Acronyms
ABC Association of Boards of Certification
ACWUA Arab Countries Water Utilities Association
AfWA African Water Association
BoD Board of Directors
CBO Community Based Organization
CIS Certification Information System
CPA Certified Public Accountant
CRM Customer Relationship Management
ESCWA Economic and Social Commission for Western Asia
GIS Geographic Information System
GIZ German International Technical Cooperation Agency
GTZ German Technical Cooperation Agency
HR Human Resources
HRM Human Resources Management
IT Information Technology
IWSMR Improving Water and Sanitation in the Middle East and North Africa Region
KPI Key Performance Indicator
LOE Level of Effort
M&E Monitoring and Evaluation
MDG Millennium Development Goals
MENA NWC Middle East and North Africa Network for Water Centers of Excellence
NGO Non-Governmental Organization
NRW Non-Revenue Water
O&M Operation and Maintenance
SIDA Swedish International Development Agency
SMART Specific, Measurable, Attainable, Realistic and Time-bound
SO Strategic Objective
SWOT Strengths, Weaknesses, Opportunities and Threats
TOT Training of Trainers
TWG Technical Working Group
UM Utility Management
UR Utility Reform
USAID United States Agency for International Development
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1. Introduction

ACWUA – An Overview

Founding the Arab Countries Water Utilities Association (ACWUA) was an idea born out of an initiative led by a group of water experts and representatives of the water and sanitation sector in the Arab region. The aim of this initiative was to support the water and sanitation utilities in facing the various challenges in the Arab region such as water scarcity; the weak environmental and water policies; the need for substantial investments; the lacking technical and managerial capacities; and the increasing demand due to a growing population.

A steering committee was formed for the purpose of establishing the association during the first consultation meeting that was held in September of 2006. This was followed by a series of meetings to discuss the inception of the association with the support of the Economic and Social Commission for Western Asia (ESCWA) and the German Technical Cooperation Agency (GTZ). Finally, and during a meeting for the General Assembly on November 19th, 2008, members of the first Board of Directors (BoD) were elected, and they came up with their first resolution of having Amman/Jordan host the association’s headquarters. Subsequently, the association initiated its operations officially on July 30th, 2009.

ACWUA still operates out of Amman/Jordan, by virtue of a cabinet resolution, as a financially and administratively independent legal entity and has the right to appoint a legal representative for it.

ACWUA’s objectives were set to be:

1. Bringing together active water experts and utilities in the Arab region.
2. Representation and promotion of common technical managerial, legal, scientific and economic interests of water utilities in the Arab region.
3. Dissemination and exchange of information on technologies and best practices in the water and sanitation industries.
4. Publishing and updating relevant water industry rules and standards.
5. Participation in the propagation of other relevant water industry standards and specifications.
6. Building the capacity of water utility staff members and other professionals in various water science and management fields.
7. Collaboration and exchange of expertise with other professional associations in water supply, sanitation, environment and other relevant fields within and outside the Arab region.
8. Collaboration with municipalities, city councils and water authorities, as well as non-governmental and community-based organizations on both the national and international levels.
9. Conducting studies and providing advice and consultations in operations and
maintenance, water legislation, policies, and sector management and reform.
10. Providing performance monitoring and benchmarking of water utilities
11. Promoting and implementing certification and accreditation programs among water and wastewater professionals and utilities respectively.

**Governance Framework**

Figure (1-1) below depicts ACWUA’s governance framework and interaction mechanisms amongst the various components.

ACWUA functions in accordance with its Charter, which addresses its objectives; membership affairs; its financial affairs, the bodies comprising the association; awards and grievance; amendments of the Charter; dissolution of the association; and resolution of disputes. ACWUA also conforms to its By-law, which governs its operations and its governance, including the roles of the General Assembly; the Board of Directors; the Secretary General; the Secretariat; the technical committees; and technical working groups, in addition to preparation of annual budgets and financial reports and resolution of disputes.

The General Assembly is considered the highest governing authority within the current governance framework, where its members elect the members of the board of director; discuss and approve any amendments to the Charter and By-law; ratify the annual budget and financial statements; discharge the directors from liability for the administration of the association's affairs; discuss and approve annual and long term plans; discuss and vote on motions and proposals presented by the Board of Directors or the Secretary General; and decide on the dissolution of the association.
The elected Board of Directors accepts or rejects membership applications; calls upon the General Assembly to meet; proposes amendments to the Charter and By-law; works to develop annual and long term plans in line with the association's objectives; establishes technical committees and working groups; submits proposals to amend or defer or cancel membership fees; opens and closes bank accounts for the association upon the recommendations of the Secretary General; appoints a Certified Public Accountant (CPA) to review financial statements; approves the budget and annual financial statements; appoints and supervises the work of the Secretary General; appoints Secretariat staff upon the recommendation of the Secretary General; appoints an advisory board as needed; accepts financial support (donations, grants, etc); approves contracts and activities entailing financial obligations exceeding USD 25,000; and any other functions and activities as considered necessary for the proper operation of the association.

The appointed Secretary General attends the General Assembly meetings and board meetings in a non-voting advisory capacity; supervises the Secretariat activities and tasks; reports to and is held responsible before the Board of Directors; represents the association before the courts; and signs on behalf of the association on contracts entailing financial obligations or rights of a maximum of USD 25,000 together with another staff member of the Secretariat designated by the Board of Directors.

The Board of Directors also appoint the Secretariat staff members upon recommendation from the Secretary General and are held accountable before the Secretary General. The Secretariat is responsible for pursuing daily tasks, especially managing the association’s financial and administrative and technical affairs within the limits of its powers; reporting to the Board of Directors on the activities of the Secretariat, the financial statements for the previous year and the budget for the two upcoming fiscal years; receiving notices, grievances, appeals, membership applications, and applications for running elections. It is also responsible for settling issues that fall within the limits of its powers; producing and disseminating minutes of meetings of the General Assembly and Board of Directors; ensuring the compliance of all members and bodies with the Charter and By-law; and filing all pertinent documentation.

The Strategic Business Plan 2015-2019

ACWUA will be working within the next planning period to develop its services and expand its scope of work and the level of awareness of its activities, in order to be able to better support its members in facing the various challenges that are mostly common within the Arab region, such as water scarcity within a growing population and expanding urbanization and economic development activities, and a politically volatile region that has been impacted by the “Arab Spring”, and the centralized approach to utility management—especially in what is related to planning and tariff setting and regulations, and the shift of qualified resources from public to private sector, and the limited utility resources dedicated to capacity building and technology transfer, and the lacking financial resources that are needed to fund capital investments and infrastructure development, and the difficulty in accessing funds—especially with utilities reaching the
ceiling of available funds, and the refrainment of the private sector to fund large scale strategic projects. Within this difficult environment lies the role of ACWUA and other similar Non-Governmental Organizations (NGOs) and Community Based Organizations (CBOs); namely in raising the awareness on all level within communities and utilities alike to impact decision makers through highlighting the importance of setting new policies and improving applicable legislation, with the aim to develop water management in general, thus leading to improving the level of quality of utilities in serving their constituents. This strategic business plan is the third one since ACWUA's inception. It comes at a new phase of its life, where the vision for the upcoming timeline is clearer, and where the association is expected to expand the scope of its activities, and to build on its accumulated experience and lessons learned from previous times, and to actually effect improvements of water and sanitation services provided in the region, in light of the current challenges and circumstances and with the available technical and financial and institutional resources.

This strategic business plan includes a comprehensive review of ACWUA's performance during the past five years, in comparison to the previous strategic objectives. It also goes through the association's achievements since its inception, in addition to a thorough analysis of its current operations and presents a SWOT analysis. The plan also delineates the vision and mission statement for the upcoming planning period, and specifies the new strategic objectives in addition to the approaches that the association will use to achieve those objectives and the required resources (financial and institutional) within a pre-set timeline.

The plan also presents a five-year financial plan associated with the implementation of the new strategic objectives as well as prerequisites for achieving them.

The approach that was followed in developing ACWUA's new strategic business plan was:

1. Forming a business planning committee and commissioning it by the Chairman to develop the plan. This committee included four board members in addition to the Chairman, and with the participation of the Secretary General and designated Secretariat staff members, and the consultant from the Improving Water and Sanitation in the Middle East and North Africa Region (IWSMR) Project.
2. Reviewing ACWUA's performance in comparison to the previous strategic objectives, and delineating a preliminary framework and elements for the new plan during the first business planning committee meeting and the supporting team from the Secretariat and IWSMR, which was held in June of 2014.
3. Continuing to work on detailing the general framework agreed upon and preparing preliminary drafts of the main elements of the plan during several concentrated meetings that included the supporting team from the Secretariat and IWSMR.
4. Reviewing the preliminary draft of the main elements of the plan, followed by developing the detailed version during a second meeting of the business planning committee and the supporting team held in October of 2014.
5. Continuing to work on developing the draft version of the plan into a final draft and
reviewing it by the business planning committee, upon which the final approved draft was submitted to the Board of Directors for approval.

The Prerequisites for the Success of the Strategic Business Plan 2015 - 2019

In developing this plan, ACWUA reverted to its accumulated experience since inception in its line of business, having become to be viewed by international organizations and donor agencies working in the water and sanitation sector, as the main representative of water and sanitation utilities in the Arab region, in addition to its awareness the working conditions within Arab utilities and the prerequisites for success, as well as the prevailing challenges and opportunities.

Noteworthy is that for ACWUA to achieve its new strategic objectives, the following factors must be considered:

• Continuing support from Arab governments and ACWUA members for its role in serving the Arab water and sanitation utilities.
• The prevailing socio-political and economic condition and their impact on ACWUA members and on their ability to commit to paying annual membership fees, and on their ability to continue to participate in ACWUA activities.
• Continuing support from international organizations and funding agencies to develop the water and sanitation sector in the Arab region.
2. ACWUA’s Performance in the Planning Period 2010 -2014

ACWUA’s Achievements
ACWUA worked tirelessly since inception to build a reputation in the field of water and sanitation on a regional level, through providing services to its members and implementing various studies and training and capacity building programs. It eventually succeeded in realizing its vision for the years 2010 – 2014, where it became a center of excellence and a representative of the region in international fora in the area of water and sanitation. ACWUA’s main achievements to date include:

• Increasing the number of members from all membership categories.
• Holding several conferences and exhibitions in the Arab region and representing Arab utilities and participating in various regional and international conferences and exhibitions.
• Collaborating with the German International Technical Cooperation Agency (GIZ) and obtaining the necessary funds to implement capacity building programs to create leaders in the water and sanitation sector, in addition to various other training programs in different topics
• Collaborating with GIZ and the Swedish International Development Agency (SIDA) to operationalize a number of its Technical Working Groups (TWGs) that worked on various technical topics and led to the production of best practices guides.
• Participating in project teams in a consulting capacity for the implementation of various studies and research projects funded by international organizations.
• Developing Operation and Maintenance (O&M) certification and training programs, and implementing them in Arab utilities through self-funding as well as in collaboration with the United States Agency for International Development, which provided for expanding the scope of implementation to include a large number of Arab utilities.
• Signing memorandums of understanding with relevant Jordanian parties.
• Joining as members a number of regional and international organizations that work in the water and sanitation industry such as the Association of Boards of Certification (ABC) and the Middle East and North Africa Network for Water Centers of Excellence (MENA NWC).

