



TERMS OF REFERENCE

Consultant to Support a Sanitation Credit Market Assessment

1. ASSIGNMENT

Water For People, with funding support from the Sanitation and Hygiene Fund (SHF), is seeking a consultant to carry out a Sanitation Credit Market Assessment. The purpose of this assignment is to expand access to affordable and inclusive sanitation services through financial sector engagement, product innovation, and ecosystem strengthening.

The assessment will focus on understanding the demand side (households), supply side (Medium, Small and Micro Enterprises - MSMEs), and financial institutions (banks, MFIs, and SACCOs) to inform the development of sanitation credit products and ecosystem interventions aligned with the Uganda Bankers Association (UBA) Environmental, Social, and Governance (ESG) Framework (2024)¹.

This assignment is undertaken within the framework of the **Sanitation and Hygiene Fund (SHF)** results agenda for accelerating domestic resource mobilization for sanitation financing, and the **UBA ESG Framework**, which promotes responsible finance, inclusivity, and environmental sustainability within Uganda's financial sector.

2. BACKGROUND

Access to improved sanitation remains a major challenge in Uganda, particularly in rural and peri-urban areas. Many households lack the financial capacity to construct or upgrade improved sanitation facilities, while enterprises engaged in sanitation product manufacturing, distribution, and service delivery often face constraints in accessing credit.

Water For People, in collaboration with sector partners and financial institutions, aims to address these challenges by fostering financial inclusion within the sanitation sector. This initiative builds on the UBA ESG Framework (2024), which promotes responsible and

¹ [UBA ESG Framework for the Banking Sector- January 2024.pdf](#)

sustainable financing, and aligns with Uganda’s Vision 2040, National Development Plan IV (NDP IV), and Sustainable Development Goal 6.2 (Access to Sanitation for All).

Through this assessment, Water For People seeks to provide a data-driven understanding of sanitation credit market dynamics, identify viable financing models, and recommend interventions that can bridge financing gaps across the sanitation ecosystem.

3. OBJECTIVES OF THE MARKET ASSESSMENT

Main Purpose

The aim of the consultancy is to conduct a comprehensive market assessment of sanitation credit in Uganda by analyzing the demand, supply, and financial ecosystem influencing access to sanitation financing.

Specific Objectives

1. **Demand side:** Assess households’ willingness, ability, and readiness to pay for improved sanitation facilities and services; identify preferred loan structures, repayment behaviors, and barriers to uptake.
2. **Supply side:** Analyze MSMEs engaged in sanitation products, technologies, and service delivery (e.g., latrine construction, sanitation product manufacturing and distribution, pit emptying, fecal sludge management), focusing on operational capacity, financing needs, and market constraints.
3. **Financial ecosystem:** Examine banks, MFIs, and SACCOs’ readiness to design and deliver sanitation loan products; identify opportunities for ESG integration and responsible lending under the UBA ESG Framework (June 2024).
4. **Map sanitation market opportunities and constraints** for scaling sanitation financial products.
5. **Recommend financial instruments, partnerships, and business models** to sustainably expand access to sanitation credit. This will include designing appropriate sanitation product(s) prototype with specific features for both household and business groups
6. Explicitly analyze **gender, inclusion, and affordability aspects**, examining how women, youth, and low-income households access and utilize sanitation credit and propose mechanisms to enhance equitable financing.

4. SCOPE OF THE ASSESSMENT

Sector Focus

The study will focus exclusively on **sanitation financing**—covering household and community-level sanitation solutions such as latrine construction, upgrades, containment, emptying, transportation, treatment, and reuse of fecal sludge.

Geographical Coverage

The study will be conducted across Uganda selecting regions representing diverse socio-economic and environmental conditions — rural, peri-urban, and urban. Priority will be given to areas with low sanitation coverage, poor fecal sludge management, or active sanitation enterprise activity.

Stakeholder Coverage

1. **Demand side:** Households and communities
2. **Supply side:** MSMEs, artisans, manufacturers, contractors, and service providers in the sanitation value chain
3. **Financial institutions:** Banks, MFIs, SACCOs, and other financing partners
4. **Institutional stakeholders:** Ministry of Water and Environment (MWE), Ministry of Health, Ministry of Education and Sports, Uganda Bankers Association (UBA).

Policy and Regulatory Environment:

The assessment will review the policy, regulatory, and institutional environment influencing sanitation financing—including relevant provisions under the National Water Policy, the Public Health Act, the Microfinance Act, and UBA 2024 ESG guidelines—to identify enablers and barriers to sanitation credit scale-up.

5. APPROACH / METHODOLOGY

The assignment will begin with an inception meeting between Water For People and the consultant to agree on the overall work plan, timelines, and methodological approach for the market assessment. This meeting will also review and approve the proposed tools and sampling strategy to be used for data collection.

