**Terms of Reference for drafting the founding documents of the Agency for regulation of the regulated activities, and in accordance with the Law on Utility Services ("Official Gazette of Montenegro", 055/16 of 17 August 2016), legal regulations and the training plan elaboration and implementation**

1. **Background information on the project**

Montenegro had no regulatory authority for water supply and wastewater services in the area of wastewater and water supply. Since August 2016, in accordance with Article 3 of the Law on Utility Services ("Official Gazette of Montenegro", 055/16 of 17 August 2016) regulated utility services have included: public water supply and municipal wastewater management. The aim of regulation of utility services is to ensure that: the operations of providers of regulated utility services is based on the principles of objectivity, transparency and non-discrimination; the utility services are provided to users at fair prices; the promotion of competition in regulated utility activities; sustainable operations of the providers of regulated utility activities; balancing the interests of users and providers of regulated utility activities.

The regulatory body for regulated public utility services is the Agency, which:

* Issues, modifies and revokes licenses for the performance of regulated utility services,
* Supervises the work and operations of regulated providers of utility activities in terms of compliance with the terms of licenses issued,
* Makes comparative analysis of business operations and result indicators of the providers of regulated utility services on the basis of prescribed indicators (benchmarking)
* Adopts bylaws for regulated public utility services,
* Approves the proposal price for the provision of regulated utility services (utilities and municipal products)
* Prepares and submit to the Parliament of Montenegro annual report on activities related to regulated utility services by 31 July of the current year for the previous year.

The Agency, among other things, establishes:

* Detailed method of pricing, licensing, determining the indicators, data processing methodology and the method of submitting data, and other issues related to regulated utility services shall be determined by the Agency,
* Minimum quality and scope of work for the provision of utility services (public water supply and municipal wastewater management) shall be determined by the the Agency.

In Montenegro, the regulatory authority is within the Energy Regulatory Agency, which needs to adapt its founding acts to the new requirements arising from the Law on Utility Services, and plan and train staff for this type of work.

In order to provide support in establishing a sustainable regulation in the field of regulated utility services, the Ministry of Sustainable Development and Tourism, in the framework of the DWP (Danube Water Programme), in cooperation with "IAWD" (The Technical Secretariat of the International Association of Water Supply Companies in the Danube River Catchment Area), received support to implement the project relating to the development of legislation to establish the regulation of water supply and waste water, elaboration of the founding documents of the Agency and the preparation and implementation of plans and training programs. The project is designed so that the support provided through expert support (selected expert) and the transfer of experience from other countries through organized workshops, the Ministry of Sustainable Development and Tourism is obliged to provide internal participation through in kind form (in their work), by establishing a working group which will consist of representatives of the Ministry of Sustainable Development and Tourism and Energy Regulatory Agency.

1. **Objective(s) of the assignment**

* Establish a sustainable model of regulation in the area of water supply and waste water
* Elaborate by-laws relating to the license and a minimum quality of workload in regulated utility services (water supply and waste water)

It is necessary to elaborate:

* Draft final acts determining the optimal organizational model to perform tasks in accordance with the Law on Utility Services for regulated public utility services,
* Final draft of the minimum quality and scope of work for the performance of regulated utility services,
* Final draft of regulations on detailed procedure for issuing, amending and revoking licenses for carrying out the regulated utility services (water supply and waste water)
* Final draft proposal on the method and dynamics of staff training in the Energy Regulatory Agency in the area of regulated services (water supply and waste water).

1. **Scope of Work**

Having reviewed the operation and documents of the current Energy Regulatory Agency, taking into account the best international practices in the field of regulation, and taking into account the specificities of Montenegro, the expert has to draft legislation determining an optimal organizational model to perform tasks in accordance with the Law on Utility Services for regulated public utility services (water supply and waste water). Should it be assessed, based on the analysis of the Law on Utility Services ("Official Gazette of Montenegro", 055/16 of 17 August 2016), in terms of regulation, that it provides a sufficient framework and that it is necessary to amend in the present Law, expert will make a proposal for amendments and draft the amendments (this part is done only if amendments to the Law are required in terms of regulation).

The expert shall prepare a draft rulebook on the minimum quality and scope of work for the provision of regulated utility services (water supply and waste water), taking into account the analysis of the current status and experience of other countries.

The expert shall to prepare a draft rulebook on detailed procedure for issuing, amending and revoking licenses for the provision of regulated utility services (water supply and waste water) taking into account the experiences of other countries.

The expert shall to submit and initially implement (demonstrate) the manner and schedule of staff training in the Energy Regulatory Agency and water supply and sewerage companies.

The expert is required to hold a workshop to present the results of his work.

1. **Expected Outcomes**
2. Final Draft act determining the optimal organizational model to perform tasks in accordance with the Law on Utility Services for regulated public utility services (water supply and waste water);
3. Final draft of the regulation on the minimum quality and scope of work for the provisions of regulated utility services (water supply and waste water);
4. Final draft of the regulation on detailed procedure for issuing, amending and revoking licenses for the provision of regulated utility activities (water supply and waste water);
5. Three-year draft plan for training employees in the Energy Regulatory Agency for regulated services (water supply and waste water);
6. Workshop to present the experiences of the world's best practice in the regulč6ation of water supply and waste water from the point of application in Montenegro and the presentation of EU regulations concerning the area of regulated utility services and the work results of the expert under these Terms of Reference.
7. **Qualification requirements and basis for evaluation (evaluation criteria)**

Qualifications and skills

Education at least: Faculty of Engineering, Faculty of Economics or Faculty of Law and other relevant profession

* Good command of spoken and written English, knowledge of Montenegrin is an asset
* Computer literacy in office applications

General professional experience

* Minimum 12 years of general professional experience in the sector of water supply and wastewater and communal branch regulations.

Specific professional experience

Minimum 7 years of general professional experience in the regulation of water supply and wastewater services, as well as experience in the preparation of legal documents in the field of regulation of services.

* 1. **PROPOSAL REQUIREMENTS**

1. CV of the consultant
2. Proposed approach of the consultancy
3. Relevant experience
4. Proposed budget

**5.2 SELECTION CRITERIA**

A.Credentials required certifying experience

B. Proven expertise

C. Service

D. References

E. Price

1. **Duration of the assignment and estimated time input** 
   1. **Duration of the assignment and estimated time input**

**A total of 20 days (within 2.5 months from the signing of the Contract)**

Proposed activities: Analysis of the Law on Utility Services ("Official Gazette of Montenegro", 055/16 of 08.17.2016), visit to the Energy Regulatory Agency in order to analyze their functioning and have access to the documentation, elaboration and presentation of the draft regulation and acts referred to in point 3 and point 4 these Terms of Reference.

**6.2** **language reporting**

* All materials must be prepared in English and Montenegrin language

1. **Reporting requirements**

* Within 5 days of signing the Contract, the Consultant will submit a proposed implementation schedule for these activities to the Ministry of Sustainable Development and Tourism for approval;
* After the presentation and submission of the draft documents and tasks mentioned in item 3 and item 4 of these Terms of Reference, the expert is required to incorporate in the documents reasonable comments from the Ministry of Sustainable Development and Tourism within 15 days of receiving them.

**GENERAL INFORMATION**

**Deadline for the Proposal:** May 12, 2017 to the Ministry of Sustainable Development and Tourism

**Budget:** The maximum available budget for the project is gross EUR 12,600 including accommodation and transport.

**Contact for Further information:**

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