The Previous Strategic Objectives and Levels of Achievement
ACWUA worked relentlessly to achieve its previous strategic objectives for the planning period of 2010 – 2014, and it succeeded in meeting most of them, and amended others, while some were not met due to reasons explained in Table (2-1) below:
Table (2-1): Previous Strategic Objectives and Levels of Achievement

<table>
<thead>
<tr>
<th>Strategic Objective (SOs)</th>
<th>Achievement</th>
<th>Comments</th>
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<tbody>
<tr>
<td>SO1: Increasing the number of members in two ways:</td>
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<td>• Gaining the representation from all 22 Arab countries as members whereby at least one utility from each country is an ACWUA member;</td>
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<td>• Increasing the number of paying members from all membership categories whereby the number of ACWUA members in 2014 reach:</td>
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<tr>
<td>Number of countries represented by members in year 2012 (Target: 22 countries)</td>
<td>18</td>
<td>The countries that remain not represented are Somalia (due to political instability and the absence of one specific representative entity to be approached), Djibouti, Comoros (due to the absence of one specific representative entity to be approached), and Qatar (was approached at numerous occasions, the last of which reflected their willingness to become members).</td>
</tr>
<tr>
<td>Number of members/utilities in 2014 (Target: 100 utilities)</td>
<td>106</td>
<td>• The target was exceeded as a number of members, but the issue of commitment of the members to pay membership fees remains, especially in the past two years that witnessed difficult conditions in the region.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Noteworthy is that per ACWUA’s By-law, the membership of members that do not pay for two consecutive years, is suspended, but ACWUA did not put that into effect due to the difficult prevailing conditions in the region.</td>
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<tr>
<td></td>
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<td>• Accordingly, an incentive scheme was developed and included within the new plans to encourage the members to pay their outstanding fees.</td>
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<tr>
<td>Number of members/private sector</td>
<td>25</td>
<td>• The benefits that private sector companies get out of their membership should be examined, and specific targeted programs and incentive mechanisms be</td>
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<tr>
<td>Strategic Objective (SOs)</td>
<td>Achievement</td>
<td>Comments</td>
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| in 2014 (Target: 200 private sector entities)                                          |             | developed to encourage private sector companies to become ACWUA members.  
|                                                                                       |             | • The role of the member utilities as well as that of the Board of Directors is essential in this regard, especially in marketing the association, and this was all taken into consideration in developing the new strategic objectives.  
|                                                                                       |             | • One of the main propositions was to provide member utilities that bring in new private sector companies with specific incentives, and this was also reflected on the new strategic objectives. |
| Number of members/NGO and Academia in 2014 (Target: 40 organizations)                   | 25          | Developing a marketing plan that targets research organizations in the region was included under the new strategic objectives.                                                                           |
| Number of members/individuals in 2014 (Target: 200 members)                           | 200         | --                                                                                                                                                                                                         |
| Number of members/students in 2014 (Target: 200 members)                              | 30          | Developing a marketing plan that targets students was included under the new strategic objectives.                                                                                                         |
| SO2: Increasing the number of annual best practices conference, in addition to an annual ACWUA conference and exhibition |             |                                                                                                                                                                                                           |
| Specialized Best Practices conferences in 2014 (Target: four conferences)               | One conference annually, including the Arab Water Week | • After holding two best practices conferences in one year, it was noted that participation decreased. And after taking into consideration the number of water and sanitation related conferences held in the region and internationally, and in light of the financial and other benefits ACWUA realizes from those conferences, it was decided to commit to hold only one conference annually—including the Arab Water Week.  
|                                                                                       |             | • In the case where ACWUA is approached by other parties to partner in holding a conference, it will do so. In addition, a mechanism for specifying topics and |


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<th>Strategic Objective (SOs)</th>
<th>Achievement</th>
<th>Comments</th>
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<td></td>
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<td>venues of ACWUA conferences were included under the new strategic objectives.</td>
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</table>
| SO3: Developing and implementing a sustainable training program that responds to the needs of ACWUA members and the sector, to improve their performance. | Number of training courses in 2014 (Target: 20 courses) | • 14 certified training courses  
• Four Geographic Information System (GIS) courses  
• 15 various topics  
• Four e-learning courses in different topics | • A Non-Revenue Water (NRW) training program is planned to be developed in collaboration with the African Water Association (AfWA) and the United States Agency for International Development (USAID).  
• A number of topics for new training programs was identified, as outcomes of the work of the Utilities Management (UM) and Utilities Reform (UR) TWGs.  
• IWSMR is collaborating with ACWUA in forming a pool of certified trainers in the region in different topics related to the O&M certification and training program ACWUA is implementing. |

| SO4: Developing and publishing best practices guides for the benefit of members and non-members alike. | Number of best practices guides in 2014 (Target: 30 guides) | 6 | In light of the amount of work that needs to be invested in producing any one guide, and that is related to the work of ACWUA TWG, it was found that 30 guides was over ambitious and that publishing six guides was a more realistic target. |
ACWUA’s financial statements for the years 2010 – 2014 reflect a noticeably growth in revenues and expenses, which is in line with its growing number of activities and implemented programs during the past five years. Figure (2-1) below illustrates this growth and presents revenue and cost elements categorized according to line items used in ACWUA’s annual audited statements.
Examining the figures above shows:

- That salaries and conferences and exhibitions expenses line items constitute the largest portion of operational expenses, and are clearly growing across the exhibited timeline.
- A decrease in the membership fees revenue stream during the last two years due to the low level of commitment of members to settle their membership fees in light of the strenuous economic conditions prevailing in the region.
- A general decrease in grants that are not associated with specific programs from governments in the region (except the Jordanian Government).
- An increase in revenues from implementing training programs and other projects, which signifies the importance and size of training programs in comparison with ACWUA’s other activities in general (and noteworthy is the importance of expanding the scope of training programs in the region and working to reduce their costs as much as possible in order to attain financial as well as moral benefits).
- A large increase in the conferences and exhibitions expenses line items, as well as revenues from consulting and training courses in 2013, which is due to holding two conferences in that same year.

Examining ACWUA’s financial statements for the years 2009 – 2013, it is evident that the two highest expense line items are salaries (which signifies the importance of recruiting qualified resources to carry out and manage ACWUA’s activities), and the conferences line item, taking into consideration the annual increase in costs in general.

In comparing costs vs. revenues for the years 2009 – 2013, it is clear that an annual surplus in revenues was attained (which was attained in the first year and was preserved during the following years). This is due to ACWUA’s policies to control costs in light of the low level of commitment of members to settle their membership fees, which are considered one of its main revenue streams.
3. ACWUA – Current Situation

During 2014—the last year of the planning period 2010 – 2014, ACWUA attained the largest number of members since its inception, representing most of the Arab countries, and it entered in various partnerships and agreements on the regional and international levels with governmental organizations and associations and research centers and academia, as well as collaborating with funding agencies working in the area of water and sanitation. In addition, ACWUA started to get requests from external parties to partner and/or participate in their activities—whether being conferences or exhibitions or projects or assessment and studies or even working in an advisory capacity, being the main representative of Arab water and sanitation utilities.

ACWUA also initiated a number of its own activities and/or programs that it concluded or that are still ongoing, such as capacity building programs, and O&M certification and training programs, and research projects, and operational TWGs (which are considered the main knowledge generating mechanism producing guides and standards and best practices), and regional development programs, etc. And in deciding on its activities and programs, ACWUA always takes into consideration the needs of its members as well as the current requirements within the region of each operational phase it embarks on in light of the available resources and the ability of members to provide technical and financial support, as well as the directions adopted by the funding agencies.

In general, ACWUA carries out its activities and programs based on the available institutional, and technical and financial resources:

- In terms of technical resources, ACWUA largely depends on the knowledge and experience available within member and also non-member utilities alike. It also draws from the support and knowledge to which it has access internationally. In doing that, ACWUA strives to benefit from the experience and knowledge available within the region to stress its mission that calls for the exchange of knowledge and experience and for building regional capacities in the areas of water and sanitation.

- In terms of financial resources, ACWUA depends on available revenue streams comprising mainly training courses and O&M certification and training programs and consulting assignments, in addition to membership fees and grants from donor agencies and Arab governments, and cost sharing of conferences with hosting parties. It is essential to note at this point that one of the main factors leading to ACWUA’s sustainability is attaining financial sustainability, and the commitment of members to pay their membership fees, and the continuation of training courses and consulting assignment and the various other programs.

- In terms of institutional resources, ACWUA operates through its cadre that included up until the end of 2014 13 permanent staff members and a variable number of interns depending on the volume of work available. And in terms of recruitment for a full time permanent position within the Secretariat, there needs to be a real and consistent need for a position, in order to avoid the recruitment for unnecessary positions which
would lead to avoidable costs. Noteworthy is that the current organizational units within the Secretariat require restructuring and reorganization in order to remain in line with the development in the load ACWUA will be carrying in the form of an increased number of activities and services it will be providing.

1. **Internal Factors:**

   **Strengths**
   - The availability of valuable experience resident in the member utilities ready to support and advise other members and partners
   - The existence of a clear and transparent By-law with clear internal administrative regulations
   - The Association being considered the main representative of utilities in the Arab region.
   - Endorsement of the association by the Arab Water Ministerial Council with an advisory role and to implement the council’s programs and projects.
   - Following best practices in managing the utilities depending on rules and regulations and in line with the Charter and By-law of the association.
   - The awareness of member utilities to the importance of the association’s role and mission, thus continuously providing it with their support.
   - The availability of expertise within the association that allows it to perform its duties successfully.
   - Success in holding the association’s conferences and exhibitions
   - Developing training programs according to universally accepted standards and building on the needs of the members and the water and sanitation sector in the region.
   - Obtaining international accreditation to implement the O&M certification and training programs.
   - The diverse set of revenue streams all in accordance with its Charter and By-law.
   - The good relationship that the association has with most all of the ministries and/or specialized institutions in the water and sanitation sector in the region.

   **Weaknesses:**
   - Less than optimal communication mechanisms between the Secretariat and the members and between the utilities representative and the utilities in the respective country.
   - The unavailability of a comprehensive media campaign targeting donors and international agencies to showcase the association’s achievements.
   - Weakness in encouraging new memberships from the private sector and other utilities on the part of member utilities.
   - The difficulties faced in recruiting highly qualified resources due to limited financial resources.
   - Weak communication and cooperation with research centers and academia.
• Low level of commitment on the part of member utilities to pay their membership fees in light of the difficult prevalent economic conditions and the Arab Spring in the Arab region.

2. **External Factors:**

**Opportunities:**
- The interest of donor agencies in cooperating with and supporting the association in accordance with their own strategic directions in the region.
- The diverse platform of knowledge and expertise resident in member utilities in areas related to service provision, thus supporting knowledge exchange.
- Awareness of local communities of the importance of the role and services provided by utilities.
- The possibility and availability of demand to expand the implementation of the O&M certification and training program in the Arab region.
- The existence of international interests in several topics such as clean energy and climate change and their impacts on water utilities, in addition to other topics that require the association to take them into account in its future plans and programs.
- Increasing membership of utilities in the region in the association.
- Chances of possible cooperation with similar international associations and agencies and research networks and other agencies.
- Leveraging the association’s membership in the MENA NWC.
- The availability of promising market and demand for training courses and operators training and licensing programs in the region.
- The existence of modern technological solutions for water sector management that require the association to consider in its future plans and programs.

