.

Article (28): (1) The Jihaz may appoint advisory committees to advise on the exercise of the Water Services Regulatory functions and shall appoint, a Regulator Coordination Committee to co-ordinate the regulatory activities with other existing regulatory institution, a Utility Advisory Committee so as to maintain an active dialogue with the regulated Water and Wastewater Services Providers and other service providers, and a Customer Service "Window" needed by the Jihaz to interact with the Water and Wastewater Services Providers' Customers. The meetings of these committees shall be organized by the Directorate for Communication and Customer Relations of the Jihaz, and can be held at different levels depending on the agenda. If policy clarification is needed, representatives of the Relevant Ministry must be invited. Each committee shall have its own rules and procedure.

- (a) The Regulator Co-ordination Committee shall be formed of the Jihaz (as the national Water and Sanitation Services regulator), the National Water Resources Corporation (as being in charge of the Water resources regulation), the Environment Protection Corporation (as being in charge of environmental protection regulation) the Yemen Standardization, Metrology and Quality Control Corporation (as being responsible for national norms and standards regulation) and other party as appropriate.
- (b) The functions of this Committee shall include: development of standards and interim targets, reporting about the institution's monitoring work to avoid overlapping activities and informing on the level of compliance with standards, defining common positions, enforcement mechanisms and procedures as well as resolving common problems.
- (c) The Utility Consultation Committee shall have as members, the Jihaz, the National Water and Sanitation Corporation and its autonomous branches, the Local Corporations for Water and Sanitation Services and their autonomous branches as well as other appropriate entities. Consultation issues with

the regulated Water and Wastewater Services Providers will include: establishment and /or harmonization of procedures among utilities so that utility data and documents are transparent and comparable, compliance with and enforcement of standards, performance benchmarks, tariff regulation and other issues of common interest.

- (d) The Customer Service Window will be operated by the Directorate for Communication and Customer Relations of the Jihaz. The function of this "Window" shall be to allow consumer representatives to enter in structured communication with the Jihaz and to allow the latter to actively seek direct feedback from consumer representatives. In addition, the Jihaz should engage in a range of activities such as holding public hearings and conducting surveys to elicit customer opinion on water and wastewater service provision.

(2) The Jihaz may (and for the period of five years after commencement of operation of the Jihaz shall) enter into arrangements with experts to advise on or to undertake the performance any water sector regulatory functions.

(3) Any expert appointed under this section shall be appointed by an open and competitive bidding, subject to all applicable bidding and award guidelines, including adequate technical requirements.

PART IV: WATER SERVICES REGULATORY

FUNCTIONS OF THE JHAZ

Article (29): (1) The functions of the Jihaz are to do all things necessary or conducive to the regulation of the provision of Prescribed Water and Wastewater Services in the republic in order to meet the objectives set out for the NJRWSS in Article 3 of this law including:

- (a) Advise the Government of water supply matters;
- (b) Licence Water and Wastewater Services Providers and monitor and enforce compliance with the terms of such licences;
- (c) Develop sector guidelines on the technical and financial management of Water and Wastewater Services Providers;
- (d) Resolve disputes between the Water and Wastewater Services Providers and between them and the Consumers;

- (e) Make regulations prescribing all matters which by this law are required or permitted to be prescribed or which, in the opinion of the Jihaz, are necessary or convenient to be prescribed for carrying out or giving effect to this law, including:
- (i) the administration of the affairs of the Jihaz, including inter alia, the holding of meetings, hearings and proceedings, arbitration and mediation proceedings, the conduct of inquiries and investigations, becoming a party, the handling of information, the rules by which evidence shall be taken, and generally the conduct of its business;
 - (ii) the procedures for issuing, monitoring, modifying and revoking licences for Water and Wastewater Services Providers as well as for monitoring and enforcing compliance with the licenses` terms and for setting annual license fees;
 - (iii) the determination of the standards for the provision of Prescribed Water and Wastewater Services;
 - (iv) the formulation of tariff policy, the establishment of formulae for rules governing the setting of tariffs and final tariff approval;
 - (v) the duties, powers, rights and obligations of a Water Services Provider;
 - (vi) the resource procurement policies of, and entry into PSP Agreement by, the Water and Wastewater Services Providers, including, as may be applicable, the review and approval of the same;
 - (vii) the requirements of Water Services Development Plans;
 - (viii) procedures for monitoring compliance with Water Laws and Policies;
 - (ix) guidelines to eliminate illegal connections, unregulated or illegal use of Prescribed Water and Wastewater Services; and
 - (x) practices, procedures and reporting requirements for monitoring and enforcing this law.

Article (30): (1) In the discharge of its Regulatory Functions under this law, including the making of regulations and of any decision or determination, the Jihaz, through its structures and special committees, shall:

- (a) consult in good faith with persons who are or are likely to be affected by the decision including Water and Wastewater Services Providers, Consumers and any consumer associations;
- (b) give to such persons an opportunity to make submissions to and to be heard by the Jihaz;
- (c) have regard to the evidence adduced at any hearing and to matters contained in any submissions;
- (d) give reasons in writing for every decision;
- (e) ensure that that notice is given of each regulation, decision or determination in the Official Gazette, in a national daily newspaper circulating in the Republic and on the internet;
- (f) ensure that decisions are accessible to the public at reasonable times and places; and
- (g) ensure that decisions are consistent with all applicable Water Laws and Policies.

(2) The Jihaz may make interim orders pending the final disposition of a matter before it.

PART V: LICENCES

Article (31): (1) No Person may operate as a Water or Wastewater Services Provider unless such person:

- (a) holds a Water and Wastewater Services Provider Licence from the NJRWSS; or
- (b) is exempted from the requirement to obtain a licence in respect of the provision of the relevant Prescribed Water and Wastewater Services.

