

Water Management - Water Tariff Reform Expert

Terms of Reference (ToR)

Activity Title:	Water Tariff Reform in the Kurdistan Region of Iraq (KRI)
Position Title:	Water Tariff Reform Expert (The Expert could be single or consultancy firm)
Activity Duration:	12 months (December 1, 2025 – November 30, 2026)
Working days:	48 days (intermittent basis), distributed over 12 months
Reports to:	General Directorate of Water and Sewerage (GDWS) and VNG International

1. VNG International:

VNG International is the International Cooperation Agency of the Association of Netherlands Municipalities (VNG). VNG represents all 342 Dutch municipalities and has over 100 years of experience in facilitating local-to-local dialogue and cooperation for its members, providing them with technical expertise and advocating on their behalf towards other levels of government and stakeholders. In 1993, VNG established VNG International, aiming to strengthen democratic local government worldwide. Being part of VNG, one of the oldest and strongest local government associations in the world, our roots in local government are deep: it is second nature for us to work at both the technical and political level of local government. Development partners work with us because we combine practical expertise, knowledge of the needs of local governments, and excellent project implementation. VNG International supports decentralization processes and decentralized cooperation. Through our 60+ projects we provide capacity building services to local governments, their associations, training institutes and ministries working in the field of decentralization and local government. VNG International has implemented programs in Iraq since 2003, and has an established presence in Duhok since 2019. It has since established an excellent network of local experts in the fields of public sector improvement, basic services, public participation, local economic development, public finance management, and spatial planning. VNG International in Iraq has implemented projects in Ninevah, Erbil, Duhok and Halabja governorates. VNG International has an office in Duhok which is supervised by our country representative, and which has 5 permanent staff. We also have an office in Baghdad. Through these offices we maintain relations with all (sub)national ministries, local governments, NGOs, and key stakeholders in our projects.

2. Description of Assignment:

The assignment is a part of the larger five-year umbrella programme in 14 countries between VNG International and the Ministry of Foreign Affairs: "Sustainable Development through Improved Local Governance" (SDLG) programme. The intervention in Iraq/KRI focuses on migration and aims to

improve responsiveness by Iraqi and KRI subnational governments and local service provision departments to host and displaced communities (IDPs, returnees, refugees).

The SDLG program in Iraq and KRI, running from 1 January 2022 until 31 December 2026, intends to achieve four outcomes:

- Increased mandate of the subnational governments and service provision departments
- Improved decision-making process, policies and services of subnational government and local service provision departments
- Increased leadership qualities (including accountability) and skills of municipal leaders
- Increased engagement of citizens, i.e. their possibilities to participate effectively in decision making at the local level.

The assignment involves the design and support of a comprehensive Water Tariff Reform policy for the Kurdistan Region of Iraq, aimed at improving the financial sustainability, efficiency, and equity of water service delivery. The selected international expert or consulting firm will conduct a detailed assessment of the existing water tariff system, engage stakeholders at multiple levels, and develop a reform proposal aligned with international best practices and tailored to the local political, economic, and social context.

The assignment is expected to result in a practical, actionable tariff reform policy with clear guidelines for implementation, monitoring, and evaluation.

3. Background and Context

The Government of the Kurdistan Region of Iraq (KRG), through the General Directorate of Water and Sewerage (GDWS), with support from VNG International, is undertaking a comprehensive Water Tariff Reform process following the outcomes of the 1st Multi-Stakeholder Workshop on Water Tariff Reform, held in Erbil which highlighted critical shortcomings of the current tariff system. These include limited financial sustainability, exclusion of key populations (e.g., villagers and displaced persons), inconsistent geographical and service coverage, and weak alignment with cost-recovery principles.

In response, a draft roadmap has been developed to guide a 12-month implementation phase aimed at introducing a fair, inclusive, and financially viable water tariff system. The reform process seeks to ensure affordability for consumers while promoting improved water utility performance and long-term service sustainability.

A key component of the reform is the equitable inclusion of displaced populations both internally displaced persons (IDPs) and Syrian refugees who currently face significant barriers to accessing essential services, including water.

The population of the Kurdistan Region of Iraq is approximately 6.4 million, according to preliminary results from the 2024 census. This represents about 14% of Iraq's total population of over 45.4 million. The census data indicates that 84% of the region's population is urban, and the average family size is 4.6 people. Population growth rate is 2.48%.

Total number of displaced people in KRI is 859,331 individuals (578,403 IDPs and 280,928 refugees). More than 190,000 individuals (104,000 IDPs and 91,000 Syrian) reside in 27 formal camps (18 for IDPs and 9 for Syrian refugees) across Erbil, Duhok, and Sulaimaniya governorates.

Currently, residential water tariffs in the Kurdistan Region of Iraq are structured on a tiered basis, with rates determined by monthly consumption levels.