**Threats:**
- The impact of the Arab Spring and its political and economic ramifications on the Arab utilities.
- The existence of competitive entities providing similar activities.
- The possibility of losing the support and interest of donor agencies working in the region.
- The increased level of water pollution and water scarcity in the Arab region.
- The limited financial resources that utilities have to invest in developing infrastructure as well as human resources.
4. ACWUA’s Strategic Business Plan 2015 - 2019

**Vision**
ACWUA, as a universal center of excellence, will work in partnership with water and wastewater utilities in the Arab countries, on building capacities within the utilities, and on instituting best practices, in order for the utilities to achieve their objectives.

**Mission Statement**
ACWUA provides its services to its members in the Arab region relying on its own resources and on the competencies inherent within the member utilities, with the objective of providing them with technical support to develop their performance in managing and producing and supplying water and wastewater services, taking into consideration their technical and professional needs—all this through:

1. Operating as a regional platform and expanding internationally, to exchange knowledge between members and experts in the water and wastewater sector.
2. Developing resources and implementing training programs and professional O&M licensing and accreditation programs to support the members in carrying out their missions and tasks in a professional reliable manner with the least costs possible.
3. Developing and applying specifications and standards in the areas of water governance, utilities management and O&M in water and wastewater utilities.
4. Responding to the technical needs of the members through providing advisory services in various aspects that are related to the operations of the utilities through developing a data bank for technical expertise available in the Arab region, and engaging working groups composed from those utilities for this purpose.
5. Developing and publishing documents, guides, reports and scientific content that is responsive to the needs of the members and sector experts, all the while considering the regional context and challenges that are faced by the utilities.

**Strategic Objectives 2015 - 2019**
1. Developing the institutional framework of the Secretariat:
   1.1. Receiving grants directly from donor agencies.
   1.2. Restructuring the Secretariat based on objectives, responsibilities and activities.
   1.3. Revising ACWUA’s Charter and By-law
   1.4. Revising and developing annual executive plans that support the strategic business plan.
2. Expanding ACWUA’s reach regionally and internationally:
   2.1. Increasing membership in terms of countries and all membership categories.
   2.2. Organizing and/or participating in specialty conferences in the area of water and sanitation.
   2.3. Increasing the level of outreach and awareness about ACWUA.

3. Supporting the Arab utilities in providing their customers with the best services possible:
   3.1. Implementing the Algeria Declaration and the Council of the Arab Water Ministers and working on developing and issuing operational guidelines and standards in the Arab region in the area of water and sanitation.
   3.2. Expanding the implementation of operations certification and accreditation programs in as much Arab countries as possible and issuing associated licenses, in addition to certifying other new programs.
   3.3. Developing new training courses and programs based on the needs of the member utilities and in accordance with the outcomes of the Utilities Reform and Utilities Management Technical Working Groups, and carrying out training courses.
   3.4. Implementing studies, research and performance improvement projects, and twinning programs to improve performance of utilities and develop capacities and knowledge.
   3.5. Issuing new best practices guides.
   3.6. Supporting Arab Regulators through developing an institutional framework that aims at improving its effectiveness.

4. Attaining financial sustainability:
   4.1. Provide the necessary financial resources to cover all operational expenses within ACWUA.

**Approaches to Achieve the Strategic Objectives**
The implementation approaches to achieve ACWUA’s strategic objectives for the years 2015 - 2019 are identified in addition to the relevant Key Performance Indicators (KPIs). In addition, all necessary requirements were identified along with the associated implementation timeline and distribution of related responsibilities. Tables (4-1 to 4-4) present details all those aspects. Annex 1 includes future programs and projects that ACWUA is developing in line with its strategic objectives and assigned targets.
### Table (4-1): Implementation Approaches to Achieve the First Strategic Objective

<table>
<thead>
<tr>
<th>Secondary Strategic Objectives</th>
<th>Performance Audience</th>
<th>Implementation Approaches</th>
<th>Implementation Schedule</th>
<th>Responsibility</th>
<th>Reimbursement</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2020</td>
<td>2021</td>
<td>2022</td>
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<td>Successful</td>
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</tbody>
</table>

- Developing policies and procedures to ensure audit quality
- Developing strategic plans for implementation
- Developing partnerships with external organizations

### Table (4-2): Implementation Approaches to Achieve the Second Strategic Objective

<table>
<thead>
<tr>
<th>Secondary Strategic Objectives</th>
<th>Performance Audience</th>
<th>Implementation Approaches</th>
<th>Implementation Schedule</th>
<th>Responsibility</th>
<th>Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>2020</td>
<td>2021</td>
<td>2022</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Developing new business models
- Developing new technologies
- Developing new partnerships
<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Performance Standard</th>
<th>Performance Floor</th>
<th>Performance Ceiling</th>
<th>Performance Floor</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Improve land use and management practices</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>B. Increase land area under sustainable management practices</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>C. Reduce deforestation and forest degradation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>D. Enhance forest carbon sequestration and biodiversity conservation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>E. Promote sustainable forest management and rural livelihoods</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>F. Strengthen monitoring and reporting systems</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Table (4.3): Implementation Approaches to Achieve the Third Strategic Objective
Table (4-4): Implementation Approaches to Achieve the Fourth Strategic Objective

<table>
<thead>
<tr>
<th>Secondary Strategic Objective</th>
<th>Performance Indicator</th>
<th>Target</th>
<th>Implementation Approaches</th>
<th>Implementation Timeline</th>
<th>Responsibility</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Provide necessary financial resources to cover all operational expenses within ACWUA</td>
<td>(annual revenues - annual expenses)</td>
<td>(annual expenses)</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

- Developing approaches to train existing and building new programs as follows:
  - Developing new training programs and certification programs and implementing them based on the results of the most recent NMBR Implementation Review Assessment for member utilities.
  - Expanding the implementation of the G&G Certification and Training program with the cooperation of member utilities.
  - Developing and implementing a marketing plan for the newly developed training programs.
  - Enabling new partnerships with member utilities, organizations, universities, research centers, private sector and academia to implement new programs and generate revenue.
  - Expanding the cooperation with members, partner organizations, public and private sector, and academic institutions and generate new training programs and associated revenues.
  - Developing and implementing a budget that is under Article 1 of ACWUA’s Charter and performance agreements and ensure the number of participants and generate new revenues from these associated revenues.
  - Developing and implementing a budget that is under Article 1 of ACWUA’s Charter.
  - Developing and implementing a budget that is under Article 5 of ACWUA’s Charter.
  - Obtaining the commitment of member utilities to purchase new training services and other international organizations.
  - Developing and implementing a financial incentive scheme for member utilities that is based on the number of participants and associated revenues.
  - Developing and implementing a financial incentive scheme for member utilities that is based on the number of participants and associated revenues.
  - Developing and implementing a financial incentive scheme for member utilities that is based on the number of participants and associated revenues.
  - Developing and implementing a financial incentive scheme for member utilities that is based on the number of participants and associated revenues.
5. ACWUA’s Institutional Framework

Approach to ACWUA’s Organizational Restructuring

In view of the new strategic objectives that ACWUA will work to achieve during the next five years, the institutional and other requirements were investigated, the first of which being the internal capacity and skills available within the Secretariat, and those that need to be availed through an organizational structure that responds to the requirements of the upcoming planning period.

Accordingly, ACWUA’s organizational structure underwent significant restructuring, where:

• A number of new organizational units needed to satisfy the requirements of the upcoming phase were added.
• The number of positions within each organizational unit was increased to cover all required assignments needed to achieve the strategic objectives. In addition, a maximum number of employees within each of the organizational units was identified, based on which the Secretariat will work on filling positions gradually until the end of the planning period of 2015 – 2019 when the number of Secretariat staff members will cover all identified positions.
• At the same time, and to ensure proper recruitment without the need to expand in terms of positions in a way that burdens ACWUA’s budget (especially after identifying the “salaries” line item as one of the largest within the annual budget), positions and tasks were reallocated in between the new organizational units with the aim of improving performance and optimizing the efficiency of available human resources.
• Assigning each organizational unit as a cost center to which profits and expenses are allocated, such that more efficient positions are identified, and those that are in need of improved efficiency are also identified, with the aim of improving the overall efficiency of the Secretariat.

Restructuring the Secretariat was based on matching the main organizational units with the main elements that were taken into consideration to identify the new strategic objectives as follows:

1. Organizational units that provide institutional and operational support within the Secretariat such as developing implementation plans and monitoring institutional performance compared to preset plans, and documenting policies and procedures within the Planning and Technical Support unit, as well as the tasks of human resources and recruitment and building institutional capacity, all within the Financial and Administrative Unit.

2. Organizational units that provide support to ACWUA’s role in terms of communication and knowledge exchange and dissemination and raising awareness to the services provided by ACWUA through a number of activities such as conferences and exhibitions and training programs and other technical activities—all within the Marketing and Communications unit.
3. Organizational units that are responsible for all of ACWUA’s technical activities and programs, which are considered the main knowledge producing mechanism within ACWUA. This includes preparatory activities that are necessary to develop business opportunities and build partnerships and manage ACWUA’s TWGs within the Business Development unit, up until those opportunities transition into the implementation phase and become programs and projects and studies and research projects and technical support services and TWGs that work to produce best practices and standards—all within the Project Management unit, or into training programs or O&M certification and training programs within the Capacity Building unit.

4. Organizational units that provide support to achieve financial sustainability through annual financial planning, in addition to managing all of ACWUA’s accounting and financial affairs according to universally acknowledged best practices, within the Financial and Administrative Affairs unit.

ACWUA’s New Organizational Structure

Figure (5-1) presents ACWUA’s new organizational structure, including all organizational units and the maximum number of employees within each unit with associated positions identified.

1. The General Assembly, which represents all members and elects the members of the Board of Directors; discusses and approves any amendments to the Charter and By-law; ratifies the annual budget and financial statements; discharges the directors from liability for the administration of the association’s affairs; discusses and approves annual and long term plans; discusses and votes on motions and proposals presented by the Board of Directors or the Secretary General; and decides on the dissolution of the association.

2. The Board of Directors (Cost Center: 1000), which accepts or rejects membership applications; calls upon the General Assembly to meet; proposes amendments to the Charter and By-law; works to develop annual and long term plans in line with the association’s objectives; establishes technical committees and working groups; approves the budget and annual financial statements; appoints and supervises the work of the Secretary General; appoints Secretariat staff upon the recommendation of the Secretary General; approves contracts and activities entailing financial obligations exceeding USD 25,000; and any other functions and activities as considered necessary for the proper operation of the association.

3. Internal Audit Unit (No. of employees: 1; Cost Center: 1001), responsible for monitoring the performance of the Secretariat in general and auditing its various operations per ACWUA’s By-law. It reports directly to the Board of Directors.

4. Secretary General (Cost Center: 1100): manages and supervises all operations within the Secretariat, and reports to and is held accountable to the Board of Directors. He also represents ACWUA in courts and is an authorized signatory for ACWUA on contracts and expenditures in accordance with applicable rules and regulations.
5. The Secretariat Office (No. of employees: 2; Cost Center: 1101), provides secretarial and administrative support to the Secretary General and provides logistical support to the other organizational units.