(2) A licence is analogous to a contract between the Jihaz and the Prescribed Water and Wastewater Services provider and sets out the obligations and duties pertaining to both parties.

(3) The NJRWSS shall have the authority to make determinations as to whether a person is engaging or is about to engage in a business for which

a Water and Wastewater Services Provider Licence is required under this law and may, by an order published in the Gazette, exempt a person from the requirement to obtain a Water and Wastewater Services Provider Licence in respect of the provision of the Prescribed Water and Wastewater Services specified in the order. An exemption may be of general or specific application.

(4) An exemption will be subject to the terms, conditions and limitations specified in the order and may retain powers and functions of and leave any matter to be determined by the Jihaz in relation to the regulation of the provision of Prescribed Water and Wastewater Services by such Water and Wastewater Services Providers.

Article (32): (1) The Jihaz may issue an interim Water and Wastewater Services Provider Licence for Prescribed Water and Wastewater Services to any person as specified under the law for a period not exceeding eighteen months, or such shorter period as may be specified in this law, if it determines that it is necessary in the public interest to do so.

(2) Any person who contravenes the law on obtaining the required Water and Wastewater Services Provider Licences commits an offence and is liable on conviction to a fine or to imprisonment or to both;

(3) The Jihaz shall have the authority to order any person who contravenes the law as stated in subsection (2) above, to cease his/her operations, and to make such other orders, including an order to another Water and Wastewater Services Provider to disconnect facilities, as may be necessary to prevent the continuation or reoccurrence of the contravention.

Article (33): A Water and Wastewater Services Provider shall not, except as provided under this law, assign or cede its Licence or transfer its undertaking, or any part thereof, by way of sale, mortgage, lease, exchange or otherwise without the prior written consent of the Jihaz provided that, should the Jihaz determine that in any instance the circumstances so require, it may establish Water and Wastewater Services Provider Licence terms and conditions providing for specific or general consent for any or all of the foregoing.

Article (34): (1) An application for a Water and Wastewater Services Provider Licence shall be made to the Jihaz (through the Office of the Legal Advisor) in the form and manner prescribed by the Jihaz and be accompanied by the prescribed fee and such information or documents as may be prescribed or as the Jihaz may require.

(2) Within thirty days after applying for a licence, the applicant shall, at his own expense, cause a notice of the application to be published in the Gazette and in a national newspapers in circulation in the area in which it

intends to operate as a Water and Wastewater Services Provider, in accordance with such directions as may be given by the Jihaz, stating the period, prescribed by the Jihaz, within which objections or representation in connection with the application may be made to the Jihaz, and the Jihaz shall not issue any Water and Wastewater Services Provider Licence until all objections or representations received by the Jihaz have been considered.

(3) Subject to subsection (4) of this article, if on consideration of an application that satisfies the requirements of subsection (1) above, the Jihaz is also satisfied that:

- (a) the applicant has adequate financial standing and operational capabilities and is likely to comply with such provisions of this law, including without limitations, all codes of conduct, standards, regulations and Water and Wastewater Services Provider Licence terms and conditions, as apply to the service or system it intends to provide or operate; and
- (b) the grant of the Licence is in the public interest after consideration of all relevant factors, including but not limited to the following:
 - (i) existing lawful services;
 - (ii) efficient/beneficial use of Prescribed Water and Wastewater Services in the relevant geographic area; and
 - (iii) the socio-economic impact of issuing or failure to issue a Water and Wastewater Services Provider Licence.

The Jihaz shall issue the appropriate Licence, as the case may be, to the applicant.

(4) If on consideration of an application that satisfies the requirements of subsection (1) above, the Jihaz is not satisfied as to the additional matters referred to in subsection (3) above, it shall refuse to issue a Licence to the applicant, subject to affording the applicant an adequate opportunity to make representations in the matter.

(5) The period between the Jihaz's receipt of an application under subsection (1) above and all documents and information submitted in support of it, and the date on which it notifies the applicant of the adequacy of the documents and information, shall not exceed two months.

(6) The period between receipt by the Jihaz of an application satisfying the requirement of subsection (1) above, and the date of notifying the applicant by the Jihaz of its decision or proposed decision in accordance with subsection (2) or (4) above, as the case may be, shall not exceed six months, unless the applicant consents to an extension of the period.

(7) Notwithstanding subsection (1) to (6) of this article, the Jihaz may establish simplified procedures for various Water and Wastewater Services Providers such as Water and Wastewater Services Intermediaries so as to expedite the application and licensing process.

Article (35): (1) A Water and Wastewater Services Provider Licence shall be issued subject to such terms and conditions as are required by this law or may be prescribed, or as the Jihaz may determine, which terms and conditions shall not be inconsistent with any existing PSP Agreements, where applicable. Likewise, any new PSP Agreement shall not contain terms and conditions that are inconsistent with an existing license held by a Water and Wastewater Services Provider.

(2) Unless expressly indicated in the Water and Wastewater Services Provider Licence, the grant of such a licence shall not hinder or restrict the grant of a Water and Wastewater Services Provider Licence to another person for a like purpose. In the absence of such an express indication, the Water and Wastewater Services Provider shall not claim any exclusivity, provided that the Jihaz may allow a Water and Wastewater Services Provider Licence to be exclusive for all or part of the period of the Licence, for a specific purpose, for a geographic area, or for some combination of the foregoing.

(3) A Water and Wastewater Services Provider Licence may contain terms and conditions for the said licence to cease to have effect or to be modified or amended by the Jihaz in such circumstances as may be specified in the licence.

(4) The period of validity of a Water and Wastewater Services Provider Licence shall be set out in it.

Article (36): The Jihaz shall impose a license application fee as well as an annual license fee in relation to Water and Wastewater Services Provider Licences issued under this law. The amounts of both fees shall be determined by the Jihaz on the basis of a reasonable estimate of the costs which will be incurred by the Jihaz in relation to regulation of the Prescribed Water and Wastewater Services to which the Water and Wastewater Services Provider Licence relates. The Jihaz shall also determine the time and manner of paying each of the said fees, and shall be entitled to amend the amounts of them from time to time.

