

THE REPUBLIC OF RWANDA



MINISTRY OF INFRASTRUCTURE

**MODEL DELEGATED WATER MANAGEMENT
CONTRACT**

May 2019

Preface

Access to safe drinking water is crucial, not only for people's health and wellbeing, but also for poverty reduction and economic development;

Improving the access, quality, availability and sustainability of water supply services in RWANDA is the top priority in the Sector;

Rwanda has committed to reach SDGs targets by 2030 through the different programs such as the NST1 and 7 Years Government Program with the aim of achieving universal access to basic water and sanitation services by 2024. In order to achieve this target, an appropriate institutional system has to be in place.

The development of the National guidelines for Sustainable Rural Water Supply Services and all its supporting documents (Manuals, Training Modules, etc.) is part of the mechanism to develop the Operation and Maintenance in the Rural Water Supply, and make an important guidelines to Districts, Private Operators, User communities and all the stakeholders in the Rural Water Supply Services sub-sector.

I want to extend my appreciation to the stakeholders, especially JICA/RWANDA through the RWASOM Project, for the effort to have these important documents in place.

We look forward to positive impact of the developed documents through the O&M framework in the rural water services, sustainability of existing water infrastructures and overall, an improved and sustainable clean water supply service toward the communities in RWANDA.

Patricie UWASE
PERMANENT SECRETARY



REPUBLIC OF RWANDA

PROVINCE.....



DISTRICT.....

DELEGATED MANAGEMENT CONTRACT

CONTRACT

This contract was established at on..... in copies

Among the signatories, namely:

District of..... represented by its Executive Secretary appointed by the "District" the Delegating Authority"

Signature, preceded by the words "read and approved":

AND:

The company, residing at, registered in the commercial register of, on ... under number.....and with the regime trader / Corporation Sole / SARL / SA], and represented by..... [Name], [Function], known as the "Private Operator" in this contract,

Signature, preceded by the words "read and approved":

AND:

WASAC represented by "Chief Executive Officer" designated by "WASAC,

Authority responsible for implementing the "Policy and national distribution strategy in terms of water, hygiene and sanitation "; as a witness of this contract.

It has been agreed as follows:

TITLE I. PURPOSE OF THE CONTRACT AND GENERAL PROVISIONS

Article 1. Object of the contract

By this Contract, the District of entrusts to the Private Operator the responsibility for managing the following water supply systems and (Number) Improved springs including.... (Number) Borehole with hand pump recorded in the sectors in which the state transferred the property to the District of

Article 2. Scope of Contract

This Contract has been prepared on the basis of an exclusive use of facilities of production, transmission and distribution of drinking water, that's what they were designed. If one of the parties to the contract wishes to develop other uses of equipment, including network extension or production of water, etc., the parties must agree to review the contract (as an Addendum) to reflect these changes and review a number of parameters (including the formula for calculating the depreciation of equipment). And this must be done in a way that will have no influence on the water tariff.

This delegated contract concerns only the Water Supply Systems of, improved springs and borehole with hand pump in Sector..... Private Operator without amendment duly negotiated with other stakeholders do not rely on this contract to get the delegated management of other water points in the sectors or the District. It is up to..... District to pass, if they wish, such contracts, possibly in the form of an addendum to this contract.

Article 3. Purpose of Contract

The objective of the contract is to establish an effective management of drinking water supply systems, ensure continuous and regular supply of drinking water to the population in sufficient quality and quantity and ensuring the maintenance of hydraulic infrastructures in operation and sustainability of water service.

Article 4. Daily management of contract

The daily management of this contract will be ensured by the engineer in charge of water and sanitation infrastructures in the District, with assistance of the unit in charge of the delegated management of water services (Delegated Water Management) within rural water services department of WASAC.

Article 5. Reference Documents for the Contract

The following appendices are considered as part of this Contract, and therefore will refer to interpret a point considered contentious:

- **Appendix 1:** Registration Certificate of the Private Operator in the Trade Register.
- **Appendix 2:** License by RURA
- **Appendix 3:** Network map showing network extension at the time of its delegated management, and featuring many details as possible (location of structures, connections and taps ...). As regards the drawings which are not available, contracting parties will agree on the modalities for producing such drawings.
- **Appendix 4:** Inventory report of existing infrastructures and their operating status before the signing of the Contract, drawn up as Consensus between the Delegating Authority and the Private Operator, make a copy to WASAC as a witness of this contract.
- **Appendix 5:** Technical specifications for each water supply system including as-built drawings
NB: Available documents related to water supply system equipment will be handed over to the Private Operator.
- **Appendix 6:** Report format
- **Appendix 7:** Water tariff (as fixed by RURA)
- **Appendix 8:** Bank slip of Tender Documents
- **Appendix 9:** Tender Documents
- **Appendix 10:** Model of the action plan and budget forecasting

