Partners for Water and Sanitation

Note on project reports

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Partners for Water and Sanitation
Project No: NIG74

Anambra State Water and Sanitation Sector Institutional Scanning, Nigeria

TECHNICAL REPORT

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Contents

1 Executive Summary

Partners for Water and Sanitation (PAWS) is a collaboration of government, private sector and NGO organisations dedicated to solving problems associated with providing access to water and sanitation in developing countries. The initial focus of the partnership is Africa.

The European Commission and the Federal Government of Nigeria agreed in December 2004 to support the implementation of the Water Supply and Sanitation Sector Reform Programme (WSSSRP) in Nigeria. The specific objective of the Anambra WSSSRP State Technical Unit (STU) is to increase access to safe, adequate and sustainable water and sanitation services within Anambra.

The Terms of Reference for this PAWS project is for support to the STU in Anambra State and the Anambra State Institutions for Water Supply and Sanitation. The STU is responsible for implementing the programme's activities in the state, with specific focus on small towns and urban areas

The initial support visit that formed the basis of this report consisted of a one week visit by a PAWS team to the Anambra State WSSSRP. This visit had two objectives:

1. To carry out an overview assessment of the water and sanitation sector in Anambra state with a view to identifying both the key issues within the current institutional framework and key considerations that will need to be considered during policy development and the implementation of sector reform

2. To provide the WSSSRP team with a 'roadmap' of 'quick wins', guidance and questions they should consider when they are carrying out their institutional reform programme.

The current problems with water supply and sanitation in Anambra State are well documented, but this review was able to identify some of the key underlying institutional issues that have caused them. Major issues included:

1. The lack of a long term maintenance culture and institutional barriers to supply system maintenance, particularly where asset replacement/capital works are required.

2. Availability and distribution of technical capacity, which is currently concentrated in governmental and parastatal organisations.

3. A lack of accountability, combined with political interference in the management of water supply systems and the spread of water supply service implementation across a number of uncoordinated bodies.

4. The lack of a State policy and clarity over the role of the various Ministries and Bureaus, many of whom are trying to carry out service provision, monitoring and self regulation all at once.

Other issues exist, but are considered either less important, or are symptoms of the above key issues.

The WSSSRP project seeks to address these issues by helping to implement a reform programme in line with the national strategy. The general change is from centralised, supply oriented delivery to a demand led, consumer oriented framework that operates at the lowest practicable level. The WSSSRP has a realistic, well considered programme, but there are a large number of problems that are likely to be faced in the implementation of that programme.

The main body of this report contains a large number of comments and recommendations that should help to understand the nature, potential impact and (where possible) potential ideas for addressing those issues.

Overall it is clear that the sort of reforms that are proposed within the WSSSRP programme are necessary to avoid a repeat of the maintenance failures that have occurred in the past, or seem likely to happen with many of the small towns/rural schemes that are being implemented now. However, moving from the current institutional framework to the proposed framework cannot be achieved without political and civil service backing for the process.

Sanitation is a part of the WSSSRP remit, and there is a good opportunity here to develop sustainable, 'best practice' approaches to sanitation programmes within the zone. When doing this, it is recommended that the STU team should consider issues over maintenance and sustainability of sanitation facilities, as these could counter act many of the health improvements that might otherwise be gained from improved sanitation.

2 Introduction

Partners for Water and Sanitation works with developing countries providing unrivalled knowledge and expertise to help them supply clean water and adequate sanitation to their population. An innovative not-for-profit initiative, the partnership has members from three sectors: government, private enterprises ranging from water companies to engineering groups, and NGOs such as WaterAid, Tearfund and a trade union. This allows the partnership to draw from the widest possible range of expertise to rapidly respond to each unique challenge and to help local African partners develop and strengthen capacity and build truly sustainable solutions.

Each partner brings a unique set of skills and expertise. These are matched with a wide range of potential needs identified with partnering countries at a national or local level, working alongside their existing water and sanitation programmes. The emphasis of partner involvement is on-the-ground capacity building, such as knowledge transfer, to ensure the sustainability of each project and to encourage any lessons learned to be shared and used again throughout the region.