Charges begin at 50 IQD per cubic meter for the first 5 cubic meters and increase progressively, reaching up to 600 IQD per cubic meter for consumption exceeding 60 cubic meters per month.

However, a maximum billing roof is in place: if the total monthly charge exceeds 45,000 IQD, only 45,000 IQD is billed to the household, regardless of actual usage.

The displaced households, residing in camps receive water free of charge, irrespective of consumption volume. Those living outside camps are subject to the same tariff structure as the host community.

Acknowledge and according to GDWS the average cost of producing 1 m³ of water is 140 – 150 IQD. If the cost of all inputs and indirect costs being considered like electricity, water infrastructure, machineries and depreciation; the cost will reach to 450 IQD/m³

The regional government's approach to water tariff reform presents a unique opportunity to support the inclusion of displaced populations in the public service delivery systems.

This shift from treating camps as temporary solutions to integrating them into long-term infrastructure and service planning can foster refugee self-reliance and social cohesion, while also reducing strain on water utilities.

Given the complexity of the socio-political, financial, and technical environment, expert guidance is now essential to ensure successful design and implementation of the reformed tariff system.

The Water Tariff Expert will play a vital role in providing technical leadership, ensuring the reform process aligns with international best practices, and adapting these practices to the unique context of KRI particularly with regard to inclusivity, cost recovery, and sustainability.

4. Purpose, Objectives and Outcome

Overall Goal

To support the GDWS and partners by providing specialized technical guidance to design, refine, and operationalize the water tariff reform and to ensure that the tariff structure aligns with economic realities, social equity considerations, and international standards, while supporting institutional readiness and stakeholder engagement.

Specific Objectives

- Review and assess the current water tariff structure, including socio-economic impacts, cost recovery levels, and institutional capacity in KRI.
- Refine the existing draft roadmap in collaboration with stakeholders.
- Develop and propose models for a revised tariff system that balances affordability, equity, and financial sustainability.
- Support the design and implementation of a pilot in a selected location.
- Facilitate the engagement and inclusion of displaced people in the reform process e.g. invite them to the consultation meetings and participate them in focus group discussion during several phases of the process.

5. Outcome:

The reform initiative addresses core aspects of policy development and service delivery, with the goal of enhancing the effectiveness, efficiency, and sustainability of water services at the subnational level. Water tariff reform will strengthen the decision-making capacity of subnational authorities and local service providers

The water tariff reform process contributes directly to the following outcome:

- Improved subnational government and local service provision department decision-making processes, policies, and services.

6. Key Responsibilities, Deliverables and Timelines

#	Milestone	Duration in Months	Key Responsibilities	Expected Deliverable	Timeline (from start date)
1	Stakeholder Mapping & Engagement	1	<ul style="list-style-type: none"> Identify and map key stakeholders Develop stakeholder engagement strategies and communication plans to mitigate resistance and foster public understanding. 	Stakeholder analysis report; Engagement strategy	End of the first month
2	Regulatory & Institutional Review	1	<ul style="list-style-type: none"> Assess existing legal, regulatory, and institutional frameworks and recommend required legal, policy, and institutional changes to support the new tariff framework. Draft a phased implementation strategy that includes governance, risk mitigation, and policy development. 	Regulatory and institutional assessment report	End of the second month
3	Tariff Policy & Design Options	1.5	<ul style="list-style-type: none"> Review existing tariff structures and conduct a technical, financial, and socio-economic analysis of current pricing practices, including cost recovery and subsidy impacts. Refine the draft tariff reform roadmap, aligning it with the 12-month implementation timeline. Develop alternative tariff design models Align with cost-recovery and social equity principles Design a revised, multi-tiered water tariff system including: <ul style="list-style-type: none"> ✓ Household, commercial, industrial, and institutional categories ✓ Socio-economic considerations (e.g., vulnerability, affordability thresholds) ✓ Inclusion of IDPs, refugees, rural households, and wastewater services ✓ Metered and non-metered billing approaches 	Options paper with comparative tariff models	Mid of the fourth month