Article 6. Jurisdiction

This Contract is subject to the law of the Republic of Rwanda

Article 7. Description and reception of facilities

Concerned parties recognize that an agreed inventory of the infrastructures (**Appendix 4**) was prepared before the signature of the Contract and the service takeover by the Private Operator.

The Private Operator recognizes that he/she has attended facility inventory process accompanied by a representative of the District and that of WASAC. WASAC designates its staff from the department of rural water service to assist the District which has formulated all the observations that seem useful to guarantee an optimal operation of the infrastructures and a copy of the statement of facility inventory was given to WASAC. In case of absence of inventory, WASAC can proceed to assess the infrastructures and to prove the conformity as they were described by the District (delegating authority).

In case of disagreement between the parties about the real status of the infrastructures, a technical expertise approved by both parties will be used and the conclusions will be imposed to the parties. The costs of the expert shall be borne by the party that is recognized wrong.

The Private Operator cannot refuse the management of infrastructures for the reason that he/she was not involved in their design and their implementation, or he/she could not attend their provisional handover.

Rehabilitation costs for water infrastructures and related costs due to damage or destruction caused by one of the parties will be fully borne by the responsible party of the damage. In fact, severe penalties are mentioned in Regulation **N0 002 / RB / WAT-EWS / RURA / 015 23/09/2015** concerning the quality of service provided by Private Operators as determined by RURA.

Article 8. Mobilized Water Resources

Water resources are captured at the source which characteristics are presented in **Appendix 5**.

The signatories of this Contract remain fully subject to the laws in force in Rwanda concerning the preservation of water resources, authorized water use and royalties that might be involved.

Article 9. Infrastructure Ownership

All water supply facilities are property of the District. The infrastructure funded through the Renewal and Extension Fund constituted by the District became the

property of the District. It is the same way for each infrastructure financed in whole or in part by the Private Operator.

However, each investment by the Private Operator for water infrastructures on his own funds must be approved by the District and will be the subject of an amendment to the Contract.

All plans, drawings, technical specifications, reports and other documents or software prepared by the Private Operator during the period of the contract remain the property of the District. The Private Operator will provide these documents to the District prior to the expiration of the Contract. The Private Operator will not be allowed to use these documents in cases other than those relating to the Contract.

TITLE II. BEGINNING, DURATION, AMENDMENTS AND TERMINATION OF THE CONTRACT

Article 10. Effective date of the Contract

This Contract shall take effect on the date of signature.

The Private Operator has 30 days to start the operation, during which he/she will:

- a) Participate in the provisional handover of new infrastructures under construction in its jurisdiction, or make arrangements to visit the existing infrastructures that are part of the Contract, and certify their conformity with the drawings and specifications.
- b) Assign the necessary staff specified in the offered tender documents.
- c) Keep necessary spare parts for operation and maintenance
- d) Rent or prepare offices needed for its activity.

This 30 days' period may be extended even by the District in case of delay for the rehabilitation of infrastructures.

Article 11. Duration of Contract

This Contract is concluded for a period of five (5) years.

Article 12. Amendments of the Contract

Addendum to this Contract may be passed on a proposal from one of the parties and according to the law governing public procurement.

Article 13. Termination of Contract

The District reserves the right to terminate the Contract in case the Private Operator did not comply with any provision of this Contract. However, whatever causes, the delegating authority is required to notify the Private Operator three (3) months before the contract termination date to avoid stopping the service to population, health problem or damage to equipment.

Each party may terminate by a registered letter with acknowledgment respecting a period of three (3) months, indicating the reason for the termination. This will be valid only if it is based on one of the causes listed below and other causes valid that were not necessarily considered legitimate grounds. Any other valid reason could not be considered unreasonable and would lead to compensation.