Article (37): Subject to this law, the Water and Wastewater Services Provider may apply to the Jihaz for a renewal of its licence before it expires in the form and manner and within the period prescribed, which application shall be accompanied by the prescribed fee.

Article (38): (1) Subject to this article, the provisions of a Water and Wastewater Services Provider Licence may be amended:

- (a) in accordance with the procedures specified in the licence; or
- (b) by agreement between the Jihaz and the Water and Wastewater Services Provider.

(2) The Water and Wastewater Services Provider, or the Jihaz, as applicable, shall publish a notice of the proposed alteration or amendments to the Water and Wastewater Services Provider Licence in accordance with such directions as may be given by the Jihaz, stating the period prescribed by the Jihaz, within which objections or representations in connection with the amendments may be made to the Jihaz. The Jihaz shall not amend any Water and Wastewater Services Provider Licence until all objections or representations, if any, received by the Jihaz have been considered.

PART VI: STANDARDS AND TARIFFS

Article (39): (1) The Jihaz shall develop in consultation with the competent ministries (Water & Environment, Industry, Health, Public works and Local government) and the applicable public corporations affiliated to them, Water and Wastewater Services Providers, Consumers and other interested parties, the following performance standards, targets and codes:

- (a) standards of overall performance in connection with the provision of Prescribed Water and Wastewater Services, in connection with the promotion of the efficient use of water by consumers and in connection with the delivery of water and wastewater services that are safe and, reliable;
- (b) drinking water quality standards;
- (c) such technical codes and manuals as may be required for the safe, reliable and efficient operation of the system; and
- (d) such other standards, codes, manuals as the Jihaz may require.

(2) Standards, codes and manuals approved by the Jihaz pursuant to subsection (1) above shall be binding on the applicable Water and Wastewater Services Providers and shall be published by the applicable

Water and Wastewater Services Providers in such manner as the Jihaz may direct.

(3) Different standards may be determined for different Water and Wastewater Services Providers under this article.

(4) In carrying out the functions under this law, including setting and monitoring standards under this article, the Jihaz shall consult and cooperate with the Environment Protection Corporation and other national corporations and agencies responsible for environmental and water resource management regulation.

Article (40): (1) The Jihaz shall adopt and provide to the Water and Wastewater Services Provider Tariff methodologies for Tariffs that may be charged by the Water and Wastewater Services Provider for the Prescribed Water and Wastewater Services.

(2) No Water and Wastewater Services Provider shall fix any Tariff to be charged for Prescribed Water and Wastewater Services unless the Tariff is in accordance with the applicable Tariff methodology adopted by the Jihaz for regulating those Tariffs.

(3) In determining Tariff methodologies the Jihaz shall have regard to:

- (a) the particular circumstances of the Prescribed Water and Wastewater Services for which the determination is made;
- (b) the costs of producing and supplying the Water and Wastewater Services;
- (c) the interests of the Water and Wastewater Services Provider including assurance of the financial integrity of the Water and Wastewater Services Provider;
- (d) the cost of complying with relevant health, safety, environmental and social legislation;
- (e) the need to provide incentives for continued improvement in technical and economic efficiency and quality of Prescribed Water and Wastewater Services;
- (f) the investment requirements of the Water and Wastewater Services Providers and the required return on investment;
- (g) the interest of Consumers, including the need to avoid undue discrimination between Consumers and Consumer categories.

(4) The Jihaz may establish simplified Tariff methodologies for different Water and Wastewater Services Providers such as Water and Wastewater Services Intermediaries.

(5) Notwithstanding subsection (3g) of this article, in establishing Tariff methodologies the Jihaz may differentiate among Consumers on the basis of differences in total water consumption, the time periods on which water is consumed, and other such criteria as may affect the cost of providing a service and may allow a lifeline Tariff for some Consumers.

(6) Prior to approving a Tariff methodology, the Jihaz shall give notice in the Gazette and in one or more national newspapers with wide circulation in the republic of the proposed establishment of a Tariff methodology, indicating the period within which objections or representations in connection with the same may be made to the Jihaz.

(7) The Jihaz shall fix the date on which the Tariff methodology shall come into operation and it shall cause notice to be given in the Gazette of that date.

(8) The Jihaz shall establish procedures for undertaking routine and extraordinary reviews of the Tariff methodology, which procedures may provide for the use of an expert review panel including members from outside the Jihaz.

(9) Every person upon whom any function has been conferred or imposed in connection with setting Tariffs, shall be bound by a Tariff methodology that has come into operation under this article.

(10) Every Water and Wastewater Services Provider shall, within the time prescribed by the Jihaz, file with the Jihaz in such form as the Jihaz may prescribe, a schedule showing the Tariff charged by it for the Prescribed Water and Wastewater Services it provides.

(11) Any fines or penalties levied against a Water and Wastewater Services Provider in terms of this law or any other law or regulation shall not be transferable to the Consumers.

PART VII: WATER AND WASTEWATER SERVICES PROVIDERS

Article (41): (1) A Water and Wastewater Services Provider must:

- (a) comply with the provisions of its Water and Wastewater Services Provider Licence, and regulations, general codes and other requirements issued by the Jihaz from time to time, unless stayed by a court of competent jurisdiction and

notwithstanding that the Water and Wastewater Services Provider has or may intend to take legal action challenging any such order or notice;

- (b) provide the Prescribed Water and Wastewater Services in accordance with all applicable Water Laws and any other laws applicable to it;
- (c) pay the Jihaz a lump sum annual license fee;
- (d) unless expressly exempted by the Jihaz, prepare and submit to the Jihaz each year such accounting information as the Jihaz may require;
- (e) provide to the Jihaz complete and regular information, in the form and substance prescribed, as may adequately be called for by the Jihaz concerning the provision of Prescribed Water and Wastewater Services and so as to prove compliance with the Tariff approved by the Jihaz, Tariff methodology and with any other obligation of the Water and Wastewater Services Provider under this law or its Water and Wastewater Services Provider Licence and to enable the Jihaz to monitor implementation of the Water and Wastewater Service Development Plan as set out in Part IX of this Law.