The consultant will present a detailed study design outlining the methodology, sampling framework, and analytical approach. The design should take into account key variables such as sanitation needs, geographic diversity, population density, and market segmentation.

A mixed-methods approach will be employed, combining quantitative and qualitative techniques to generate a comprehensive understanding of the sanitation credit market. Descriptive methods will be used to capture consumer attitudes, intentions, behaviors, and competitor strategies, while quantitative analyses will be applied to assess market parameters such as market size, segmentation, and emerging trends.

The methodology should include:

- **Desk review** of relevant literature, including the UBA ESG Framework (2024), national sanitation financing strategies, and previous assessments.
- **Household surveys** to gather quantitative data on sanitation demand, willingness and ability to pay, preferred loan features, and adoption barriers.
- **Focus group discussions (FGDs)** and **key informant interviews (KIIs)** with households, sanitation enterprises, and financial institutions.
- **Market mapping and stakeholder consultations** to identify linkages across demand, supply, and financing ecosystems.
- **Competitor and benchmarking analysis** to identify best practices from other countries and financial institutions and innovations in sanitation financing.
- **Gender and inclusion analysis** to ensure the results support equitable access and affordability of sanitation credit.

The consultant will ensure that gender inclusion, environmental sustainability, and ESG compliance are integrated throughout the study. The consultant will also develop and share the design of the relevant data collection tools — quantitative (individual and household surveys) and qualitative (e.g., focus group discussions, key informant interviews, and competitor analysis) — to elicit comprehensive information from the target groups.

6. EXPECTED OUTCOMES

a) Sanitation Market Context

The consultant will define and characterize the sanitation credit market niches within which **Water For People** and its partners can operate effectively. The report will map the sanitation value chain and identify key players such as masons, artisans, manufacturers, pit emptiers, suppliers, and other ecosystem actors relevant to sanitation financing.

b) Sanitation Credit Product Prototypes

The consultant will design **sanitation credit product prototypes** tailored for:

- **Household-level borrowers (microfinance)** seeking to construct or upgrade improved sanitation facilities.
- **MSMEs** engaged in sanitation service delivery, product supply, or fecal sludge management.
- **Support systems such as SACCOs and MFIs** facilitating sanitation credit distribution.

Each prototype will outline key product features, risk parameters, delivery channels, and ESG compliance considerations, and will be accompanied by projected business models detailing product amounts, loan sizes, interest rates and fees, repayment duration, delivery process, tenure, and other terms and conditions appropriate for different market segments.

In addition, the consultant will:

- i. Provide insights and recommendations on sanitation credit promotion, marketing strategies, and sanitation education, including advertising research and demand generation approaches; and
- ii. Recommend financing and credit opportunities, models, and structures, showing how they can be applied to various market segments and identifying potential partners for implementation and scale-up.

c) Recommendations and Implementation Guidance

The consultant will provide actionable recommendations on:

- iii. **Treatment of sanitation credit** as a defined financial product or feature for tracking, reporting, and performance monitoring purposes.
- iv. **Implementation models** suitable for partnerships with financial institutions and private sector actors, including contract-based approaches (closed-

asset financing) and open approaches (self-attainment or demand-driven models).

- v. An **ESG-aligned implementation roadmap** for integrating sanitation credit into Uganda’s financial ecosystem.

d) Overall Deliverable and Use of Results

A comprehensive, evidence-based report outlining sanitation credit market potential, viable product structures, and a roadmap for scaling inclusive, ESG-aligned sanitation financing across Uganda. The findings will inform Water For People’s sanitation market development strategy and the UBA ESG-aligned financial inclusion agenda.

7. ASSIGNMENT DELIVERABLES

1. **Inception Report** – detailing methodology, tools, and work plan.
2. **Field Data Collection and Analysis Report.**
3. **Draft Report** – presented to Water For People, UBA Ministry of Water and Environment, Ministry of Health and Ministry of Education for review.
4. **Validation Workshop** – to discuss preliminary findings and collect feedback.
5. **Final Report** – incorporating feedback, sanitation product prototypes, and ESG-aligned implementation roadmap with attached research data sets.
6. **Power Point Summary** – Abridged version (Power Point) report format of the report

8. TIMELINES

The assessment is expected to last **no more than 40 days** from the signing of the contract.