6. Planning and Technical Support Unit (No. of employees: 3; Cost Center: 1102), carries out planning and monitoring and developing institutional performance within the Secretariat, in addition to managing TWGs and monitoring their performance. It includes the following positions:
   - Performance Monitoring Team
   - TWG Management Team

7. Business Development Unit (No. of employees: 2; Cost Center: 1103), follows up and monitors the interests, directions and priorities of funding agencies and regional and international organizations working in the area of water and sanitation, and identifies funding opportunities, and follows up and on business development opportunities, and supports member utilities through providing them with the technical expertise they need, and undertakes all necessary preparatory activities for potential studies and assessments and research projects and performance improvement projects, and is responsible for preparing technical offers submitted by ACWUA. It includes the following positions:
   - Partnership Building Team
   - Technical Consultancy Team
   - Research Projects Team
   - Technical Proposals Development Team

Figure (5-1): ACWUA's New Organizational Structure
8. Project Management Unit (No. of employees: 2; Cost Center: 1104), follows up on all projects that ACWUA implement, and on preparing all pertinent reports. It includes all of ACWUA’s projects that are under implementation, where each one has a Manager who is assignment for the duration of its implementation, with funds allocated within the project budget.

9. Marketing and Communications Unit (No. of employees: 4; Cost Center: 1105), responsible for market assessments; developing and following up on the implementation of a marketing and communication plan for ACWUA; managing communication with the members; managing all of ACWUA’s events including conferences and exhibitions and workshops and meetings; managing membership and staff affairs; and developing and following up on the use of all IT support systems that ACWUA needs for its operations. It includes the following positions:
   - Communications Team
   - Events Management Team
   - Membership Affairs Team
   - Information Technology (IT) Systems and Knowledge Management Teams

10. Capacity Building Unit (No. of employees: 3; Cost Center: 1106), manages the development and implementation of capacity building programs and training courses, and the development and expansion of the O&M certification and training program in the Arab region. It includes the following positions:
   - The O&M Certification and Training Program Team
   - Training Programs Team

11. The Financial and Administrative Affairs Unit (No. of employees: 4; Cost Center: 1107), manages ACWUA’s accounting and finances; all debit and credit transactions; financial planning and performance monitoring; preparing budgets and annual financial statements; invitations to bid and procurement; ACWUA’s administrative and HR affairs; contracts and correspondence management; and inventory and general services. It includes the following positions:
   - The Accounting and Finances Team
   - The Human Resources (HR) and Administrative Affairs Team
   - The Procurement Team

12. Committees that are formed ad hoc and comprise Secretariat staff members based on the nature of each committee’s work. They include the following committee as a minimum:
   - Procurement Committee
   - Bids Opening Committee
   - Bids Evaluation Committee
   - Planning Committee
   - HR Committee
Other Institutional Requirements

In light of the new organizational structure, the Secretariat will work to avail all supporting institutional requirements for the staff members to be able to successfully carry out their jobs. Amongst those institutional requirements:

1. Recruiting new employees in line with the new organizational structure and on a gradual basis across the coming five years, such that the level of performance of ACWUA and the services it provides are not affected. ACWUA will be hiring new recruits in agreement with its applicable recruitment policies, especially for positions that require a specific level of knowledge and experience as well as skills and technical capacity, which would entail allocating an adequate budget that enables ACWUA to access a high level of competences. An HR plan will be developed to be followed by ACWUA for planning for and building its HR capacity.

2. Developing policies and procedures and job descriptions for all positions in the Secretariat, to upkeeg a high level of performance and to institutionalize all processes and operations as a means to institutional and capacity sustainability.

3. Training ACWUA staff members and building their capacities such that they are able to carry out their tasks and responsibilities—all based on a training and capacity building plan that will be developed in conjunction with the HR plan. And in order to specify the training needs of Secretariat’s staff members, the required level of competence will be based on their roles and responsibilities and job descriptions, compared to their skills and qualifications.

4. Supporting the available processes and operations within the Secretariat with a number of IT systems that are either available, or that ACWUA will work to develop and/or procure, in order to provide for good documentation and knowledge management, and to improve the efficiency of operations. Such IT systems include:
   - Financial and accounting system
   - Certification information system (CIS) for the O&M Certification and Training Program
   - Customer Relationship Management (CRM) System
   - Archiving system
   - Human resources management system (HRM)
   - Board of Directors Reporting and Archiving System
   - Backup system
   - Monitoring and Evaluation (M&E) system
   - Interactive communication tools to be used within online technical fora
   - A projects database to document all of ACWUA’s projects (e.g. the Millennium Development Goals (MDG)+ project; the Benchmarking Utilities project; the O&M Certification and Training Program Project; and any other future projects)
• Membership fees system to follow up on the payment of members’ outstanding membership fees
• Data bank that includes the names and areas of expertise of technical experts that are from within or outside ACWUA’s membership.

5. Executive plans that will direct the performance in each of the organizational units, and based on which their performance will be evaluation. Those include:
   • Annual implementation plans for each of the organizational units, and they include all activities and functions that each unit will be responsible for according to a set timeline during the year, and in accordance with the new strategic objectives and approaches to their implementation, as well as specific KPIs with preset targets and clear distribution of roles and responsibilities, as well as the institutional and financial requirements for their implementation.
   • HR plan, which specifies all required positions and associated number of employees based on the new organizational structure that was developed to support the implementation of the new strategic objectives, and a corresponding time schedule for the requirement processes to provide for all HR needs in the Secretariat. The plan also specifies the required competences for the respective positions based on the detailed functions and job descriptions. Based on this plan, the training needs of the staff members will be identified and developed into a supporting training plan.
   • Marketing and communication plan, to support the extension of ACWUA’s reach and to build awareness to the services it provides. The marketing plan will identify all types of services ACWUA provides based on the needs of its members, and based on which the details of those services along with their specifications and associated costs will be identified, followed by identifying the mechanisms of providing those services, and marketing them using available resources, and utilizing feedback from members to improve the level of services provided. The plan also includes specific communication tools and mechanisms that will be used to support each of ACWUA’s programs and/or activities according to its nature and type of service provided, taking into consideration the target audience. Specific proposed communication mechanisms include direct communication or through bulletins—paper based or electronic; emails; traditional media channels such as newspapers or magazines or television; utilizing ACWUA’s and portal; and other virtual communication channels such as social media outlets.
• M&E and performance monitoring plan, that is based on the new strategic objectives and the approaches to their implementation, in addition to the annual implementation plans set for each of the organizational units, and which include pertinent KPIs that link the indicators with the achievement of required outputs and outcomes and impacts of the strategic objectives. This M&E plan will also specify the tools and mechanisms to be used for monitoring the activities and programs according to a time schedule that also depicts the timeline for pertinent data gathering after setting the baseline values for each indicator. Subsequently, periodic performance evaluation reports will be prepared, based upon which corrective actions – if needed - will be initiated.
6. Five Year Strategic Financial Plan 2015 - 2019

The five-year financial plan comprises annual expenses and annual revenues. Each of those two were prepared based on the line items included in audited annual financial statements, taking into consideration in the interim all planned activities and programs per the strategic business plan. Annex 3 presents in details those annual expenses and revenues per line item, in addition to how they are calculated. Noteworthy is that ACWUA will be preparing a budget annually to be submitted for BoD approval.

Distribution of Expenses

Expenses line items include the following:

1. Salaries, as the total annual salaries for employees and interns.
2. Annual benefits, including health insurance and social security contributions.
3. Technical consulting services, which include all expenses related to developing IT systems and solutions; developing best practices guides; developing new training curricula and programs; and training Secretariat staff members.
4. Activities and programs, and those include the implementation of training programs and the O&M certification and training program and project of all types and ACWUA marketing activities and conferences and exhibitions, etc.
5. General expenses, which include amounts allocated for rent and utilities; goods, services and supplies; travel and transportation; and depreciation.

Table (6-1) below presents the details of forecasted amounts for each of those line items for the period 2015 – 2019, and Figure (6-1) below illustrates the distribution of those expenses across the upcoming five years, reflecting the set strategic objectives and their distribution also across the upcoming five years, in addition to comparing them to ACWUA’s total expenses for the year 2014. Noteworthy is that the Activities and Programs line item includes conferences and exhibitions and fora, and ACWUA did not hold any conferences during 2014 as it held two in 2013 (one in January and the other in December).

Table (6-1): Summary of Forecasted Expenses for the Years 2015 – 2019 and Actual Expenses for the Year 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenses (USD)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td>441,372</td>
<td>506,976</td>
<td>553,925</td>
<td>596,021</td>
<td>625,822</td>
<td>657,113</td>
</tr>
<tr>
<td>Annual Benefits</td>
<td>45,904</td>
<td>55,740</td>
<td>61,515</td>
<td>66,634</td>
<td>70,111</td>
<td>73,771</td>
</tr>
<tr>
<td>Technical Consulting Services</td>
<td>13,421</td>
<td>162,537</td>
<td>162,537</td>
<td>246,011</td>
<td>229,062</td>
<td>229,062</td>
</tr>
<tr>
<td>Activities and Programs</td>
<td>131,050</td>
<td>848,688</td>
<td>988,544</td>
<td>1,017,975</td>
<td>1,049,466</td>
<td>1,083,161</td>
</tr>
<tr>
<td>General Expenses</td>
<td>156,256</td>
<td>164,643</td>
<td>194,694</td>
<td>189,941</td>
<td>192,787</td>
<td>203,268</td>
</tr>
<tr>
<td>Total (USD)</td>
<td>882,799</td>
<td>1,738,583</td>
<td>1,961,214</td>
<td>2,116,581</td>
<td>2,167,248</td>
<td>2,246,376</td>
</tr>
</tbody>
</table>
Figure (6-1) illustrates forecasted expenses distributed across the upcoming five years, and the actual 2014 expenses.

It is clear from the figure above that salaries are growing substantially compared to 2014 due to planned recruitment coupled with annual increases in salaries. The figure also shows a gradual growth in most other expenses such as the annual benefits and travel and lodging and depreciation, compared to 2014. Also evident is the growth in supplies and purchases, which includes acquiring new IT systems to support ACWUA’s institutional capacity during the next five years in accordance to the new strategic objectives. Also clearly growing are number under the Technical Consulting Services and the Activities and Programs line items due to the growing need for both during the upcoming five years.

**Distribution of Revenues**
Revenues line items include:

1. Membership fees, which includes fees from all membership categories.
2. Projects, Programs and Services, which includes revenues from training programs and courses offered by ACWUA; the O&M Certification and Training Program; recruitment services for utilities; virtual twinning services; implementation of projects of all types; and technical support services.
3. Conferences, Exhibitions and Workshops, which includes revenues from registration fees to ACWUA’s conferences and exhibitions (or those that ACWUA is a partner in), in addition to the cost share from hosting entities.
4. Grants and Giveaways, which includes revenues from grants from Arab governments; grants obtained to fund the development of best practices guides; financial support for ACWUA’s institutional capacity; and financial support for the development of new training programs.

Table (6-2) below presents detailed forecasted revenues for the years 2015 – 2019, and Figure (6-2) illustrates the distribution of revenues during the upcoming five years, reflecting the new strategic objectives and their distribution across the upcoming five years.