(2) Every Water and Wastewater Services Provider shall establish procedures for dealing with complaints by its Consumers or potential Consumers, which procedure and any amendment must be approved by the Jihaz.

(3) Water and Wastewater Services Providers shall provide a contract to each of their customers in a format specified by the Jihaz. The Jihaz shall also specify what minimum information must be shown on customer bills.

Article (42): (1) The Water and Wastewater Services Provider may:

- (a) construct, operate, alter or repair any Water and Wastewater Services Work in accordance with the terms of its Water and Wastewater Services Provider Licence and, where applicable, any applicable PSP Agreement and with the permission of the relevant authorities of the Government.
- (b) levy Tariffs for Prescribed Water and Wastewater Services provided by it in accordance with this law and the Tariff methodology applicable to it in accordance with this law.

Article (43): (1) Every Water and Wastewater Services Provider has a duty to all Consumers or potential Consumers in its area of jurisdiction, as designated

in its Water and Wastewater Services Provider Licence, to ensure efficient, affordable, economical and sustainable access to Prescribed Water and Wastewater Services in accordance with the terms of its Water and Wastewater Services Provider Licence.

(2) This duty is subject to:

- (a) the terms of the Water and Wastewater Services Provider Licence { and any applicable PSP Agreement} ;
- (b) the availability of resources;
- (c) the need to regulate access to Prescribed Water and Wastewater Services in an equitable way;
- (d) the duty of Consumers to pay reasonable charges, which must be in accordance with any prescribed norms and standards for Tariffs for Prescribed Water and Wastewater Services;
- (e) the duty to conserve water resources;
- (f) the nature, topography, zoning and situation of the land in question; and
- (g) the right of the relevant Water and Wastewater Services Provider to limit or discontinue the provision of Prescribed Water and Wastewater Services if there is a failure to comply with reasonable conditions set for the provision of such services.

(3) A Water and Wastewater Services Provider may not unreasonably refuse or fail to give access to Prescribed Water and Wastewater Services to a Consumer or potential Consumer in its area of jurisdiction.

(4) In Emergency Situations, a Water and Wastewater Services Provider must take reasonable steps to provide Basic Water Supply to any person within its area of jurisdiction in accordance with Standards Prescribed by the Jihaz.

(5) A Water and Wastewater Services Provider may impose from time to time reasonable limitations on the use of Prescribed Water and Wastewater Services.

(6) No provisions of this article shall be interpreted to expand the obligations of a Water and Wastewater Services Provider under a PSP Agreement awarded and approved in accordance with the provisions of this law or pre-existing this law.

Article (44): (1) Prescribed Water and Wastewater Services must be provided on terms and conditions set by the Water and Wastewater Services Provider, consistent with applicable laws and regulations.

(2) These conditions must:

- (a) be in writing accessible to the public and available free of charge to any consumer;
- (b) accord with applicable Water Laws and Policies of the Republic.
- (c) accord with conditions for the provision of Prescribed Water and Wastewater Services contained in this law and all regulations made pursuant to this law.
- (d) accord with every applicable Water and Wastewater Services Development Plan adopted in terms of this law; and
- (e) provide for :
 - (i) the technical conditions of existing or proposed extensions of supply;
 - (ii) the determination and structure of Tariffs;
 - (iii) the conditions for payment;
 - (iv) the circumstances under which Prescribed Water and Wastewater Services may be limited or disconnected;
 - (v) procedures for limiting or disconnecting Prescribed Water and Wastewater Services;
 - (vi) procedures for the resolution of disputes; and
 - (vii) measures to promote water conservation and demand management.

(3) Procedures for the limitation or discontinuation of Prescribed Water and Wastewater Services must:

- (a) be fair and equitable; and
- (b) provide for the required notice of intention to limit or discontinue Prescribed Water and Wastewater Services and for an opportunity to make representations

unless:

- (i) other Consumers would be prejudiced;
- (ii) there is an Emergency Situation; or
- (iii) the Consumer has interfered with a limited or discontinued service.

(4) Every person who uses Prescribed Water and Wastewater Services Provided by a Water and Wastewater Services Provider does so subject to any applicable condition set by that Water and Wastewater Services Provider.

(5) Where one Water and Wastewater Services Provider provides Prescribed Water and Wastewater Services to another Water and Wastewater Services Provider, it may not limit or discontinue those services for reasons of non-payment, unless it has given at least 30 days` notice in writing of its intention to limit Prescribed Water and Wastewater Services or 60 days` notice in writing of its intention to discontinue those Prescribed Water and Wastewater Services to:

- (a) the other Water and Wastewater Prescribed Water Provider;
- (b) the Jihaz.

PART VIII: CONSUMERS

Article (45): (1) In addition to any right contained in the contract between the Consumer and the Water and Wastewater Services Provider, a Consumer shall have the right to be informed by the Water and Wastewater Services Provider of the rights and obligations of the Water and Wastewater Services Provider under the Water and Wastewater Services Provider Licence.