And it's not just about engineering: corporate, institutional and financial capacity building is also required. While the initiative does not itself provide funding, it often strengthens each locality's ability to identify and access available sources through the capacity building approach.[1]

2.1 Terms of Reference

The European Commission and the Federal Government of Nigeria agreed in December 2004 to support the implementation of the Water Supply and Sanitation Sector Reform Programme (WSSSRP) in Nigeria. The specific objective of the WSSSRP is to increase access to safe, adequate and sustainable water and sanitation services in six focal states: Anambra, Cross River, Jigawa, Kano, Osun and Yobe.

The Programme implementation framework for each of the six focal states consist of;

- A Programme Management Unit (PMU)
- A State Technical Unit (STU)
- The Rural Water Supply and Sanitation Component

The Terms of Reference for this PAWS project is for support to the STU in Anambra State and the Anambra State Institutions for Water Supply and Sanitation. The STU is responsible for implementing the programme's activities in the state, with specific focus on small towns and urban areas.

[1] From the Partners for Water and Sanitation website: http://www.partnersforwater.org/

The General objective for the PAWS support of the WSSSSRP in Anambra is:

> '*To provide technical expertise to the STU in assessing the effectiveness of the existing institutional structure for water supply and sanitation provision and make recommendations for improvement as considered appropriate*.'

This project has been identified in the PAWS Business Plan 2006-07."

2.2 Scope and Purpose of the Assessment

The exact scope of the assessment was made clear by the WSSSRP programme manager upon arrival in Anambra state. The assessment was intended to provide two key outcomes:

3. To carry out an overview assessment of the water and sanitation sector in Anambra state with a view to identifying both the key issues within the current institutional framework and key considerations that will need to be considered during policy development and the implementation of sector reform

4. To provide the WSSSRP team with a 'roadmap' of 'quick wins', guidance and questions they should consider when they are carrying out their institutional reform programme.

Outputs from the assessment would include:

- A debriefing presentation to government staff (permanent secretaries, board members etc), and other stakeholders in the institutional reform programme, including Civil Society Organisations (CSOs) and Non Governmental Organisations (NGOs)

- A written report (this report)

- Ongoing remote support (document review, advice etc), as identified during the review of the assessment of the reform programme

2.3 Activities Carried out

The PAWS visit consisted of 5 working days. Activities carried out during those 5 working days were as follows:

1. Familiarisation and review of documentation available to the WSSSRP team, including work programmes, Terms of Reference (ToR), rapid sector analyses, activity reports, policy documents from other states, SEEDS (State Econmic Empowerment and Development Strategy) and LEEDS (Local Economic Empowerment and Development Strategy) documents. The review also included reports from initiatives carried out at the federal level, including the 'National Urban Sector Reform Programme Regulatory Handbook' and the Water Investment Mobilisation and Application Guidelines' (WIMAG). The National Water Supply and Sanitation Policy and the National Water Supply and Sanitation Programme strategy were also thoroughly reviewed in order to understand the national policy perspective.

2. Discussions with WSSSRP staff and counterpart staff from the state government ministries.

3. Meetings with all of the governmental departments and parastatals detailed within Section 3.1. of this report. The PAWS team also met with the manager of a 'sister' initiative to the WSSSRP, the Support to Reforming Institutions Programme (SRIP), and the coalition of CSOs (COTAGG) that had been enabled by the SRIP programme.

4. A debrief presentation to the stakeholders identified in Section 3.1. of this report

These activities were carried out with the support and presence of appropriate members of the WSSSRP project team.

3 Overview of the Current Water and Sanitation Sector in Anambra State

Supplies to consumers within the current water sector in Anambra state can be separated into four general categories:

1. Urban and peri-urban areas that are supplied by the Anambra State Water Corporation (ASWC). Initial activity reports indicate that in 1998 the 10 schemes operated by ASWC served up to 22,000 connections and had a tariff structure that was designed to meet operating costs. This is no longer the case and the majority of those schemes are now not working, although some of the schemes are still partly functional.

2. Rural and small town communities that have water supply schemes that have been provided by either NGOs or by the Rural Water Supply and Sanitation Agency (RUWASSA). RUWASSA is a partnership between the Ministry of Health and UNICEF, which provides borehole supplies or simple surface water systems (spring boxes etc) to those communities. Those schemes are owned and maintained by sub-committees appointed by Town Development Unions (see below).

3. Affluent households, businesses or institutions (schools, hospitals etc) that are supplied by boreholes installed and operated by private companies. The Bureau of Basic Infrastructure (BBI) also caries out some borehole drilling activities and has a programme of providing borehole supplies to schools.