**Table (6-2): Summary of Forecasted Revenues for the Years 2015 – 2019**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership Fees</td>
<td>455,328</td>
<td>499,795</td>
<td>544,262</td>
<td>588,230</td>
<td>632,197</td>
</tr>
<tr>
<td>Projects, Programs and Services</td>
<td>568,188</td>
<td>709,300</td>
<td>710,009</td>
<td>710,753</td>
<td>711,534</td>
</tr>
<tr>
<td>Conferences, Exhibitions and Workshops</td>
<td>459,653</td>
<td>469,203</td>
<td>478,985</td>
<td>489,014</td>
<td>499,307</td>
</tr>
<tr>
<td>Grants and Giveaways</td>
<td>285,833</td>
<td>312,958</td>
<td>399,583</td>
<td>369,583</td>
<td>369,583</td>
</tr>
<tr>
<td><strong>Total (USD)</strong></td>
<td><strong>1,775,251</strong></td>
<td><strong>1,970,382</strong></td>
<td><strong>2,119,089</strong></td>
<td><strong>2,173,830</strong></td>
<td><strong>2,228,872</strong></td>
</tr>
</tbody>
</table>

The figure above illustrates the growth in all revenues line items across the upcoming five years, especially the Projects, Programs and Services line items, which reflects the level of activity ACWUA will witness in terms of new projects and programs—especially after the second year of the planning period.

**Comparing Revenues to Expenses**

Table (6-3) below presents a comparison of total forecasted expenses vs. total forecasted revenues for the years 2015 – 2019. It clearly shows a growth in annual budget due to the increased level of activities and programs and services ACWUA is planning for, in addition to an expected increase in the number of Secretariat staff and internal capacity. Total forecasted expenses are between USD 1,738,583 for 2015 and USD 2,246,376 for
2019. As for total forecasted revenues, they are between USD 1,771,016 for 2015 and USD 2,214,641 for 2019.

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Expenses (USD)</td>
<td>1,738,583</td>
<td>1,961,214</td>
<td>2,116,581</td>
<td>2,167,248</td>
<td>2,246,376</td>
</tr>
<tr>
<td>Total Revenues (USD)</td>
<td>1,775,251</td>
<td>1,970,382</td>
<td>2,119,089</td>
<td>2,173,830</td>
<td>2,228,872</td>
</tr>
<tr>
<td>Net (USD)</td>
<td>36,668</td>
<td>9,168</td>
<td>2,508</td>
<td>6,582</td>
<td>(17,504)</td>
</tr>
</tbody>
</table>

Figure (6-3) below compares revenues to expenses for the upcoming five years, where it is evident that there is a surplus for all the years except 2019, totaling USD 54,926 vs. a shortage in 2019 of USD 17,504. Noteworthy is that all included amounts are forecasted and will be updated annually based on actual figures.

**Risks Associated with the Implementation of the Strategic Financial Plan and Corresponding Mitigation Measures**

Achieving financial sustainability and the ability to continue in providing its services is contingent on ACWUA attaining revenues required to cover the costs associated with its activities, projects and programs as well as running the Association. The risks associated with the ability to attain those revenues as well as the corresponding mitigation measures are presented in Table (6-4) below:
<table>
<thead>
<tr>
<th>Risks</th>
<th>Mitigation Measures</th>
</tr>
</thead>
</table>
| The lack of commitment of members to pay membership fees             | • Developing an action plan in collaboration with the members of the BoD that includes developing incentive mechanisms targeting the members to encourage them to pay their fees.  
• Developing a clear plan that aims at engaging the members of the BoD in supporting ACWUA by encouraging members to pay their fees. |
| The inability in attaining financial support from donor               | • Establishing an organizational unit within the Secretariat responsible for following up on interests of donor agencies                              |
| agencies and Arab governments                                        | and collaborating with them and getting ACWUA’s activities in line with these interests.                                                                 |
|                                                                      | • Marketing ACWUA’s activities within the Arab region and with funding agencies according to a marketing and communications plan that is set for this specific purposes based on a targeted analysis of the surrounding environment and linking it to achieving ACWUA’s objectives. |
| The unavailability of demand for ACWUA’s training programs           | • Carrying out a market demand study for training programs and courses and training needs in the Arab region, including demand for O&M Certification and Training programs.  
• Developing a marketing plan for those programs and following up on its implementation based on the training needs of utilities, and setting in motion a supporting communication plan. |
| The inability in attaining the required funding to develop best practices guides | • Linking the development of guides and their topics on the needs of member utilities and the interests and directions that development aid agencies are adopting, as well as the identified areas of interest within Arab countries especially in what is related to utility performance improvement and the services provided to citizens. |
| Low level of participation of water experts and practitioners in ACWUA’s conferences | • Developing specialized mechanisms to identify conference topics that take into consideration the interests and needs of Arab countries and their contributions to serving those needs.  
• Developing and implementing a marketing plan and a supporting communication plan for the conferences, and following up on its implementation based on the needs and interests of Arab countries. |
| ACWUA not implementing any projects or studies or income generating programs | • Establishing an organizational unit within the Secretariat responsible for following up on interests of donor agencies and collaborating with them and getting ACWUA’s activities in line with these interests, as well as monitoring and acting upon specific projects opportunities that ACWUA can implement or be part of their implementing teams.

• Establishing an organizational unit within the Secretariat responsible for building partnerships with various parties whether donor agencies or research or academic institutions or international NGOs or consulting firms with the purpose of cooperating in implementing all types of projects.

• Establishing an organizational unit within the Secretariat responsible for developing technical proposal that are required for bids submissions, along with all supporting documentation. |
7. Developing Annual Executive Plans and an M&E System

Developing Executive Plans for the Organizational Units
The new Strategic Business Plan comprises main strategic objectives and secondary objectives with corresponding KPIs that reflect the types of activities ACWUA will be implementing to achieve those objectives in the next five years. The plan also includes implementation approaches for each of the secondary objectives. The plan covers the upcoming five-year planning period of 2015 – 2019.

As a next step, each of the organizational units within the Secretariat will have to work together each year to develop implementation plans specific to each organizational unit. Those plans include (in line with the main implementation approaches specified within the strategic business plan) the specific action items that the unit will be working on with enough detail as well as the implementation timeframe on a monthly basis, in addition to all the necessary resources (financial and institutional and other) as well as the associated risks and corresponding mitigation measures. Those implementation plans should also identify the outputs and outcomes of each action item.

The units’ performance will be evaluated in comparison with those plans on an annual basis. Additionally, a corresponding M&E system will be in place to periodically monitor performance and take corrective measure if required. The strategic business plan will also be revised based on the annual performance assessment of all units.

Building ACWUA’s Capacity in M&E
The success of ACWUA in achieving the new strategic objectives depends on its ability to carry out successfully all of the implementation plans. And it is essential to build ACWUA’s capacity in monitoring and evaluating its performance based on those objectives. For this, a M&E team was instated within the Planning and Technical Support Unit within the Secretariat, that will be responsible for monitoring the performance of each of the organizational units according to the prepared implementation plans, and following up on the pertinent KPIs and ensuring that any identified risks are mitigated, and reporting periodically on all of the above to the managers and the Secretary General.

It is essential that the lines of communication be delineated between the employees in this unit and all other units to ensure access to all necessary information in a timely manner.

Monitoring activities are based on specific approaches and plans to continuously collect and document and analyse data and information and develop those into reports that are provided to decision makers. They also follow up on the implementation of pertinent policies and strategies and programs and implementation plans, in addition to following up on the optimal use of available financial and other resources, as well as following up on the outputs and outcomes and impacts of those implementation plans and the quality of services provided to ACWUA members and stakeholders taking into consideration the
possible risks entailed and the need to conform with applicable rules and regulations and any contractual obligations

Developing the M&E Plan
In general, an M&E plan should be developed in parallel with the annual implementation plans per each organizational unit. This plan should:

• Be practical and serve its users in terms of providing them with the information they need,
• Be logical in terms of implementation, and cost efficient and takes into consideration the circumstances within the Secretariat,
• Be in line with all applicable institutional rules and regulations and ACWUA’s Charter and By-law, as well as ethical commitments,
• Be accurate in terms of the collected data and information.

All organizational units must work collaboratively to develop the annual implementation plans as well as the M&E plan through identifying the main elements of the implementation plans that will be monitored. Developing the M&E plan entails the following:

1. Developing an overall framework for the M&E plan by referring to the main and secondary strategic objectives and the corresponding implementation approaches, and identifying practical and objective means to measure performance, then linking them with the capacity within ACWUA to achieve the strategic objectives through identifying the outputs and outcomes per activity or action item in the implementation plans, and linking the with pre-set targets that are agreed upon collectively based on how they are linked with achieving the strategic objectives (linking outputs and outcomes with objectives).

2. Identifying the factors that could impact the implementation plans and that are considered necessary for their success, and delineating strategies to address them to ensure a successful outcome.

3. Identifying KPIs within the implementation plans, which could include the quality of services, or statistical data about services, or members opinions, etc. Those KPIs should be linked to the sought impacts and are linked to achieving the strategic objectives. Those KPIs should be specific, measurable, attainable, realistic and time-bound (SMART).

4. Identifying the sources of information and/or data and how to collect them taking into consideration the possibility of accessing them through the reports provided by ACWUA’s IT systems, or possibly through surveys or reports.

5. Specifying responsibilities for collecting and analysing data and information, and developing and submitting reports in each of the organizational units, and coordinating amongst all units if more than one unit is linked to one objective. Additionally, a time schedule is needed for data collection and analysis and ensuring accuracy and quality and responsibility for quality and developing into reports and submissions. Also necessary is the need to set in place a mechanism for
disseminating reports and specifying who receive them.

6. Establishing a system for performance review in a collective manner, and based on the performance reports, such that the frequency and mechanism for implementation is identified whether during meetings or quarterly or semi-annual or annual workshops.

Revising the M&E plan after initiating its implementation and amending it as deemed necessary including changing the KPIs or sources of data or frequency of measurement, or taking into consideration emergency situations that are impacting the KPIs, in addition to the possibility of revisiting the assigned responsibilities of performance monitoring and data collection or the need to train staff members to carry out those responsibilities.

Annex 1: Future Priorities for Projects and Programs

Following is a rundown of priority working that ACWUA will be targeting to achieve in line with the new strategic objectives and assigned targets:

1. Developing Unified Concepts and O&M Standards in Water and Sanitation:
   In line with the Algeria Declaration that was issued in ACWUA’s Sixth Best Practices Specialty Conferences, and that was endorsed by the Arab Water Ministerial Council that operates under the umbrella of the League of Arab States, ACWUA will:
   • Identify priority areas that need to be addressed within the framework of O&M in water and sanitation utilities in the region;
   • Developing unified concepts and standards and specifications applicable in the Arab region for O&M and documenting them in the form of guides and based on unified standards in line with universally acknowledged standards and in line with the regional context;
   • Disseminating those unified standards and specifications, thus leading to knowledge exchange and facilitating exchange of utility staff within the region based their unified implementation and acknowledgement by Arab utilities.