(2) A Consumer shall, in addition to any other obligation contained in any contract between the Consumer and the Water and Wastewater Services Provider:

- (a) pay for the services provided or made available in accordance with the applicable Tariff;
- (b) comply with the technical regulations issued by the Water and Wastewater Services Provider Licensee regulated to Consumer Installations including their maintenance;
- (c) allow the Water and Wastewater Services Provider to install a meter on the property where appropriate, and keep the meter in the same condition as existed when installed, fair wear and tear excepted;

- (d) report a damaged meter as soon as the damage occurs or becomes known to the Consumer;
- (e) permit the Water and Wastewater Services Provider or its agents and employees to read the meter in accordance with the terms established in the Water and Wastewater Services Provider Licence.

(3) Where the Consumer fails, after the prescribed notice, to comply with subsection (2) of this article the licensee may suspend the service of that Consumer except where the Consumer is another Water and Wastewater Service Provider.

PART IX: COMPLAINTS, ENFORCEMENT

AND APPEALS

Article (46): (1) Any Consumer or Water and Wastewater Services Provider may submit a complaint to the Jihaz in respect of a matter arising under this law.

(2) A Water and Wastewater Services Provider shall try and resolve any complaint against it by a Consumer in accordance with its complaint resolution mechanisms approved by the Jihaz. If it fails to do so, then the dispute shall be referred to the Jihaz for investigation and settlement.

(3) The Jihaz must investigate complaints received by it unless it is of the opinion that:

- (a) the complaint is trivial, frivolous, vexatious or not made in good faith; or
- (b) the complaint is on a subject already under investigation.

Article (47): Upon receiving a complaint from any Consumer or other Water and Wastewater Services Provider or on its own initiative, the Jihaz may inquire into the conduct or functioning of any Water and Wastewater Services Provider in carrying out the Water and Wastewater Services Provider's obligations under this law, rules or regulations, codes of conduct or the terms and conditions of the Water and Wastewater Services Provider Licence.

Article (48): (1) Without derogation from its other powers in this Part where the Jihaz is satisfied that a Water and Wastewater Services Provider is contravening, has contravened or is likely to contravene any of the conditions of the Water and Wastewater Services Provider Licence, the Jihaz may serve upon the Water and Wastewater Services Provider an enforcement order:

- (a) requiring the Water and Wastewater Services Provider to do, or abstain from doing, such things as are specified in the order for the purpose of rectifying or avoiding any contravention or threatened contravention of any condition of the Water and Wastewater Services Provider Licence; and
- (b) stipulating the period within which any requirement referred to in subsection (1) (a) of this article shall be commenced and completed.

(2) A notice of any enforcement order shall be published by the Jihaz in the Gazette and in the public media or in such manner as the Jihaz considers appropriate to draw the attention of other persons affected or likely to be affected by the contravention or threatened contravention of the Water and Wastewater Services Provider Licence.

(3) Prior to serving an order under subsection (1) of this article, the Jihaz shall serve a notice upon the Water and Wastewater Services Provider concerned:

- (a) specifying the grounds upon which the order is to be issued and what the Jihaz considers is required for the purpose of rectifying or avoiding any contravention or threatened contravention of any condition of the Licence;
- (b) stipulating the maximum period the Jihaz considers reasonable for the implementation of any requirement it proposes to order;
- (c) allowing the Water and Wastewater Services Provider, to make representations to the Jihaz within a specified period from the date of service of the notice.

(4) An order served under subsection (1) of this article, may specify a fine not exceeding Yemeni Riyals ----- as a penalty for each day that the Water and Wastewater Services Provider subjected to the order is in default of compliance with the order.

Article (49): (1) Subject to this article, and after an inquiry, including an opportunity for the Water and Wastewater Services Provider to show cause as to why the Water and Wastewater Services Provider Licence should not be cancelled, the Jihaz may cancel or suspend any such Licence if, it finds that:

- (a) the Licence was issued through fraud or the misrepresentation or non-disclosure of a material fact by the Water and Wastewater Services Provider;

- (b) the Water and Wastewater Services Provider has, without reasonable cause, failed to comply with an enforcement order issued by the Jihaz;
- (c) the Water and Wastewater Services Provider has, after appropriate notice in accordance with the terms of the Licence, failed to comply with any term or condition of its Licence, the breach of which is expressly declared by such Licence to render it liable to cancellation; or
- (d) the financial standing of the Water and Wastewater Services Provider is such that it is unable to fully and efficiently discharge the duties and obligations imposed by the Water and Wastewater Services Provider Licence.

(2) Before cancelling a Water and Wastewater Services Provider Licence, the Jihaz shall notify the Water and Wastewater Services Provider (the Licensee) in writing of its intention to cancel its Licence and the reasons for doing so, and shall allow the Licensee an opportunity to demonstrate, within 60 days following the delivery of such a notification, that circumstances have changed such that cancellation may no longer be warranted.

(3) Notwithstanding subsections (1) and (2) of this article, the Jihaz may, instead of cancelling a Water and Wastewater Services Provider Licence, allow such Licence to remain in force subject to such further terms and conditions as it may deem necessary to impose, and such terms and conditions shall form part of the said Licence.

(4) Any decision by the Jihaz to suspend or cancel a Water and Wastewater Services Provider shall be published by the Jihaz in the manner it considers appropriate to ensure informing other persons affected or likely to be affected by such decision of it.

Article (50): (1) Without prejudice to the Jihaz's powers under the provisions of this Part, where a Water and Wastewater Services Provider Licence has been suspended or cancelled the President may, where necessary in the public interest and acting on the recommendation of the Jihaz, direct that the utility or service provider be operated under the management and control of a competent person as a statutory manager.

(2) The statutory manager may exercise all relevant powers and perform all relevant duties on behalf of the Water and Wastewater Services Provider to the exclusion of the latte; and may use the infrastructure of the original Water and Wastewater Services Provider to the extent necessary to perform those functions.

(3) As soon as a Water and Wastewater Services Provider is in a position to resume its functions effectively, the statutory manager must stop exercising the delegated powers and performing the delegated duties.

