

Performance Based Contracts in Non-Revenue Water Reduction Programs

March 2017

Session 9: PPIAF Global NRW Program and Operational Manual



WORLD BANK GROUP

Water



PPIAF

Enabling Infrastructure Investment

Global NRW PBC program

- Overview
- Available Resources

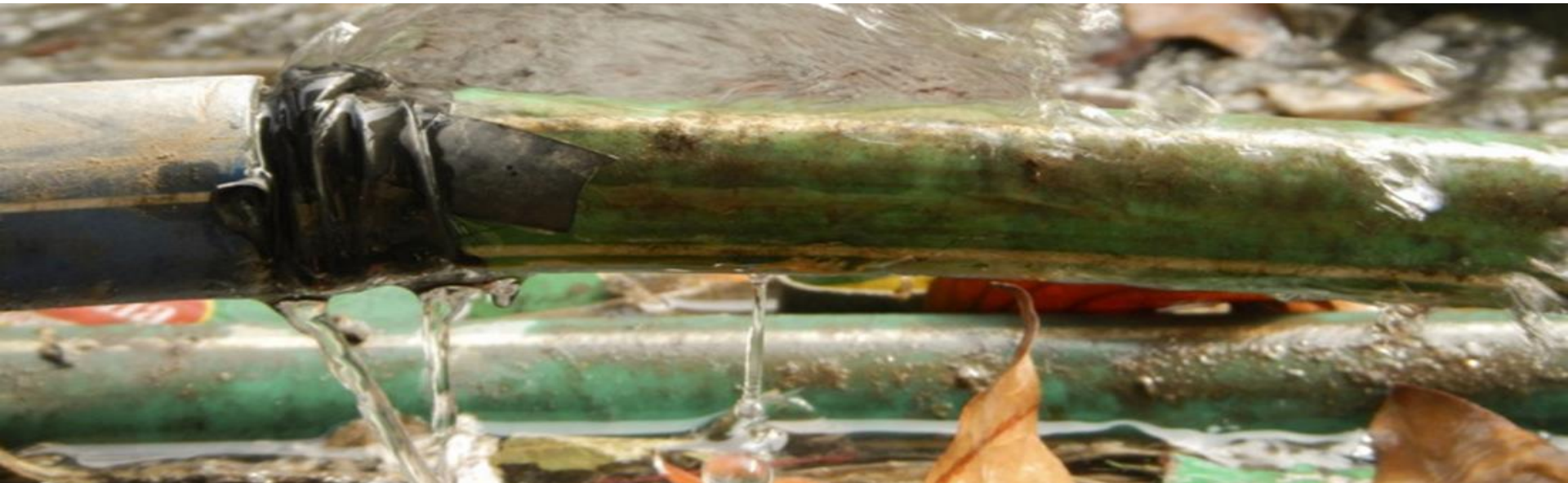
Global Program to Support the Use of NRW PBCs

Objective

Develop good practices on Performance Based Contract in the Marketplace to Manage Non-Revenue Water