Article 13.1. Some causes of terminating the Contract by the delegating authority

- a) Interruption of water supply for consecutive two days by the Private Operator without justification provided to the delegating authority
- b) Delay of royalty payments by the Private Operator for more than two months
- c) Repeated failure to respect water tariff fixed by RURA
- d) Bankruptcy or liquidation of the Private Operator
- e) Serious defect or inadequate maintenance of facilities duly certified by RURA or another competent assessor. Failure to produce the annual accounts, rejection of accounts by auditors for fraud or anomalies;
- f) Irregularities in service provision and recidivist despite the advice;
- g) Any other breach of Contract provisions
- h) Case of force majeure

NB: The above causes are not listed exhaustively

Article 13.2. Causes of valid termination by the Private Operator

- a) In case of non-compliance by the delegating authority of its obligations as stipulated in the Contract.
- b) Case of force majeure

Article 13.3 Force majeure

A force majeure event is an event beyond the control of the Parties.

This includes in particular the following events, without this list being exhaustive:

- a) War and other hostilities (whether a state of war has been declared or not), invasion, acts of enemy country, the insurgency;
- b) Natural disasters (landslides, lightning, earthquakes, fire, flood) etc.;
- c) Riots, bombings, sabotage;
- d) Strikes, boycotts, lockouts or other labour disputes or “faits du prince”.
- e) The drying up of water sources.

Neither party shall be deemed to have failed in one or more obligations under the Contract to the extent that their accomplishment has been prevented by a force majeure event.

In case of force majeure, the parties to the Contract must share information and make arrangements as soon as possible.

Article 13.4. Obligations of the Private Operator upon contract expiration

At the end of the Contract for any reason, the Private Operator is required to give the District the water supply facilities entrusted to it, including network extensions and materials purchased during the operation.

TITLE III. OBLIGATIONS

Article 14. Obligations

Article 14.1. Compliance with laws and regulations governing the provision of water services

The Private Operator must comply with the laws **N0 01 / RURA / 2013** suggesting the minimum service level required for the provision of water services and **No. 002 / RB / WAT-EWS / RURA / 015 23/09/2015** governing water distribution services in Rwanda developed by RURA and any other law of the Republic of Rwanda in relation to water and the environment.

Article 14.2. Role and responsibility of the Private Operator

The Private Operator's role is to provide at its own risk, under its responsibility, all the functions of the operation of water supply systems governed by this Contract, to the satisfaction of consumers, by management of water supply systems entrusted to him/her.

Article 15. Technical exploitation of water supply systems

Article 15.1. Maintenance of catchments

Maintenance works of the catchment are in charge of the Private Operator. Upon presentation of evidence about an intervention on the observed decrease of discharge, presence of sand in the distribution network, etc., the Private Operator may request technical assistance to the delegating authority. During the period of technical intervention by the delegating authority, the Private Operator is relieved from any liability related to insufficient volume of water distributed or discontinuity of service.

Article 15.2. Infrastructure maintenance other than catchment

The Private Operator is responsible for exploiting infrastructures and ensure its maintenance in compliance with the standards defined in the Technical Specifications requirements as presented in Appendix 4 (in particular, the frequency of maintenance and appropriate lubricants and spare parts). It must take all necessary measures to provide in due time fuel inventory, lubricants, and various spare parts to ensure continuity of service.

Maintenance work on all infrastructure except the water catchment are carried out by agents of Private Operator or others appointed by him/her who have all the necessary skills and who are under his responsibility.

The Private Operator will cover the costs of repair and maintenance of infrastructure.

Interventions of the District for the renewal or extension of water supply facilities can only take place in close consultation with the Private Operator.

Article 15.3. Finding of failure and repair period

In case of failure by the finding of either party, the Private Operator will intervene on the site within a maximum of 24 hours and repair the damage in a maximum of 5 days according to the standard except for operations requiring lifting of the pump which may need longer lead time.

In the case of serious damages, the Private Operator is relieved from all responsibilities (discontinuity of service or insufficient volume of distributed water). In all cases, it is required for the Private Operator to inform water consumers all interruption causes and ensure their recovery within a short time. Beyond 5 days of interruption of the water supply, and for repairs exceeding the amounts stipulated in the contract, the Private Operator is responsible to inform the District which is the representative of users and which will manage the issue.

Article 16. Distribution of safe water to users

At the start of the operation, all water points should be equipped with water meters in good condition. If there are water points which do not have water meters, the Private Operator will install them at his own expense that will be refunded from the royalties according to the Contract between both parties.

The Private Operator will distribute water to public taps and individual connections, at the prices fixed by RURA. Therefore, the Private Operator will engage or contract with public tap managers that will be paid according to the contract they have together.