SN	Activity	Duration
1	Inception Meeting to understand the assignment and inception report preparation	3 day
2	Desk Research	3 days
3	Formulation and Review of data collection tools	2 days
4	Field Data Collection	20 days
5	Data Analysis and Draft Report	7 days
6	Validation Workshop	2 days
7	Incorporation of comments and Final Report Submission	3 days

9. REPORT FORMAT

The consultancy report should be concise and limited to significant issues. The main text should comprise of:

- Executive Summary
- Introduction and Methodology
- Key Findings by Stakeholder Group showing significant quotes and citations
- Policy and Market Mapping Analysis

- Sanitation Product Prototypes and Implementation Roadmap
- ESG Integration Recommendations (based on UBA Framework)
- Limitation to the study, Conclusions and Policy Recommendations
- Annexes: Data Tools, Raw Data Summary, and List of Stakeholders Consulted, a well referenced list of documents consulted. **All data collected remains the property of Water For People.**

10. HOW TO APPLY

i. Applicants' professional skills and qualifications

Applicants may be individuals, groups of individuals with a designated team lead, or firms. They are required to clearly identify and provide CVs for all proposed consultants, clearly stating their roles and responsibilities and including their technical expertise and practical experience.

It is desirable for consultant(s) to have the following skills and experience:

- In-depth knowledge of microfinance and financial sector development issues, in Uganda.
- Prior experience in Sanitation thematic programming and financing
- Solid understanding of digital finance
- Solid understanding of country context
- Track record in developing and conducting various Market surveys focusing on new products (added advantage in the Microfinance sector).
- Good working knowledge of Monitoring, Evaluation and Learning and experience in managing and coordinating evaluation/research exercises, delivering agreed outputs on time and on budget.
- Strong analytical skills, report writing and ability to triangulate data from multiple sources.
- Demonstrated ability to assess complex situations, succinctly distil critical issues and draw forward-looking conclusions and recommendations.
- Good communication and facilitation skills.
- Versatility, flexibility and ability to contextualize issues. Organizational experience: bidders should also provide evidence of previous project experience for the provision of similar evaluation services.

ii. Technical and financial proposal

Narrative Proposal: The narrative proposal is expected to articulate the approach to be taken, experience of consultant(s), CVs of the consultants and copies of prior market studies specimen and referees

Financial Proposal: The financial proposition for this assignment should clearly show the budget breakdown and indicate the estimated daily rates for each consultant and item proposed.

All Consultants' costs incurred in executing this assignment including travel and accommodation must be included in the financial proposal. All costs should be presented

in Uganda Shillings (UGX). The budget template to be used is shared below. All meeting costs shall be met directly by Water For People.

Budget Summary				
Professional Fees / Other Costs				
With Holding Tax (6%)				
Total Cost				
Professional Fees / Other Costs				
Name of Expert / Other Costs	Role / Purpose	Number of Days	Daily Rate (UGX)	Total Fee (UGX)
Total				

Your application should comprise the following documents:

- i. Expression of interest outlining how the consultant(s) meets the selection criteria and their understanding of the ToR and methodology.
- ii. A proposed activities schedule/work plan with time frame.
- iii. Detailed resumes/CV of the consultant(s) who will undertake the evaluation with contact details of three referees;
- iv. One recent example of similar evaluation report written by the bidder. ***Submitted as an annex to the proposal. This does not contribute to the page limit provided for the proposal.***
- v. Financial proposal detailing consultant(s) itemized fees, data collection and administrative costs.
- vi. Proof of existence (firms)

11. REQUIREMENTS ON THE FORMAT OF THE BID

The structure of the bid must correspond to evaluation criteria. Please use the weighting criteria below to guide your writing of the bid as this is what will strictly be used in assessing your proposal. It must be legible (font size 11, line spacing 1.0, font Arial) and clearly formulated. The bid should be drawn up in English.

The complete bid shall not exceed 30 pages including signed CVs and any other attachments.

All proposals will be evaluated based on their technical and financial suitability. The technical evaluation is equivalent to 70% while the financial carries 30%. All proposals will be evaluated based on their technical suitability first. Only the proposals from the technical evaluation that will have scored 50/70 be retained for the financial evaluation. All financial and technical proposals should be sent to uganda@waterforpeople.org, by **14th November 2025, by 1700hours**. Please note that any application received after this deadline will **NOT** be accepted.

12. EVALUATION CRITERIA

SN	CRITERIA	WEIGHTING
1	Technical Assessment	40
1.1	Interpretation of the objectives in the ToRs, critical examination of tasks, suggestions to terms of reference to improve the assignment	10
1.2	Clear and coherent description and justification of the methodology that demonstrates fulfilment of requirements and provides clear signs that the consultant will provide excellent work	10
1.3	Previous similar assignments	30
1.4	Workplan showing key milestones and personnel assignment plan	10
1.5	Stakeholder engagement plan	10
	Sub Total technical proposal	70
3	Financial Assessment	
3.1	Completeness - budget is detailed and itemized, providing a clear breakdown of costs associated with each activity or deliverable	15
3.2	Reasonableness - costs align with market rates and there is evidence of cost-saving measures or efficiencies	15
	Sub Total financial proposal	30
	TOTAL SCORE	100