2. Capacity building and operators certification programs:
   ACWUA will develop new training programs and expand the scope of implementing operators certification program across the region and based on the identified needs of the members and in accordance with the outcomes of the UR and UM TWGs, and on a number of levels:
   • Capacity building and operators certification programs planning level, where utilities’ needs include developing new training courses in subjects such as PPPs and their various models; developing PPP contracts and financial models, and managing PPP contracts; and developing business plans for utilities
• Executive management level, where utilities’ needs include topics such as Asset Management and NRW Management and Cost Recovery and Energy Efficiency
• Operators’ level, where utilities’ needs include developing new training courses in different topics such as the Application of Good Asset Management Practices in Maintenance Operations, the Master Plumber and in Reducing NRW, and such as expanding the implementation of operators certification program in the region.

3.3. Expanding the Implementation of the Technical Sustainable Management (TSM) Program:
ACWUA will expand the implementation of Technical Sustainable Management (TSM) Program in the Arab region—a quality system that is implementable in water and sanitation facilities thereby:
• Raising awareness in quality management systems in utilities;
• Implementing the Technical Sustainable Management program (TSM) in various Arab utilities and auditing facilities for quality standards applied and issuing quality certifications for the facilities;
• Eventually leading to the improvement of water and sanitation services and to sustainable high quality services provided.

4. Developing Best Practices Guides:
ACWUA will continue to engage its Technical Working Groups, which are considered the main engine for knowledge generation and exchange of expertise in the region and for developing best practices guides—as follows:
• Based on the outcomes of the previous Technical Working Groups that worked on the topics of Utilities Management and Utilities Reform and other topics, identifying the priority areas and subjects that needs to be addressed also in line with the needs of the utilities in the region.
• Developing Best Practices guides by specialized Technical Working Groups formed under the umbrella Technical Working Groups in topics related to Utilities Management and Utilities Reform such as the Application of Asset Management and Managing Physical Water Losses and Managing Commercial Losses and such as Establishing Regulatory Commissions and such as Developing PPP Contracts and such as Billing and Collection and such as Developing Mathematical Models for Setting Tariffs.

5. Implementing Virtual Twinning Programs:
ACWUA will implement twinning programs between Arab utilities and between Arab utilities and other utilities from outside the region as follows:
• Identifying areas of strength and areas of weaknesses in utilities as a preliminary and assessment step for the member utilities;
• Match-making between the utilities in the region and between Arab utilities and other utilities from outside the region by complementing areas of strengths with
corresponding areas of weaknesses;
• Implementing virtual twinning between those utilities thus enabling the process of knowledge and solutions exchange and following up on and monitoring the improvement actions carried out as a result of those twinning activities;
• Developing twinning manuals and documenting its results.

Annex 2: Detailed Functions and Responsibilities for the Organizational Units

Functions and Responsibilities

1. Planning and Technical Support Unit

Performance Monitoring Team
• Developing ACWUA’s strategic plans (five-year plans)
• Developing annual implementation plans and reviewing them every six months to achieve pre-set objectives
• Developing and implementing an M&E system to monitor performance based on KPIs identified in the strategic and implementation plans
• Reporting to the Secretary General and BoD
• Developing ACWUA’s annual report
• Developing a performance improvement plan for the Secretariat collaboratively with the other units and relevant committees and the Secretary General
• Following up on the active committees in the Secretariat to report on time
• Participating as needed in developing training plans for the Secretariat staff members based on the results of the performance monitoring activities and in collaboration with HR and Administrative Affairs
• Effecting any approved amendments on ACWUA’s Charter and By-law per the BoD and General Assembly’s resolutions
• In collaboration with all organizational units following up on documenting all pertinent policies and procedures that cover all operations within the Secretariat

TWG Management Team
• Preparing and amending guiding principles and criteria for selecting TWG members
• Preparing and amending the guiding principles for the operations of TWGs
• Communicating with members of BoD and member utilities and managing the selection of TWG members
• Developing a management system for the TWGs in terms of identifying the TWG topics and the selected members and the projects that they will be implementing and monitoring the performance of the TWG members
• Forming and following up on the work of specific committees that aim at engaging TWGs and focal points in member countries, including identifying the technical needs of member utilities according to a time schedule
• Establishing a system to manage and follow up on virtual professional communities and groups with the aim of exchanging knowledge and experience using the ACWUA WIKI
• In collaboration with the Performance Monitoring Team work on documenting the policies and procedures applied by the Team.

2. Business Development Unit
   Partnership Building Team
   • Identifying donor agencies working in the area of water and sanitation and discerning their strategic objectives and interests in the Arab region and linking available funding resources with the needs of ACWUA members and subsequently identifying concepts for future projects of all types (training, certification, research, studies, consulting, etc) and submitting to donor agencies and following up with them on those concepts.
   • Identifying regional and international organizations and associations that work on the field of water and sanitation and identifying opportunities for collaboration based on ACWUA’s and their activities and priorities
   • Preparing for and following up on the implementation of partnership agreements between ACWUA and external parties (donor agencies or regional and international organizations and associations)
   • Identifying available funding resources through partnerships and in general, and that can be utilized to support ACWUA activities such as organizing conferences and workshops and project
   • In collaboration with the Performance Monitoring Team work on documenting the policies and procedures applied by the Team.

   Technical Consultancy Team
   • Following up on and developing potential business opportunities—published or unpublished, in collaboration with the Partnership Building Team, which should lead to ACWUA implementing projects that include technical consulting services to member utilities or other parties.
   • Developing and managing a data bank that includes the names of water and sanitation experts in the Arab region (members or non-members) in collaboration with the Marketing and Communication Unit/Marketing and Communication Team
   • Supporting member utilities in providing technical expertise through recruitment
   • Managing the provision of short-term technical expertise to member utilities
   • Developing and following up on the implementation of virtual twinning between member utilities in collaboration with the IT and Knowledge Management Team
   • Participating in preparing technical and financial proposals required for bids to implement consulting projects that ACWUA can be a part in in collaboration with the Technical Proposals Development Team
   • In collaboration with the Performance Monitoring Team work on documenting the policies and procedures applied by the Team.
3. Project Management Unit

- Developing and following up on the implementation of a Project Management Manual, and amending it as needed
- Managing ACWUA projects that are under implementation through assigning for each project a Project Manager who is responsible for the technical tasks involved and managing the project team and project spending and any reporting requirements on project status
- Participating in developing periodic and annual reports
- Developing a database for the projects the ACWUA implements in collaboration with the Marketing and Communications Unit/IT Systems and Knowledge Management Team
- In collaboration with the Performance Monitoring Team work on documenting the policies and procedures applied by the Unit.

4. Marketing and Communications Unit

Marketing and Communications Team

- Developing and following up on the implementation of a marketing and communications plan that includes a media action plan to support ACWUA activities and identifying communication mechanisms that will be used—traditional or virtual, focusing on engaging and bringing in the private sector
- Specifying and following up on the implementation of a mechanism to measure the level of awareness of ACWUA members of its activities and services, and based on which marketing and communication mechanisms that will be used to expand the reach of ACWUA can be identified
• Carrying out a market study to identify the demand available on the O&M Certification and Training Program in the Arab region for the upcoming five years, in collaboration with the Capacity Building Unit/O&M Certification and Training Team
• Developing and following up on the implementation of a marketing plan for the O&M Certification and Training Program, to expand its implementation within the Arab region based on the outcomes of the market study
• Carrying out a market study to identify the demand available on ACWUA's training and capacity building programs in the Arab region for the upcoming five years, in collaboration with the Capacity Building Unit/Training Programs Team
• Developing and following up on the implementation of a marketing plan for ACWUA’s training and capacity building programs and courses based on the outcomes of the market study
• Developing and following up on the implementation of a marketing plan for ACWUA’s conferences and exhibitions to extend their reach and increase the number of participants and participating and exhibiting and supporting organizations in collaboration with the Business Development Unit/Partnerships Building Team
• In collaboration with the Performance Monitoring Team work on documenting the policies and procedures applied by the Team.

Events Management Team
• Developing a guide for managing events of all types, and following up on its implementation and revision as needed
• Developing a mechanism for identifying hosting countries and hosting partners for ACWUA conferences, and implementing this mechanism
• Developing a mechanism for identifying conference topics in collaboration with the Planning and Technical Support Unit
• Managing all logistical arrangements associated with organizing ACWUA’s conferences and exhibitions and workshops and meetings, and those that ACWUA is a partner in
• In collaboration with the Performance Monitoring Team work on documenting the policies and procedures applied by the Team.

Membership Affairs Team
• Developing and upgrading the currently available CRM in collaboration with the IT and Knowledge Management Team
• Utilizing the CRM to document members’ pertinent information and to prepare reports and manage the relationship with them
• Developing and implementation of an incentive mechanism for member utilities with the aim of increasing number of members from the private sector category in collaboration with the Planning and Technical Support Unit
• Develop and implement an incentive mechanism for member utilities interested in hosting ACWUA activities and in participating in supporting them in collaboration
with the Planning and Technical Support Unit

- Participating in developing and utilizing an automated system for billing of members and that allows them to check their membership accounts in collaboration with the IT and Knowledge Management Team and the Financial and Administrative Affairs Unit/Financial Affairs Team
- Managing advertising space for private sector members on the ACWUA WIKI in collaboration with the IT and Knowledge Management Team
- In collaboration with the Performance Monitoring Team work on documenting the policies and procedures applied by the Team.

IT Systems and Knowledge Management Team

- Providing technical support to all IT systems and internet based applications and ACWUA WIKI and all software and data bases in the Secretariat
- Providing an advertising space for private sector members on the ACWUA WIKI in collaboration with the Membership Affairs Team
- Establish and provide technical support to virtual professional communities of practice to exchange knowledge and expertise on the ACWUA WIKI in collaboration with the Planning and Technical Support Unit/TWG Management Team
- Providing technical support to virtual twinning activities in collaboration with the Business Development Unit/Technical Consultancy Team
- Developing and providing technical support to ACWUA’s projects database in collaboration with the Projects Management Unit
- Developing and providing technical support to the automated billing system such that bills can be accessed using the system and members can check their accounts online, and periodic reports on fees payment for all members are produced in collaboration with the Membership Affairs Team and the Financial and Administrative Affairs Unit/Financial Affairs Team
- Developing and/or upgrading the currently available IT systems that are used in running the operations in the Secretariat (the financial information system; the CIS; the CRM; the correspondence archiving system; the HRM; the BoD documentation archiving system; MDG+ project database; and benchmarking database) and providing the required technical support
- Putting in place and implementation a data security plan (backup of information and data)
- In collaboration with the Performance Monitoring Team work on documenting the policies and procedures applied by the Team.

5. Capacity Building Unit

O&M Certification and Training Program Team

- Developing and managing the CIS with ACWUA members and in collaboration with the Marketing and Communications Unit/IT Systems and Knowledge Management Team
Following up on the possibility of preparing a collaboration agreements between ACWUA and accreditation bodies for the O&M Certification and Training Program – if available (in addition to those in Egypt and Jordan) to accredit the programs that ACWUA are implementing in collaboration with the Business Development Unit/Partnerships Building Team

- Implement the O&M Certification and Training Program based on the outcomes of the market study and marketing plan in the Arab region and with a corresponding implementation plan and timeframe (to include Training of Trainers (TOT) and specifying training topics and assigning and selecting trainers and organizing training courses and exams and holding the exams in accreditation centers and reporting results and documenting the whole process in the CIS) and in collaboration with interested member utilities, and with the Marketing and Communications Unit/Events Management Team
- Supervising the development of new training curricula for the O&M Certification and Training Program in collaboration with specialized entities and according to the needs of the members
- Following up on all phases of the O&M Certification and Training Program including updating the certificates and moving to a next level and documenting operations within the CIS
- In collaboration with the Performance Monitoring Team work on documenting the policies and procedures applied by the Team.