(4) The statutory manager may recover from the original Water and Wastewater Services Provider:

- (a) all outstanding expenses which it incurred; and
- (b) all losses which it suffered, as a result of having acted in accordance with this article.

(5) The procedure set out in subsection (3) of this article need not be followed in an Emergency Situation.

(6) The suspension or cancellation of a licence and the appointment of a statutory manager under this article shall not prejudice or affect the security of any holder of any security interest in the Water and Wastewater Services Provider or any mortgage or the right of enforcing the security.

Article (51): (1) Subject to this article, any person who is aggrieved by:

- (a) a decision of the Jihaz not to issue a Water and Wastewater Services Provider Licence;
- (b) any term or condition of a Water and Wastewater Services Provider Licence issued to him, or a refusal by the Jihaz to specify a term or condition in such a Licence;
- (c) a refusal to renew a Water and Wastewater Services Provider Licence by the Jihaz;
- (d) any amendment or refusal to amend by the Jihaz of a Water and Wastewater Services Provider Licence;
- (e) the cancellation of a Water and Wastewater Services Provider Licence;
- (f) the grant or refusal to grant by the Jihaz of any approval or authority in terms of this law;
- (g) the outcome of any arbitration or mediation by the Jihaz of a dispute between Water and Wastewater Services Providers;
- (h) a decision of the Jihaz with respect to Tariffs; or
- (i) any other decision of the Jihaz,

may, within fourteen days after receipt of that decision, apply to the Jihaz for reconsideration of the issue.

(2) An application shall only be heard under this article if the applicant:

- (a) relies on new facts or changed circumstances that could not, with ordinary due diligence, have become known to the applicant while the matter was being considered by the Jihaz; or
- (b) alleges that the decision was based upon material errors of fact or law.

(3) Where a review application has been made under subsection (1) of this article the Appellate Body may not hear an appeal under article (51) of this law until the reconsideration has been completed.

Article (52): (1) A person aggrieved by a decision of the Jihaz may appeal against the decision to the Appellate Body established pursuant to Schedule 2 annexed to this law.

(2) Any such appellant, must note an appeal by lodging a written notice of appeal with the Appellate Body and the Jihaz within 21 days of the appellant becoming officially aware of the decision.

(3) The appeal shall only be heard where the grounds for appeal are:

- (a) the decision was not made in accordance with law; or
- (b) the determination is based wholly or partly on a material error of fact.

(4) The Appellate Body may dismiss an appeal if it finds that:

- (a) the appeal is frivolous or vexatious or not made in good faith; or
- (b) the appellant does not have a sufficient interest in the subject matter of the appeal.

(5) A person who has applied for a Water and Wastewater Services Provider Licence may appeal to the Appellate Body if the Jihaz fails to take a decision on the application within thirty days from date of receiving the said application.

(6) An appeal under subsection (5) of this article:

- (a) must be conducted as if the application had been refused; and

- (b) must be noted by lodging a written notice of appeal with the Appellate Body and the Jihaz.
- (7) The Appellate Body may prescribe the procedure for conducting an appeal under this article.
- (8) The Appellate Body may on appeal, confirm, vary or overturn any appealed decision of the Jihaz.
- (9) Irrespective of the outcome of the appeal, each party to it shall be responsible for covering its own appeal costs.
- (10) Following the outcome of the appeal to the Appellate Body:
- (a) any person who has received an unfavourable determination from the Appellate Body may appeal against its decision to the competent Governorate's Court of Appeal on the basis of an error of law or fact only.
 - (b) for the purposes of this article, the competent Governorate Court of Appeal shall be the court of the governorate within which the geographical area serviced or to be serviced by the Water and Wastewater Services Provider or Person lies.
 - (c) the appeal must be noted by lodging a written notice of it with the Governorate's competent court and the other party to the appeal and filing a reasoned appeal application before the competent governorate court within 30 days from the date of issue of the Appellate Body decision in the presence of the appellant or from the date of the official written notification of the appellant of the decision issued in his/her absence.
 - (d) the competent governorate court must consider and decide the appeal within a period not exceeding 30 days from date of registering the appeal in its records.
 - (e) the competent governorate court may on appeal confirm, vary or overturn the appealed decision of the Appellate Body.
 - (f) the decision of the competent governorate court shall be final and decisive.
 - (g) each party to the appeal shall bear its own appeal costs irrespective of the outcome of the appeal before the competent governorate court.

PART IX: WATER AND WASTEWATER SERVICES PROVIDER

DEVELOPMENT PLAN AND
NATIONAL DEVELOPMENT PLANS

Article(53): (1) Every Water and Wastewater Services Provider within the jurisdiction of this law, must within one year after the commencement of this law, and thereafter at intervals prescribed by the Jihaz,

- (a) prepare and submit to the Jihaz:
 - (i) a draft Water and Wastewater Services Development Plan for its area of jurisdiction; and
 - (ii) a summary of that plan.

(2) Notwithstanding subsection (1) of this article, the Jihaz may either:

- (a) waive the requirement for a Water and Wastewater Services Development Plan; or
- (b) establish a simplified planning questionnaire for different Water and Wastewater Services Providers such as Water and Wastewater Services Intermediaries.

Article (54): (1) Every draft Water and Wastewater Services Development Plan must be in the form and contain the details prescribed by the Jihaz, consistent with any applicable national policies and guidelines and any National Water and Wastewater Sector Programme and shall include details of the following:

(2) Details of the existing water supply situation in the Water and Wastewater Services Provider's service area including:

- (a) details of the service area boundaries;
- (b) a schedule of the principal Water and Wastewater Services assets used by the Water Services Provider;
- (c) details of the size and distribution of the population within that area as collected in national census data;
- (d) details of the existing Prescribed Water and Wastewater Services provided in the area including the number and type of connections in existence broken down by population category i.e. residential commercial, industrial and administrative users, the level of service received by each connected customer and details regarding pressure,

availability, unaccounted for water losses, interruptions in service due to power failures, etc.;

- (e) current operational arrangements including PSP and other third party contracts, the use of secondary service providers (including vendors and tanker services); and of the estimated number and location of persons within the area who are not being provided with water and wastewater Services.