These public tap managers will be responsible for water quantities distributed and will be responsible for collecting fees for water from users. The Private Operator will organize the collection of water fees from public tap users. The tap managers will be responsible for the security of the funds collected until they deposit on the account(s) of specific bank(s) for this purpose. Even in case of theft, the tap managers are solely responsible.

This public tap manager will ensure cleaning around the water points and public taps. They have the authority and responsibility to prohibit all human activities (dish washes, laundry, livestock watering, car washing, etc.) within 10 meters of the water point for the protection of the quality of water.

For improved springs and boreholes with hand pumps, the scope of protection should be 15m and there is no human activity is allowed.

Public taps must be open daily from 6:00 a.m. to 7:00 p.m.. However, these times can be reduced if some public tap average sales are less than 15 m³ / month after consultation of users.

The Private Operator will make meter readings for individual connections by meter readers once a month, and issue an invoice to customers accordingly. The Private Operator is solely responsible for the collection of amounts billed. The Private Operator is required to implement a recovery strategy of issued invoices and may suspend delivery of water after ten (10) days counted from the date of issue of the water cut notice without paying.

The bacteriological and physicochemical quality of the supplied water will be analysed at least once in six (6) months. The cost will be borne by the Private Operator. In case of water systems with water treatment plants, testing to ensure quality are made daily. The water quality must meet the required standards.

Article 17. Good relations between the Private Operator and consumers

To ensure the greatest possible transparency with water users, the Private Operator must follow certain instructions and obligations including:

- a) Opening an office to the public in the trading centre, with reasonable opening hours (minimum 9 hours per day or 45 hours per week unless otherwise agreed with the users) and having phone numbers that users can call in case of need. The conditions of access to public service (connection fees and water tariff) must be displayed in the office by the Private Operator, possibly translated into local language.
- b) The Private Operator shall collect claims (oral, written and electronic) of users on service quality (kept and registered for this purpose) and is required to respond within a period not exceeding five (5) days for daily problems and seven (7) days for problems related to billing.

The Private Operator shall have a simple device to check the functionality of water meters for the consumers. If it turns out that a meter error caused over payment by the consumer, the Private Operator is required to change the water meter within a period of two (2) days and must make an adjustment in the billing periods for subjects of complaints.

If the meter error is due to the consumer, the consumer has to pay the bill and the costs of acquisition and replacement of the meter.

Article 18. Obligations of the Private Operator in terms of record keeping

The Private Operator should have the following information:

Article 18.1. Regarding the distribution points

- The sales details of water per public tap (meter reading at the closing time of the water tap);
- The sums collected by public tap;
- Any water loss and against their value in FRW per tap;
- The details of sales of water to individual connections
- The register of individual consumers;

- The register of other consumers (institutions, industries, water trough owners ...).

Article 18.2. Regarding maintenance

- A document of the statement of the water meter at the source and the statement of operation time of pumping station;
- A technical document summarizing the maintenance and repairs made (on the reservoir, the distribution network and sale points).

Article 18.3. Regarding expenditure / revenue

- A ledger of expenditure / revenue including date, objects of cash flow, expenses incurred, receipts and bank statements);
- Bank book and cash book;
- A workbook containing all the supporting documents of financial flows (daily expenses, daily revenue, received cash collected at distribution points, bank transactions, receipts for any charges ...).

Article 19. Duties of the Private Operator for reporting

The Private Operator will maintain separate accounting for all activities related to the execution of this Contract. The Private Operator is required to prepare and send the following operating reports to the District with a copy to WASAC and RURA:

- a) Each month before the 5th of the following month, a monthly report of technical and financial activities in accordance with the report format in **Appendix 6**, which has the financial and technical management of the past month.
- b) After each quarter before the 30th of the following month, a quarterly report of technical and financial activities in accordance with the report format in **Appendix 6**, which has the technical and financial management results of the past quarter
- c) Each year before the end of the first quarter of the new fiscal year, an annual report of technical and financial activities on the results of the year according to the report format in **Appendix 6**. This document is accompanied by the presented income statement in accordance with the model given in **Appendix 6**;
- d) Each year, two months before the end of the current fiscal year, develop an action plan and a budget estimate facilitating the forecast operating account and the forecast investment program (renewal, extension ...) to be funded by the District in accordance with the model given in **Appendix 10**.