4. Other water consumers, who are almost entirely dependent on water sellers. The form of delivery from water sellers varies, from the retail sale of water bags and bottled water, through to tanker based vending and vending from fixed borehole locations.

Note: For the purposes of this report, rural areas and small towns are generally grouped together. The National Water Policy identifies 'rural'' communities as communities of less than 5,000 people, and 'small towns' as being 5,000 – 20,000 people. However, information gained during a number of interviews, indicated that the difference between grouped rural communities and a 'small town' was often difficult to identify at the lower end. Most interviewees agreed that the split between 'small towns' and 'urban' communities (>20,000) was easier to identify.

The sanitation sector is largely based on various forms of pit latrines or open defecation, although flush and pour-flush toilets are present, primarily within urban areas. RUWASSA and NGOs carry out promotion programmes and some installation activities, although direct installation of facilities such as VIP latrines is capital intensive and therefore limited.

The sections below provide a brief outline of the institutions that currently have a significant input to the water sector within Anambra state. This is based on the interviews carried out during the assessment visit, plus some information available in background documents. The information is based entirely on those sources, and has not been checked or verified at this stage, so should be viewed with due caution as much of it is anecdotal.

An overview of the key issues caused by the current institutional framework, as well as comments on the reform programme that is being proposed through the WSSSRP, is contained in Section 4 of this report.

3.1.1 Ministry of Economic Planning and Development

This ministry is the state sponsor for the SRIP and WSSSRP initiatives, and the permanent secretary is the State Authorising Officer. The Ministry is also responsible for the overall economic development framework within the state and is the authorising agency for the State Economic Empowerment and Development Strategy (SEEDS).

3.1.2 Bureau of Basic Infrastructure and Anambra State Water Corporation

The ASWC is a semi-autonomous parastatal that reports to the Bureau of Basic Infrastructure (BBI). The BBI is responsible for water supply, fire services, Rural feeder roads, and electricity. As noted previously, it's responsibility for water supply currently extends beyond its supervision of the ASWC, and includes some service provision of new borehole supplies. The BBI has a 'community development section', that is intended to provide support to 'Water Users Associations' already set up through the RUWASSA initiative (see below).

The ASWC is a large organisation with between 700 and 800 staff, separated amongst the headquarters and 12 zonal offices. These staff cover engineering, commercial and administrative disciplines, all of which are contained within each of the zonal offices. ASWC do have a central laboratory that has, historically, been capable of carrying out water quality analyses to international standards. It manages 10 major urban supply schemes, each of which is fed by a number of sources.

The ASWC is theoretically autonomous and is allowed, by it's forming Edict, to collect tariffs from consumers. Around 9 years ago this arrangement meant that tariffs collected from the Greater Onitsha Water Supply Scheme (responsible for around 90% of tariffs collected) and the other water supply schemes were sufficient to meet day-to-day operations and maintenance (O&M) costs. This meant that the ASWC was able to carry out its day-to-day functions without government funding. After progressive failure of a number of its schemes, this situation has now deteriorated so that ASWC now collects almost no revenue beyond private borehole licences and is reliant on funding from the state government for staff salaries.

Note: Operations and Maintenance (O&M) refers to the day to day activities required to keep a supply scheme or organisation running. This includes staff time and technical capability, fuel and transport, chemicals and power and tools/minor spare parts (pipe collars, valve packing, grease etc). It includes both 'reactive' maintenance (fixing equipment when it breaks down or leaks) and 'proactive' maintenance (activities such as the removal of erosion soil build up) that help prevent equipment from breaking down. Operations include tariff collection, HR activities (training of staff etc) and management of the organisation.

Reasons for the causes of this deterioration are varied and, in some cases, interviewees provided directly conflicting opinions. However, it is clear that the situation has been caused by a variety of contributory factors, all of which are discussed in Section 4 of this report.

It should be noted that ASWC have indicated that some staff have not been paid for a considerable length of time (up to 40 months). Therefore, although there may be up to 800 'active' staff on the corporation's books, it is likely that many staff have effectively left or will have taken up other jobs in order to earn a living.