(2) Development planning objectives and priorities of the Water and Wastewater Services Provider;

(3) A five year investment plan in the form and substance prescribed by the Jihaz; and

(4) An operational management plan in the form and substance prescribed by the Jihaz.

Article (55): (1) A Water and Wastewater Services Provider must:

- (a) take reasonable steps to bring its draft Water and Wastewater Services Development Plan to the notice of its Consumers, potential Consumers, and other Water and Wastewater Services Providers within its area of jurisdiction; and
- (b) invite public comment thereon to be submitted within a reasonable time.

(2) A copy of the Water and Wastewater Services Development Plan, including a copy of its summary, all written comments, and a report on all other comments must be:

- (a) available for inspection at the offices of the Water and Wastewater Services Provider; and
- (b) obtainable against payment of a nominal fee.

Article (56): The Jihaz shall review and approve the Water and Wastewater Services Development Plan to ensure that it is consistent with this law and the terms and conditions of the Water and Wastewater Services Provider Licence and any applicable PSP Agreement or other third party agreement and shall monitor implementation of the said plan.

Article (57): A Water and Wastewater Services Provider shall not undertake activities that constitute a substantial deviation from a Water and Wastewater Services Development Plan approved by the Jihaz unless it is embodied in a new Water and Wastewater Services Development Plan adopted in accordance with the procedure set out in this part.

Article (58): A Water and Wastewater Services Provider must report on the implementation of its Water and Wastewater Services Development Plan during each financial year in the form and times prescribed by the Jihaz.

Article (59): (1) In consultation with the Jihaz which shall provide it with the required and relevant input, the Relevant Ministry must prepare, on an annual basis a National Development Plan that is an aggregation and harmonization of the Water and Wastewater Services Development Plans approved by the Jihaz in accordance with and in furtherance of the existing Water Laws and Policies and any National Water Sector Programme of the Republic, and submit the same for approval by the Government. The Government shall then submit it to the House of Representatives for approval.

(2) The National Development Plan will prioritize among the approved Water and Wastewater Services Development Plans funding needs to support applications for funding from the government.

(3) Where either the Government or the House of Representatives does not approve or requires any changes to the National Development Plan recommended by the Relevant Ministry in consultation with the Jihaz, it shall be required to publish written reasons for such decision.

(4) The Relevant Ministry shall cause the National Development Plan to be published in the Gazette.

Article (60): (1) The Jihaz is authorized to perform any obligations imposed on it under any National Water Sector Programme or any function delegated to it by the Government in accordance with such programme or otherwise in relation to advance of financial assistance to Water and Wastewater Services Providers by the Government, including, as applicable, to make recommendations with respect to applicants for funds available under such programme, if any, in accordance with the terms and conditions applicable to the programme.

(2) The Jihaz may refuse to recommend that financial assistance be provided to any Water and Wastewater Services Provider which fails to comply with its obligations in terms of this law.

PART XI: PSP AGREEMENTS

Article (61): (1) The Government may directly or through the publicly owned Water and Wastewater Service Providers enter into a PSP Agreement with a Person to perform functions, services or facilities which may be exercised, performed or provided by a Water and Wastewater Services Provider under this law.

(2) The award of a PSP Agreement shall be carried out in accordance with all applicable laws and policies, including the following provisions:

- (a) except as otherwise authorized by the Jihaz, PSP Agreements shall be awarded by open and competitive bidding, subject to existing bidding and award laws, regulations and guidelines, including adequate technical requirements;
- (b) the scope of the project the subject of the PSP Agreement (including the design, construction, maintenance or operation of new Water and Wastewater Services Works or the modernization, rehabilitation, expansion, management or operation of existing Water and Wastewater Services Works) must be in conformity with the National Development Plan, or otherwise have been approved by the Relevant Ministry;
- (c) no representations shall be made of Government funding or subsidies except as previously approved in writing by the Government;
- (d) the awards shall be consistent with the bidding and award guidelines developed for the PSP Agreement and with applicable Water Laws, circulars, regulations and guidelines relating to the tendering of public contracts and private sector investment into infrastructure; and
- (e) the PSP Agreement shall be approved by the Jihaz but such approval function is strictly limited to ensuring that the PSP Agreement is in compliance with this law and the applicable Water and Wastewater Services Development Plan and that the prescribed procedures for award of the PSP Agreement have been followed.

(3) The Jihaz shall develop further provisions for the procedure for award of PSP Agreements which may include compulsory provisions to be included in a PSP Agreement.

(4) As soon as a PSP Agreement or joint venture agreement has been concluded, the Water and Wastewater Services Provider must supply a copy thereof to the Jihaz.

PART XII: NATIONAL INFORMATION SYSTEM

Article (62): (1) The Jihaz must ensure that there is a National Information System on Prescribed Water and Wastewater Services and co-operate with the Relevant Ministry to operate such system relating to Water generally.

(2) The Jihaz must take reasonable steps to ensure that information provided is in a format accessible to all stake-holders.

Article (63): The purpose of the National Information System is:

- (a) to record and provide complete and accurate data for the development, implementation and monitoring of Prescribed Water and Wastewater Services in the Republic and
- (b) to provide information to Water and Wastewater Services Providers, Consumers and other members of the public:
 - (i) to enable them to monitor and compare the performance of Water and Wastewater Services Providers;
 - (ii) for research purposes; and
 - (iii) for any other lawful reason.

Article (64): (1) The Jihaz may require any Water and Wastewater Services Provider to furnish information to be included in the National Information System.

(2) The Jihaz or the provider of the National Information System may charge a reasonable fee for making information available, subject to the objectives of the transparency and effective public access to relevant information.