Article 20. Obligations of the Private Operator regarding human resources

- a) The Private Operator will have qualified staff with required competence as defined in the Tender Documents
- b) The Private Operator must have insurance for its employees
- c) The Private Operator will be responsible for staff capacity building program especially in administrative and financial management, mobilization and customer management and technical management of water supply systems

TITLE IV. OBLIGATIONS OF THE DELEGATING AUTHORITY (DISTRICT)

Article 21. Obligations of the District

The District as a representative of users and owner of water infrastructure has the following obligations:

- Represent and protect the interests of users of water services;
- Educate users to pay for water services as defined in the Contract and have good relationships with the Private Operator;
- Ensure water infrastructure security by fighting against the depredations, theft and other vandalism activities;
- Request explanation to the Private Operator if there is a malfunction of a non-informed water service exceeding 2 days;
- Manage renewal and extension funds in accordance with its purpose and procedures defined in Title VI in the interest of the population. In particular, account for the royalties should be opened in the national bank of Rwanda.
- Make feasibility studies for extension of potable water supply systems with the support from WASAC.
- Mobilize the necessary funds for water supply system extensions to other unserved areas
- Organize a quarterly visit as part of the Private Operator inspection and keep the related reports in accordance with the format given in **Appendix 11**;
- Review and analyse the monthly, quarterly and annual reports submitted by the Private Operator and give the feedback in a period not exceeding ten, fifteen and thirty days from the date of receipt of the reports for each monthly, quarterly and annual reports.
- Make available to the Private Operator a list of vulnerable who receives free water services.

TITLE V. WASAC OBLIGATIONS

WASAC represents the Ministry of Infrastructure and implement the National Water Supply Policy and National Sanitation Policy.

WASAC is committed to support the District through the following obligations:

- Assist the District to plan, develop and implement new water supply projects
- Assist the District to make a water infrastructure rehabilitation plan
- Support the District in the recruitment process of Private Operator of the water supply system
- Support the Private Operators to improve the management system through capacity building and training
- Monitor and evaluate the implementation of the contract

TITLE VI. FINANCIAL PROVISIONS

Article 22. Budgetary procedures

The Private Operator provides technical and financial status to the District with a copy to WASAC and RURA as defined in Article 19.

The District and/or the Private Operator may request assistance to WASAC for specific services

The District may request an audit of the operation of accounts maintained by the Private Operator, under the conditions defined in Title VIII.

The provisional annual activity program (see Article 19) is submitted within a month before the end of the year by the Private Operator to the District and WASAC.

Article 23. Water tariff

Article 23.1. General principles

To meet the expenses and due royalties, the Private Operator must follow the water tariff as specified by RURA decision **No. 06/BD/ER-LER/RURA/016 of 13th December, 2016.**

Access to clean water is a right for all citizens even to the poor. The distribution of water, regardless of the distribution point type, must be payable for all consumers, except for vulnerable people determined by the competent authority (District).

Article 23.2. Public taps

The Private Operator sells water to consumers through tap managers locally recommended by neighbours or local authorities on the basis of integrity and costs set by RURA. The Private Operator has the freedom to decide how it intends to manage public taps, provided that users are satisfied with the service.

Article 23.3. Private connections

The water tariff to private connections will refer to the decision **No. 06/BD/ER-LER/RURA/016 of 13th December, 2016**:

Billing will be monthly.

Article 24. Breakdown and allocation of funds collected by the Private Operator

Article 24.1. Basic principles

The cost of the operation contained in the offer of the bidder is intended to cover:

- Cost of operation and maintenance of water supply facilities for production and distribution including all charges of operators' salaries and consumables,
- General expenses (taxes, administrative expenses etc.),
- Contributions to the renewal of water supply systems to the extent possible

The Private Operator will pay to the District royalties of 10 % on revenues generated.

The royalties to the District is intended to supply the renewal and extension funds and audit funds.

The Private Operator will pay to the District royalties before the 10th of the following month.

The Private Operator is fully responsible for the amount of royalties until it is deposited into the bank accounts of the District opened for this purpose.

In case of delay in the payment of these royalties, the District may require penalties capped at 2% per week of delay.

Article 24.2. Renewal and extension funds

The District manages the renewal and extension funds.

These funds are intended to cover the costs for:

- Infrastructure renewal;

- Reinforcements or large scale extensions of water infrastructures to improve the service and/or to expand access to new users (construction of new water taps, network upgrade, installation of more powerful pumping equipment, etc.);
- Bank charges.
- Operating costs of the District water, sanitation and hygiene services "District WASH Board"

The funds management rules are:

- Expenditures may be instituted only with the signatures of the District officers.
- Royalty fees are deposited directly into the bank account by the Private Operator;
- Payments by cash and checks are prohibited;
- Bank reconciliations should be performed monthly and presented to the District (District WASH Board). The annual report is presented to the District (District WASH Board) for approval.