Partnership with

International Water Association, IDB, and WBG



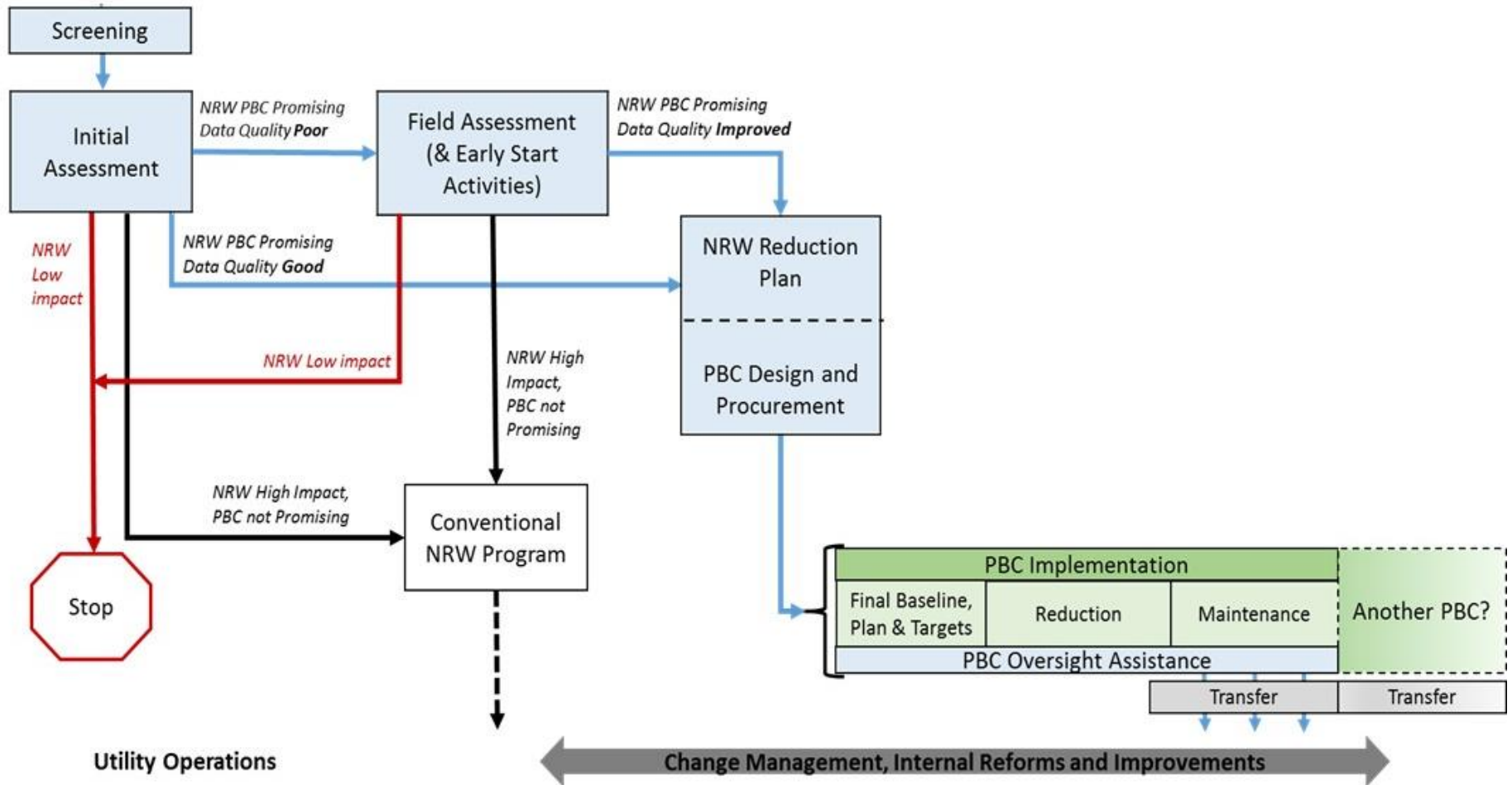
Program Activities

- **Develop knowledge** — TOR, Term sheets, Standardized contracts
- **Support PBC projects** — Kenya, Tanzania, West Bank, Pakistan
- **Support private sector skills** — Training, Supply chain analysis
- **National scale up** — How to get beyond one utility at a time



Available Resources

Operational Manual



Operational Manual

- Describes the process for planning and implementing NRW PBCs
- Visually shows the NRW PBC project preparation process and the order in which tasks must be completed
- Designed to help TTLs lead the implementation of a PBC
- Contains a detailed description of each of the nine steps involved in designing a PBC project
- Ties specific tools and templates to the appropriate area of text guidance

Operational Manual Appendixes

- Contains a sample screening tool to begin analyzing if a PBC is the right solution given the context
- Contains tools and templates that can be used as a skeleton upon which a more substantive PBC can be developed
- Such templates include Terms of Reference (TORs) for each of the assignments that may be necessary
- Also contains a distillation of the party (or parties) responsible for implementation of specific tasks
- Shows a timeline of the expected length of time required to complete each task and the PBC in its entirety

Training Curricula

- A modular document that can be used to bring staff up to speed on implementing a PBC
- Can be structured to suit the TTLs specific aims once the TTL is familiar with the PBC process
- Intended to be a document which will help ensure that all staff are on the same page regarding the goals and process of a NRW PBC from the outset of the program
- Modules can be picked and chosen for refresher sessions as needed

PBC Type Summaries and TORs

- Summaries of each of the five PBC models are in development to highlight the strengths and weaknesses of each and their potential areas of implementation
 - All-inclusive, Self-optimizing results-based 24/7, DMA bootstrapping, Competitive discovery, Incentivize program management
- Guideline TORs are being developed for each of the five PBC models discussed
- The guideline TORs will contain standard language that can be modified by TTLs to better represent the project that they are planning

Contract Summaries

- Along with PBC models, traditional PPP structuring documents are being developed as a refresher for the following types of contracts:
 - Service contract
 - Hybrid management
 - Concessions
 - Build-operate-transfer (BOT)
 - Lease
- These documents will address when each type of contract is useful as well as a case study where it has been implemented

Staff Consultation & Support

- Personnel resources both at headquarters and country offices where TTLs have already undertaken a NRW PBC
 - Answer specific questions about PBCs
- Headquarters can help to prepare applications, TORs, and other documents to ensure that adequate language has been used
- TTLs that have already started the PBC process can advise on the specifics of developing a NRW PBC program

Discussion and Clarification Questions

Further Questions? Contact us

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