4	Financial & Economic Analysis	1.5	<ul style="list-style-type: none"> • Conduct affordability and cost-recovery assessments • Support modelling of economic impacts 	Financial analysis and economic modelling report	End of the fifth month
5	Draft Tariff Reform Plan	1	<ul style="list-style-type: none"> • Prepare a comprehensive draft plan including implementation strategy 	Draft Water Tariff Reform Plan	End of the sixth month
6	Pilot Project, Public Communication & Consultation	3	<ul style="list-style-type: none"> • Design a 3-month pilot for the implementation of the new tariff framework in a selected district. • Define criteria, indicators, and procedures for monitoring and evaluating pilot outcomes. • Provide technical support during the pilot phase to adapt and adjust based on findings. • Facilitate public consultations and awareness campaigns • Facilitate regular consultations with NGOs, local authorities, and displaced communities to ensure inclusive reform. • Conduct technical training sessions and capacity-building workshops for GDWS and governorate-level teams on tariff design and management. 	Pilot report; Public consultation summary	End of the ninth month
7	Final Tariff Reform Plan	1	<ul style="list-style-type: none"> • Integrate feedback • Finalize the plan with actionable steps and monitoring indicators 	Final Water Tariff Reform Plan	End of the tenth month
8	Formal Submission & Ministry Approval	2	<ul style="list-style-type: none"> • Support in preparing documents for ministerial approval • Provide technical advice during review process 	Submission package; Presentation to Ministry	End of Twelfth month

7. Methodology, Coordination and Reporting

Suggested Methodologies

The Following methods can be used to complete the above-mentioned tasks and fulfil the purpose as defined by this ToR.

- Desk and Literature review of the relevant documents
- Consultative meetings/interview with relevant stakeholders
- Workshop and meetings with steering committee and government officials and other key stakeholders
- Documentation and Presentation

Coordination and Reporting

- The expert will work under the overall supervision of GDWS and VNG International.
- The Expert will report directly to the GDWS and VNG International
- The Expert will work in close coordination with:
 - ✓ High Advisory Committee on Water Tariff Reform based in HQ of GQWS in Erbil
 - ✓ Water tariff reform committees in the governorates of Erbil, Halabja, Sulaymaniyah and Duhok
 - ✓ GDWS focal point
 - ✓ VNGI teams in Iraq and HQ
 - ✓ Other relevant stakeholders
- The expert will regularly provide progress updates and provide technical briefings
- The assignment is based in Erbil with expected travel within KRI as necessary.
- Deliverables will be submitted in English unless otherwise agreed.

8. Target Areas and Audience

Target areas

- Kurdistan Region of Iraq including the four governorates of Erbil, Duhok, Sulaimaniya and Halabja and other locations with KRI if so required

Target Audience

- Local and Regional Government officials
- High advisory committee and water tariff support committees in the four governorates
- key stakeholders such as NGOs, civil society, academia, religious men, youth, women and labors syndicates and other relevant unions
- Representatives of displaced people inside camps and utilities/departments involved in displacement and refugee-related governance.

9. Required Qualifications and Experience

Education

- Advanced university degree (Master's or higher) in Water Resources Management, Economics, Public Policy, Utility Management, Water Engineering, or a related field.

Professional Experience

- At least 10 years of experience in designing, implementing, or advising on water tariff systems/reforms or public water sector governance.
- Expertise in public utility finance, cost-recovery analysis, and tariff policy design.
- Demonstrated experience in facilitating multi-stakeholder processes and public sector reform.
- Excellent report writing, analytical, and presentation skills.

Preferred:

- Prior work experience in Iraq, Kurdistan Region, or similar contexts (post-conflict, fragile, or displacement-affected regions).
- Previous experience supporting government-led utility reform processes.
- Strong facilitation and capacity-building skills.
- Familiarity with the socio-political context of the Middle East, especially the dynamics of displacement, urbanization, and infrastructure financing.

Skills and Competencies

- Strong communication, negotiation, and facilitation skills.
- Analytical thinking and excellent writing abilities.
- High political awareness and cultural sensitivity.
- Fluency in English is required. Proficiency in Kurdish and Arabic is an asset.
- Ability to work independently.
- Demonstrated capacity for stakeholder coordination and relationship building.
- Relevant political network in Dohuk, Erbil and Baghdad

10. Timeline, Payment and Budget**9.1 Timeline**

- Expected Start Date: Dec 15th 2025
- End Date: No later than December 10, 2026
- Working days: 48 days - intermittent basis

9.2 Budget and Payment terms

- The number of days of this assignment is approximately 48 working days distributed upon 12 months started from Dec 15th 2025 till Dec 10th, 2026.
- Final payment will be made upon submission and acceptance of the final report detailing deliverables as outlined above.
- Payment will be made in instalments against submission and approval of key deliverables and timesheets, according to a mutually agreed payment schedule.
- Travel and accommodation (if required) will be arranged or reimbursed in accordance with project policies.

11. Application Process

Interested individuals or consultancy firms should submit the following:

- A cover letter outlining relevant experience and understanding of the assignment
- Updated CV or company profile
- A brief technical proposal, including methodology, work plan aligned with the 12-month roadmap, and indicative budget
- Samples of previous relevant work or references from similar assignments
- Financial proposal (daily rate)
- Deadline for applications: (November 28 2025)
- Submit applications to:
Rawshan Atrooshi, The country director of VNG International, Iraq
rawshan.atrooshi@vng.nl