Article 25. Expenses borne by the Private Operator

The Private Operator manages water supply facilities entrusted to him/her at his/her risk and peril. With regard to the technical specifications annexed to the Contract (**Appendix 5**) Private Operators provides costs for operation and maintenance of water supply facilities (pumping station, reservoirs and distribution network), supplies (diesel, lubricants, spare parts, valves, piping components for repair of leaks, etc.) and pays for all necessary staff. The taxes will also be borne by the Private Operator.

Article 26. Revision of water tariff

Any change in water tariff will be requested jointly by the Private Operator and the District to RURA.

Article 27. Performance security

To ensure proper execution of the Contract and to allow for continuity of service in any event, the Private Operator must provide a guarantee of good execution from a bank or an insurance company recognized by the National Bank of Rwanda before the date of signature of this Contract by both parties. The sum and the guarantee form the security in favour of the client.

The performance guarantee is 10% of the projected annual turnover.

TITLE VII. SYSTEM OF PARTICULAR CONNECTIONS

Article 28 Connection request

Any natural or legal person may apply a particular connection. The request is made to the Private Operator which performs a feasibility study before the connection agreement.

The Private Operator must send to the District a monthly report of requests for individual connections granted.

This work should not degrade the water supply conditions to other service points.

Article 29. Ownership of facilities in the case of a connection

The District owns particular connection up to water meter. In particular, it is the following equipment:

Small diameter line (32 or 25 mm) connected to the secondary network;

- The stop valve;
- The water meter;
- The trapdoor and all the accessories needed to make a connection.

The equipment will be installed preferably as close as possible to the users but it should be accessible for the staff of Private Operator to intervene if necessary (meter reader, plumber ...).

The user owns all the equipment located after the meter and is responsible for increase of bills in case of leakage or failure occurred in domestic installations.

Article 30. Funding of connections

Funding of individual connections is carried out under the following conditions:

- A lump sum in charge of the users which includes a pipe with a length of 12 m and all equipment needed for laying the connection.
- A cost borne by the users per linear meter of additional pipe to a maximum length of 35 m.
- Beyond the distance mentioned above, this connection will be part of extensions financed by the District and/or the Private Operator and its funding will come from the renewal and extension fund. However, if the users agree to pay the

additional secondary pipe, it must first have the approval of the parties to the Contract.

Article 31. Execution of works (from network to the water meter)

With the agreement of the delegating authority, the Private Operator conducts the extension works and private connections or entrusts the work to a third party.

In all cases, the operator will be responsible for connections made.

Article 32. Payment for consumption and related penalties

The water meter shall be read once a month and the Private Operator will prepare a bill in accordance with the tariff defined. The users will pay the billed amount no later than seven (7) days after its issuance. In case of non-payment, a cut-off notice will be issued with the bill of the following month and the service will be suspended after ten (10) days counted from the date of receipt of the cut-off notice.

Reconnection costs will be borne by the users.

Article 33. Unauthorized connections

Any person or group of people responsible for an unauthorized connection duly noted by one of the parties will be subject to prosecution by the authority for damage or violation of public infrastructures.

TITLE VIII. AUDIT AND ARBITRATION

Article 34. Audit

Article 34.1. Audit and accounts verification

Upon receipt of periodic management reports produced by the Private Operator in accordance with Article 19, the delegating authority has a period of one month to examine and share observations with the Private Operator. The delegating authority will appeal annually to the district auditors. The findings will be imposed on the wrongful party. At the expiration or early termination of this Contract, the previous year accounts will be audited by a team appointed by the delegating authority in

consultation with WASAC. The audit will be conducted in accordance with the principles of auditing.

In case audit would highlight the nature of anomalies to question the sincerity and accuracy of submitted accounts that would impact on previous years, the audit would be extended to relevant exercises.

Article 34.2. Technical audit

The delegating authority will appeal quarterly or if necessary a technical audit to assess the quality of network maintenance and facilities by the Private Operator.

Article 35. Arbitration

At the request of either party, RURA arbitrates for adjudication of disputes between the parties of this Contract. Only if all the possibilities of an amicable settlement are exhausted, actions to the competent courts may be considered.

Done at The

District

Private Operator

Witness by WASAC