PART XIII: GENERAL PROVISIONS

Article (65): No approval given under this law and nothing in this law relieves any Water and Wastewater Services Provider or any other person from complying with any other law in effect after the issue of this law relating to the management or regulation of the environment or water quality or resources; or with any other effective laws including, where required, any obligation on a Water and Wastewater Services Provider to obtain a licence to abstract water to be used in providing the Prescribed Water and Wastewater Services.

Article (66): (1) Any person authorized in writing by the Jihaz or any Water and Wastewater Services Provider may:

- (a) at any reasonable time and without prior notice, subject to limitations set out in subsection (3) of this article, enter any property and inspect any Water and Wastewater Services Work in order to ascertain whether this law or any regulation or directive made under it is being complied with;
- (b) after reasonable notice to the owner or occupier of any property, enter that property with the necessary persons, vehicles, equipment and material:
 - (i) to repair maintain, remove or demolish any Water and Wastewater Services Work belonging to or operated by

the Water and Wastewater Services Provider concerned;

(ii) to remove vegetation interfering with any Water and Wastewater Services Work belonging to or operated by the Water and Wastewater Services Provider concerned;

(iii) to establish the suitability of any water source or site for the construction of a Water and Wastewater Services Work;

(iv) search, excavate, bore or carry on any activity necessary for the recovery or measurement of water; and

(c) after reasonable notice to the owner or occupier of any property, cross the property in order to enter another property lawfully.

(2) Any person entering property must identify himself or herself and present his or her authorization.

(3) A dwelling, private residence or business may only be entered:

(a) where it is necessary in terms of this law to do so; and

(b) on reasonable notice; and

(c) at a reasonable time.

Article (67): (1) No Person may:

(a) continue the wasteful use of water after being called upon to stop by the Jihaz;

(b) unlawfully and intentionally or negligently interfere with any Water and Wastewater Services Works (including destruction of pipes, tampering with meters, etc.);

(c) make any unauthorized connection to any Water and Wastewater Services Works;

(d) intentionally obstruct any person exercising or attempting to exercise any right of entry and inspection of property under article (65);

- (e) fail or refuse to give information, or give false or misleading information when required to give information in terms of this law; and
- (f) fail to provide access to any books, accounts, documents or assets when required to do so in terms of this law.

(2) Any Person who contravenes subsection (1) of this article is guilty of an offence and liable, on conviction, to a fine or to imprisonment or to both in accordance with Schedule (1) of this law.

(3) Whenever an act or omission by an employee or agent:

- (a) constitutes an offence in terms of this law, and takes place with the express or implied permission of any employer, the employer shall, in addition to the employee or agent, be liable to conviction for that offence; or
- (b) would constitute an offence by the employer in terms of this law, that employee or agent shall in addition to that employer be liable to conviction for that offence.

Article (68): (1) The proceeds from fines and penalties levied by the Jihaz on licensees shall either be redistributed to customers or used by the Jihaz to improve or extend service delivery to customers.

Article (69): (1) All provisions in existing laws and decrees conflicting with any provision of this law or with its main objects as set out in article (4) are hereby repealed.

(2) Nothing in this law shall affect or undermine:

- (a) the existing national quality, health and environmental regulatory powers and authorities of the water and sanitation services legally vested in any Ministry or in any of its affiliated public corporations or entities.
- (b) the service areas and existing rights and obligations of any Water and Wastewater Services Provider operating under a PSP Agreement pre-existing this law, if any.

Article (70): This law is effective from the date of its issue, and is to be published in the official Gazette.

Issued on the ----- day of the month of ----- in the year 142- of Hijra corresponding to the ----- day of the month of ----- in the year 2000.

President of the Republic

SCHEDULE (1): PENALTIES

Article No. Violation	Fines	Imprisonment Terms
	Minimum	Maximum
Any officer or employee of the Jihaz fails without cause to comply with a requirement of an auditor {art. 22(4)}		
A Water and Wastewater Services Provider contravenes the law on obtaining the required Water and Wastewater Services Provider Licences {art. 31(2)}		
A Jihaz Director General or director of a directorate contravenes the provisions of the law relating to requirements to disclose pecuniary interests {art. 18}		
Wasteful use of Water {art. 66, 3 (a)}		
Interference with Water and Wastewater Services Works {art. 66} Unauthorized connection to Water and Wastewater Services Works and related activities: (a) Water vending. (b) Other commercial or industrial use. (c) Domestic use.		
Illegal bottling or packing of Water		
Intentional obstruction of the Jihaz or any Water and Wastewater Services Provider in the course of their duties.		
Failure or refusal to give information {art. 66(1)(e)}		

SCHEDULE 2: APPELLATE BODY

- (1) The Appellate body shall be an ad-hoc panel formed on an as-needed basis. It shall consist of the chief justice of the competent primary court, as chairman, and two assessors, one of whom must be an economist and the other a water regulation expert.
- (2) The competent primary court is the court within the geographical jurisdiction of which is the domicile of the party to the appeal adversary to the Jihaz.
- (3) The assessors will be selected and appointed by the two parties to the appeal, one by each, as follows:
 - (a) when filing the petition for appeal before the chief justice of the competent primary court, the appellant shall attach with it a written notification of the name, professional qualification and address of the assessor selected by it and shall notify the other party to the appeal of the same.
 - (b) the respondent shall within ----- days from receiving notification of the appeal and of the assessor selected by the appellant, notify the chairman of the panel as well as the appellant, in writing, of the name, professional qualification and address of the assessor selected by it.
 - (c) if the assessor selected by the appellant is an economist, the assessor selected by the respondent has to be a water regulation expert, and vice versa.
 - (d) each party shall be responsible for imbursement of the assessor selected by it.
- (4) The assessors must be independent and neutral persons.