Training Programs Team
- Developing a strategic plan for training based on the training needs of members and non-members in collaboration with the Business Development Unit and Marketing and Communications Unit and TWGs Management Team
- Supervising the process of developing new training curricula in collaboration with specialized entities and based on the needs of the members
- Develop and follow up on the implementation of a plan with an associated timeframe for ACWUA training programs based on the outcomes of the market study and marketing plan in the Arab region (to include announcing training topics for members and assigning trainers and organizing training events) in collaboration with the Marketing and Communications Unit/Events Management Team
- Coordinating the preparation and submission of technical and financial proposals for training tenders that ACWUA participates in in collaboration with the Business Development Unit and the Financial and Administrative Affairs Unit
- In collaboration with the Performance Monitoring Team work on documenting the policies and procedures applied by the Team.

6. Financial and Administrative Affairs Unit

Financial Affairs Team
- Preparing and updating a five-year financial plan for ACWUA that reflects the growth in of expenses and revenues and their respective line items
- Developing and utilizing a financial model for forecasting annual expenses and
revenues and cash flow, and updating its forecasted values based upon actual figures quarterly and annually in comparison with the five-year financial plan, and reporting to the Secretary General

- Preparing an annual budget for ACWUA that reflects the actual growth in expenses and revenues
- Carrying out all internal financial transactions and reporting on them, including debits and credits and upkeeping of the general ledger and reconciliating financial statements and reporting on the projects budgets annually and preparing the annual financial statements
- Allocating all types of expenses and revenues to relevant cost centers per the organizational structure
- Managing the financial information system for all financial transactions in collaboration with the Marketing and Communications Unit/IT Systems and Knowledge Management Team
- Collaborating with auditors in carrying out financial audit for ACWUA’s accounts and internal financial processes and transactions, and responding to the requirements of the audits
- Participating in preparing the financial proposals for tender that ACWUA participate in collaboration with the Business Development Unit and all other related units
- Ensuring the implementation of all financial transactions in accordance with the applicable guidelines and policies
- Developing and utilizing to the automated billing system such that bills can be accessed using the system and members can check their accounts online in collaboration with the Marketing and Communications Unit/IT Systems and Knowledge Management Team
- In collaboration with the Performance Monitoring Team work on documenting the policies and procedures and forms used by the Team, and which shows the expenses by line item and calculation methods and cost centers and accounts reconciliation and budget preparation and accounting transactions documentation and segregation of responsibilities and internal financial checks and cash flow, etc.

HR and Administrative Support Team

- Developing and following up on the implementation of an HR plan in the Secretariat that includes job descriptions and specifications for all identified positions and a salary scale and the annual employees files—all based on the new organizational structure
- Identifying vacant positions and setting recruitment requirements according to internal instructions in the Secretariat and advertising them and receiving job applications in collaboration with the relevant units
- Implementation of all policies and procedures related to recruitment and hiring and firing and transfers and timesheets and performance evaluation and salaries and bonuses and annual salary increases and annual leaves and health insurance and
professional safety and social security and taxes etc

- Identifying the training needs for Secretariat staff and preparing an annual training plan and following up on its implementation
- Developing and upgrading the HRM in collaboration with the Marketing and Communications Unit/IT Systems and Knowledge Management Team
- Documenting all HR procedures for each employee in his own file and safe keeping and updating it as needed in the HRM
- Preparing and documenting and filing contracts and agreements that ACWUA is a part of
- Developing and upgrading the correspondence archiving system in collaboration with the Marketing and Communications Unit/IT Systems and Knowledge Management Team
- Managing the documentation and filing and sending and receipt of all ACWUA correspondence within the archiving system
- Developing and upgrading the BoD documentation and reporting archiving system in collaboration with the Marketing and Communications Unit/IT Systems and Knowledge Management Team
- Managing the documentation and filing BoD resolutions in the relevant archiving system
- Managing transportation and coordinating the movement of ACWUA vehicles and following up on their maintenance and repairs
- Managing cleaning services and office supplies and other ACWUA facilities
- Managing the maintenance of office equipment
- In collaboration with the Performance Monitoring Team work on documenting the policies and procedures applied by the Team.

The Procurement Team
- Supplying simple items and purchases from petty cash
- Participating in developing technical and general specifications for goods and services that the Secretariat will be procuring in collaboration with the specialized committees and relevant units
- Preparing tender and bids documents and invitations to bid and executing them as needed
- Managing and documenting the bids evaluation process for offers received from vendors and service providers in collaboration with specialized committees and relevant units
- Managing inventory annually and keeping the inventory list
- In collaboration with the Performance Monitoring Team work on documenting the policies and procedures applied by the Team.

7. **Secretariat Office**

- Receiving and redirecting correspondence to the Secretary General and other units
• Receiving incoming phone calls
• Preparing the Secretary General’s correspondence
• Organizing meetings within the Secretariat headquarters
• Upkeeping and utilizing office equipment
• Booking of venues and halls and transportation and flight tickets for the Secretariat staff members
• Preparing the daily agenda and appointments and meetings for the Secretary General
• Supporting the daily agendas and appointments and meetings for the other units
• In collaboration with the Performance Monitoring Team work on documenting the policies and procedures applied by the Office.

8. **Permanent Committees**

Procurement Committee
• Preparing the special and general specifications for goods and services the Secretariat will procure
• Participating in developing tender documents
• Preparing the bids evaluation criteria and system
• Following up on the tendering process and receiving bids

Bids Opening Committee
• Opening received bids
• Reviewing the contents of received bids and documenting them

Bids Evaluation Committee
• Evaluating all received bids in accordance with the applicable conditions and terms of reference and specification and in line with the bids evaluation criteria and mechanism in place
• Preparing a report for the evaluation results
• Recommending on awards and non-awards

Planning Committee
• Participating in developing all strategic and executive plans in ACWUA

HR Committee
• Reviewing vacancies and recruitment requirements
• Participating in recruitment interviews
• Recommending on hiring and not hiring

**Matrix of Relationships between the Different Organizational Units**
The matrix below depicts the relationships between the different positions within the organizational units in the organizational structure in terms of what operations are carried out and in collaboration with which other team and/or unit.
Annex 3: Developing the Five-year Financial Plan

Summary of Five-year Financial Plan for the Years 2015 - 2019

Below is a summary of ACWUA’s annual revenues and expenses including all line items:

1. Summary of Expenses

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenses (USD)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
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<tbody>
<tr>
<td>Salaries</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent Employees</td>
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<td>Annual Benefits</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Insurance</td>
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<td>6,320</td>
<td>6,762</td>
<td>7,236</td>
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<td>54,753</td>
<td>59,398</td>
<td>62,368</td>
<td>65,487</td>
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<td>Sub-total - Annual Benefits</td>
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<td>61,515</td>
<td>66,634</td>
<td>70,111</td>
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</tr>
<tr>
<td>Developing and/or acquiring IT Systems</td>
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<td>8,475</td>
<td>8,475</td>
<td>16,949</td>
<td>-</td>
<td>-</td>
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<td>Developing Best Practices Guides</td>
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<td>75,000</td>
<td>150,000</td>
<td>150,000</td>
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<tr>
<td>Developing new training programs</td>
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<td>72,000</td>
<td>72,000</td>
<td>72,000</td>
<td>72,000</td>
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<td>Training programs for Secretariat staff</td>
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<td>7,062</td>
<td>7,062</td>
<td>7,062</td>
<td>7,062</td>
</tr>
<tr>
<td>Sub-total - Technical Consultancy Services</td>
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<td>162,537</td>
<td>162,537</td>
<td>246,011</td>
<td>229,062</td>
<td>229,062</td>
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<td>Programs and Activities</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Training Programs</td>
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<td>83,400</td>
<td>83,400</td>
<td>83,400</td>
<td>83,400</td>
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<tr>
<td>O&amp;M Certification and Training Program</td>
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<td>224,700</td>
<td>224,700</td>
<td>224,700</td>
<td>224,700</td>
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<tr>
<td>Projects - all types</td>
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<td>240,000</td>
<td>240,000</td>
<td>240,000</td>
<td>240,000</td>
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<tr>
<td>Marketing activities</td>
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<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Conferences and Exhibitions</td>
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<td>392,938</td>
<td>420,444</td>
<td>449,875</td>
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<td>515,061</td>
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<tr>
<td>Sub-total - Programs and Activities</td>
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<td>848,688</td>
<td>988,544</td>
<td>1,017,975</td>
<td>1,049,466</td>
<td>1,083,161</td>
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<tr>
<td>General Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental and Utilities</td>
<td></td>
<td>53,686</td>
<td>56,371</td>
<td>59,189</td>
<td>62,149</td>
<td>65,256</td>
</tr>
<tr>
<td>Supplies and Purchases</td>
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<td>44,936</td>
<td>68,370</td>
<td>56,605</td>
<td>52,020</td>
<td>54,621</td>
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<tr>
<td>Travel and transportation</td>
<td></td>
<td>53,373</td>
<td>56,042</td>
<td>58,844</td>
<td>61,786</td>
<td>64,875</td>
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<tr>
<td>Depreciation</td>
<td></td>
<td>12,647</td>
<td>13,912</td>
<td>15,303</td>
<td>16,833</td>
<td>18,516</td>
</tr>
<tr>
<td>Sub-total - General Expenses</td>
<td></td>
<td>164,643</td>
<td>194,694</td>
<td>189,941</td>
<td>192,787</td>
<td>203,268</td>
</tr>
<tr>
<td>Total Annual Expenses</td>
<td></td>
<td><strong>1,738,583</strong></td>
<td><strong>1,961,214</strong></td>
<td><strong>2,116,581</strong></td>
<td><strong>2,167,248</strong></td>
<td><strong>2,246,376</strong></td>
</tr>
</tbody>
</table>
## 2. Summary of Revenues