3.1.3 Ministry of Health and RUWASSA

As well as its duties to public health, the Ministry of Health has partnered with UNICEF to form Rural Water Supply and Sanitation Agency. This agency has been responsible for a large programme of water supply development schemes in rural communities. These are largely based on shallow borehole and hand pump sources, but simple surface water schemes (spring boxes etc) and some more complicated groundwater schemes involving motorised/solar driven pumps have also been installed. RUWASSA has a number of skilled hydrogeologists with good local knowledge of hydrogeological conditions in the state. As noted previously, RUWASSA has developed an implementation strategy based on community ownership of the schemes it builds. This is done via the Town/Village Development Unions, who generally form a specific water sub committee to manage the supply.

3.1.4 Local Government Commission & Town Unions

The Local Government Commission is responsible for the recruitment and training of staff that are provided to the Local Government Areas (LGAs). They are also responsible for ensuring that the structure and management of the LGAs are in accordance with the Federal manual that has been developed for all LGAs.

All LGAs contain a WASH unit that is responsible for water and sanitation at the local level, although it should be noted that these units are mainly run and staffed by health/environmental health professionals with limited capacities.

The commission has good access to local communities via the LGAs, which includes registers of Town Union presidents and other Town Union members. In Anambra state the Town Unions (also referred to as the Town Development Unions) are very strong organisations that are recognised by state law (if registered) and have their own constitutions. They are often well experienced in building, managing and maintaining capital schemes such as schools and health clinics, and have a strong sense of responsibility to the local people. Every Town Union committee has a representation at the LGA level, which will usually include a 'president of presidents'.

3.1.5 Ministry of Justice

The Ministry of Justice does not have any specific role in the water supply and sanitation sector, but is responsible for advising on and drafting any state laws that need to be passed by the House of Assembly. This would include transforming water and sanitation policy into law, or legally empowering Water Users Associations to collect tariffs. Therefore the Ministry of Justice will play an important role in any sector reform programme.

3.1.6 Head of Service

The Head of Service has overall responsibility of the training, quality, welfare and salary of all governmental employees, and hence has a pivotal role in any labour issues that might arise as a result of water and sanitation sector reform in the state. It also has responsibility for policy implementation in terms of changing structures, management regimes and/or incentives in ministries or parastatals. These responsibilities mean that the Head of Service would have to be properly involved with any re-structuring or policy development within the state.

3.1.7 The House of Assembly

The House of Assembly is the political legislative body within the state, and hence would have to approve any laws that needed to be passed in order to progress with sector reform. The House of Assembly also has ultimate approval powers for the annual budget or special state capital budget provisions. This means that it effectively decides the availability of state funds for the replacement of existing water infrastructure, or the extension of water supply coverage. Budgetary decisions for capital expenditure are therefore subject to political lobbying and political motivation.

A Public Accounts Committee (PAC) exists at the state level to monitor projects and development. The PAC will often appoint sub-committees or consultants to review particular issues or areas (e.g. water supply expenditure).

3.1.8 Ministry of Finance and Budget

The Ministry of Finance and Budget is effectively in charge of preparing budgets in accordance with the requirements of the state executive and presenting them to the House of Assembly for approval. They are then responsible for managing state funds in accordance with the approved budgets.

3.1.9 Ministry of Environment and Anambra State Environmental Protection Agency (ANSEPA)

The Ministry of Environment and ANSEPA are principally involved in the sanitation sector, specifically solid waste management. The exact role of each institution is not clear, and the Ministry of Environment is directly involved in service provision within the waste management sector.

ANSEPA has 200 staff in zonal offices that previously have been involved in environmental monitoring and regulation of waste management. This had previously included monitoring of river water quality, and ANSEPA did have a World Bank funded analysis laboratory. However this has never been operationally used (due to lack of reagents, etc) and it is not clear what sort of remedial works would be required to get this laboratory functioning again.

3.1.10 The Private Sector

As stated previously, the private sector in Anambra state currently plays a large part in the supply of water and sanitation services. The PAWS visit did not include analysis of the private sector, but some anecdotal information was picked up in relation to the private sector during discussions with governmental bodies:

- Although there is physical capacity within the private sector for providing new borehole supplies, there were concerns over the quality of installation and the availability of technical hydrogeological knowledge. Boreholes are often poorly sited (in river beds, too near cess pits etc) and poorly constructed, which can lead to health and maintenance issues with the groundwater supply.