### Revenues (USD)

<table>
<thead>
<tr>
<th>Membership Fees</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities</td>
<td>368,728</td>
<td>378,970</td>
<td>389,212</td>
<td>399,455</td>
<td>409,697</td>
</tr>
<tr>
<td>Private Sector and Institutions</td>
<td>56,000</td>
<td>85,750</td>
<td>115,500</td>
<td>145,250</td>
<td>175,000</td>
</tr>
<tr>
<td>NGOs and Academia</td>
<td>14,000</td>
<td>17,000</td>
<td>20,000</td>
<td>22,500</td>
<td>25,000</td>
</tr>
<tr>
<td>Individuals</td>
<td>10,600</td>
<td>11,700</td>
<td>12,800</td>
<td>13,900</td>
<td>15,000</td>
</tr>
<tr>
<td>Students</td>
<td>1,000</td>
<td>1,375</td>
<td>1,750</td>
<td>2,125</td>
<td>2,500</td>
</tr>
<tr>
<td>Regulators</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Sub-total - Membership Fees</strong></td>
<td><strong>455,328</strong></td>
<td><strong>499,795</strong></td>
<td><strong>544,262</strong></td>
<td><strong>588,230</strong></td>
<td><strong>632,197</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Projects, Programs and Services</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Training Programs</td>
<td>104,250</td>
<td>104,250</td>
<td>104,250</td>
<td>104,250</td>
<td>104,250</td>
</tr>
<tr>
<td>O&amp;M Certification and Training Program</td>
<td>140,438</td>
<td>280,875</td>
<td>280,875</td>
<td>280,875</td>
<td>280,875</td>
</tr>
<tr>
<td>Recruitment Fees</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Virtual Twinning Fees</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Projects - all types</td>
<td>300,000</td>
<td>300,000</td>
<td>300,000</td>
<td>300,000</td>
<td>300,000</td>
</tr>
<tr>
<td>Technical Support Fees</td>
<td>13,500</td>
<td>14,175</td>
<td>14,884</td>
<td>15,628</td>
<td>16,409</td>
</tr>
<tr>
<td><strong>Sub-total - Projects, Programs and Services</strong></td>
<td><strong>568,188</strong></td>
<td><strong>709,300</strong></td>
<td><strong>710,009</strong></td>
<td><strong>710,753</strong></td>
<td><strong>711,534</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Conferences, Exhibitions and Workshops</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration Fees</td>
<td>330,000</td>
<td>335,000</td>
<td>340,000</td>
<td>345,000</td>
<td>350,000</td>
</tr>
<tr>
<td>Cost Share from hosting utilities</td>
<td>47,153</td>
<td>50,453</td>
<td>53,985</td>
<td>57,764</td>
<td>61,807</td>
</tr>
<tr>
<td>Conference and exhibitions where ACWUA is an official partner</td>
<td>82,500</td>
<td>83,750</td>
<td>85,000</td>
<td>86,250</td>
<td>87,500</td>
</tr>
<tr>
<td><strong>Sub-total - Conferences, Exhibitions and Workshops</strong></td>
<td><strong>459,653</strong></td>
<td><strong>469,203</strong></td>
<td><strong>478,985</strong></td>
<td><strong>489,014</strong></td>
<td><strong>499,307</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grants and Giveaways</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Support from Arab Governments</td>
<td>83,333</td>
<td>83,333</td>
<td>83,333</td>
<td>83,333</td>
<td>83,333</td>
</tr>
<tr>
<td>Grants to fund the development of best practices guides</td>
<td>93,750</td>
<td>93,750</td>
<td>187,500</td>
<td>187,500</td>
<td>187,500</td>
</tr>
<tr>
<td>Financial support for developing ACWUA’s institutional capacity</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Financial support for the development of new training programs</td>
<td>90,000</td>
<td>90,000</td>
<td>90,000</td>
<td>90,000</td>
<td>90,000</td>
</tr>
<tr>
<td><strong>Sub-total - Grants and Giveaways</strong></td>
<td><strong>292,083</strong></td>
<td><strong>292,083</strong></td>
<td><strong>385,833</strong></td>
<td><strong>385,833</strong></td>
<td><strong>385,833</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Annual Revenues</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,775,251</td>
<td>1,970,382</td>
<td>2,119,089</td>
<td>2,173,830</td>
<td>2,228,872</td>
</tr>
</tbody>
</table>
Method of Developing ACWUA’s Five-Year Financial Plan
The five-year financial plan comprises the annual forecasted expenses part and the annual forecasted revenues part, each of which was developed based on the line items included in the audited financial statements, with the reflection of all activities and programs that are included under the strategic objectives under those line items. The details of calculation methods per line item are included below:

<table>
<thead>
<tr>
<th>Line Item</th>
<th>Calculation Method for Annual Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenses</strong></td>
<td><strong>Expenses</strong></td>
</tr>
<tr>
<td><strong>1.0 Salaries</strong></td>
<td></td>
</tr>
<tr>
<td>Permanent Employees</td>
<td>All positions per the organizational structure were included based on the salary scale, and hiring was reflected for the new positions across the five years, and an annual salary increase of 5% was applied.</td>
</tr>
<tr>
<td>Interns</td>
<td>Those are temporary employees who work in ACWUA when the need exists. ACWUA pays interns a monthly incentive as opposed to a full salary. For 2015 – 2019, the total salaries for interns were used for the year 2014, with a 5% annual increase afterwards.</td>
</tr>
<tr>
<td><strong>2.0 Annual Benefits</strong></td>
<td></td>
</tr>
<tr>
<td>Health Insurance</td>
<td>For 2015 – 2019, the total health insurance expenses for 2014 were used, with a 7% annual increase afterwards.</td>
</tr>
<tr>
<td>Social Security</td>
<td>Calculated as 13.25% of the salaries for permanent employees.</td>
</tr>
<tr>
<td><strong>3.0 Professional Consulting Fees</strong></td>
<td></td>
</tr>
<tr>
<td>Developing IT Systems</td>
<td>The forecasted Level of Effort (LOE) requirements for all identified systems were distributed across the five years, and the amount of USD 2,120 was used for each man month.</td>
</tr>
<tr>
<td>Developing Best Practices Guides</td>
<td>The target number of guides per year was set in accordance with the strategic objectives, and a cost amount for each guide was estimated taking into consideration the required professional fees as well as the TWG members cost (travel and lodging and conference fees and workshops etc).</td>
</tr>
<tr>
<td>Developing new training programs</td>
<td>The target number of training programs to be developed per year was set in accordance with the strategic objectives, and a cost amount for each new training program was estimated taking into consideration the required professional fees.</td>
</tr>
<tr>
<td>Training courses for Secretariat staff</td>
<td>Costs were calculated based on training 10 staff members annually with a cost of USD 700 each.</td>
</tr>
<tr>
<td><strong>4.0 Programs and Activities</strong></td>
<td></td>
</tr>
<tr>
<td>Training Programs</td>
<td>The target number of training courses per year was set in accordance with the strategic objectives, and a cost amount for each course was estimated taking into consideration the required professional fees and costs of venue rentals and trainers, etc.</td>
</tr>
<tr>
<td>O&amp;M Certification and Training Program</td>
<td>The target number of training courses per year was set in accordance with the strategic objectives, and a cost amount for each course was estimated taking into consideration the required professional fees and costs of venue rentals and trainers and accreditation center employees and exam fees, etc.</td>
</tr>
<tr>
<td>Projects-all types</td>
<td>The target number of projects per year was set in accordance with the strategic objectives, and a cost amount for each project was estimated based on previous costs per project (estimated from historical data to be around USD 120,000 per project).</td>
</tr>
<tr>
<td>Marketing activities</td>
<td>USD 20,000 was allocated annually for marketing activities in general.</td>
</tr>
<tr>
<td>Conferences and exhibitions and workshops</td>
<td>Costs for the years 2013 and 2014 were used as a base value with an annual increase of 7% afterwards.</td>
</tr>
</tbody>
</table>

### 5.0 General Expenses

| Rental and Utilities | Includes annual rental of ACWUA offices and water, electricity and heating fuel costs, and communication and general maintenance, etc. The corresponding expenses for 2014 were used as a base value that was increased 5% on an annual basis. |
| Supplies and Purchases | Includes supplies and goods such as publications and printed materials and stationery and IT supplies and hosting costs, etc. The corresponding expenses for 2014 were used as a base value that was increased 5% on an annual basis, in addition to adding the costs of acquiring the identified IT systems in accordance with the strategic objectives. |
| Travel and Transportation | Includes travel costs such as tickets and transportation, etc. The corresponding expenses for 2014 were used as a base value that was increased 5% on an annual basis. |
| Depreciation | Includes assets depreciation allowance. The corresponding expenses for 2014 were used as a base value that was increased 10% on an annual basis. |

### Revenues

| 1.0 Membership Fees | Includes all membership categories where identified values under the strategic objectives for each category for each year was used, and applicable membership fees per category were used. |

### 2.0 Projects, Programs and Services

<p>| Training Programs | Includes organizing training courses based on the set targets as distributed across the five years. Revenues per training course were calculated taking into consideration the need to cover the identified costs for each course plus a top up amount of 25% as administration fees. |
| <strong>O&amp;M Certification and Training Program</strong> | Includes organizing training courses based on the set targets as distributed across the five years. Revenues per training course were calculated taking into consideration the need to cover the identified costs for each course plus a top up amount of 25% as administration fees. |
| <strong>Recruitment Fees</strong> | Includes fees that ACWUA will be charging for providing member utilities with recruitment services and supporting them in hiring the required competences. A relatively small amount was used, being a new service that ACWUA has no experience in. |
| <strong>Virtual Twinning Fees</strong> | Includes fees that ACWUA will be charging for facilitating virtual twinning between member utilities including matching the utilities and identifying the expertise that can be exchanged. A relatively small amount was used, being a new service that ACWUA has no experience in. |
| <strong>Projects-all types</strong> | Includes all projects planned for implementation based on the set targets as distributed across the five years. Revenues per project were calculated taking into consideration the need to cover the identified costs for each project plus a top up amount of 25% as administration fees. |
| <strong>Technical Support Fees</strong> | Includes fees that ACWUA will be charging for providing member utilities with technical services according to their needs and as needed. A relatively small amount was used, being a new service that ACWUA has no experience in. |
| <strong>3.0 Conferences and Exhibitions and Workshops</strong> | |
| <strong>Conferences and Exhibitions Fees</strong> | Includes registration fees as well as exhibition space rental fees. Revenues were calculated for one conference and exhibition annually such that registration fees are USD 800 and an average revenue from exhibition space rental fees estimated at USD 10,000, and using the average number of participants in previous ACWUA conferences and exhibitions. |
| <strong>Cost Share from hosting utilities and/or partner organizations</strong> | Includes the cost share that ACWUA has been receiving from their co-hosting organization, and is estimated to be around 12% of the conference cost. |
| <strong>Conference and exhibitions where ACWUA is an official partner</strong> | Includes the percentage of revenues per conference (estimated to be 25%) that ACWUA receives in return for its support of the conference and marketing it in the Arab region. |
| <strong>4.0 Grants and Giveaways</strong> | |
| <strong>Support from Arab Governments</strong> | Includes financial support ACWUA receives annually from Arab Governments, noting that the amount received from the Jordanian Government was included being the only Arab Government that has committed to providing this support to ACWUA to cover the costs of renting its offices. |</p>
<table>
<thead>
<tr>
<th>Grants obtained to fund the development of best practices guides</th>
<th>Includes grants that ACWUA will seek to receive to be able to develop best practices guides in accordance with its strategic objectives and using its TWGs. Revenues per guide were calculated taking into consideration the need to cover the identified costs for each guide plus a top up amount of 25% as administration fees.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial support for developing ACWUA’s institutional capacity</td>
<td>Includes grants that ACWUA will seek to receive to be able to develop its internal capacity in accordance with its strategic objectives. Revenues per guide were calculated taking into consideration the need to cover the identified costs for each training course plus a top up amount of 25% as administration fees.</td>
</tr>
<tr>
<td>Financial support for the development of new training programs</td>
<td>Includes grants that ACWUA will seek to receive to be able to develop new training courses in accordance with its strategic objectives using the services of specialized professionals. Revenues per training curriculum were calculated taking into consideration the need to cover the identified costs for each plus a top up amount of 25% as administration fees.</td>
</tr>
</tbody>
</table>