- Water vendors are generally re-trained market hawkers or similar types of workers, who will usually simply act as retailers of water brought from private suppliers. Management and tariff collection capability within the water sector may therefore be limited.

3.1.11 CSOs, NGOs and CBOs

The role of CSOs, NGOs and CBOs is generally discussed in relation to water sector reform in the next section. As noted previously, most community organisation is based around the town/village unions. State level CSOs and NGOs are therefore relatively new and have limited capacity. However, this capacity and experience is building and is being helped with grants and technical support from the SRIP programme. SRIP has also facilitated the creation of a CSO coalition and thematic coalitions (based on finance, service delivery, anti-corruption and monitoring remits) are being formed at the LGA level.

4 Key Issues and Overview of the Reform Programme

4.1 Key Issues with the Current Institutional Framework

The previous section highlighted some of the obvious issues with the current institutions, notably the almost complete breakdown and funding/staff payment crisis in the ASWC. There also appears to be no coherent strategy for the provision of new supplies to, or maintenance/regulatory support for, rural and small town communities. These are immediate symptoms that will need to be addressed in order to start the organised water sector functioning again. However, there are a number of key root causes in the way that the current institutional framework is set up that mean the current problems, or problems similar to the current situation, will simply re-occur unless these root causes are addressed.

The sections below provide a summary of some of these major structural and organisational problems. All of these causes are interlinked in some way, but separated out for purposes of clarity. This is by no means an exhaustive list, and a number of lesser issues are highlighted within the 'roadmap' contained in Section 5 of this report.

4.1.1 Maintenance, Financial Planning and Revenue Collection

Probably the key underlying issue with water supply in the state is that of maintenance. Although coverage is limited and will need upgrading, there is a legacy within the state that new schemes and existing coverage, both at the urban and rural/small town level, are not financially or physically maintained. Unless this issue is addressed, then schemes to increase coverage, unless they are the most basic hand pump or spring box type schemes, will ultimately fail and represent wasted investment.

Maintenance Example 1: Onitsha Water Supply Works.

All parties agreed that the failure and deterioration of this works was caused by flooding/erosion. Around 10 years ago the scheme was considered 'viable'' in terms of O&M and was being operated effectively by ASWC. However, either through lack of proactive maintenance, or due to overwhelming environmental conditions, part of the works was damaged by a build up of erosion. A capital works scheme to repair that part of the works and replace damaged equipment was proposed, and funds were sought through the state budget. These funds were either not provided, or the scheme was not implemented. Further erosion and damage then occurred over the next 5 years which has rendered most of the works inoperable. The scheme has now deteriorated to such a state that the Federal and state government are now having to fund the large scale, complete refurbishment of the works, which would not have been needed if smaller scale capital works had been carried out at the right time. This institutional failure has therefore wasted significant amounts of public money, as well causing the failure of the water supply itself.

Maintenance Example 2: RUWASSA rural communities schemes.

Although the RUWASSA initiative is successfully providing water supply schemes to small communities, they noted that not all schemes are of the simple shallow hand pump or spring box type. Local artisans with appropriate training can generally maintain such simple schemes, but because of hydrogeological issues or local preferences (e.g. for more productive boreholes), some schemes require motorised pumps and deeper boreholes. This means that the local community is often not able to maintain the system if something goes wrong with the pump (this requires a tripod winch to remove) or with the power source (particularly if it is a solar panel). Unfortunately, RUWASSA has extremely limited maintenance capacity (e.g. 1 tripod). It is also currently relying on LGA counterparts to inform them if something has gone wrong with a scheme. However, because the LGA counterparts do not have the logistical capability or funding to reach remote communities, the monitoring/feedback systems is not really working, and RUWASSA is unable to collect data on reasons for any failures of its supply schemes.

The two examples above highlight many of the key problems that exist in the current institutional framework that are preventing effective maintenance of schemes. These can be condensed into three 'root' causes:

1. In many cases a supply scheme can be made 'viable' in O&M terms, either through tariff collection or contributions within the local community. However, when replacement of machinery is required, or capital works are required to repair larger scale damage, then funds and/or capacity are not available to deliver this 'Capital Maintenance'

Note: Capital Maintenance refers to the replacement or refurbishment of parts of a supply scheme that can no longer effectively be maintained through day to day maintenance (either because of large scale damage or because they have reached the end of their 'asset life'). This will usually require procurement of materials, plant and/or services from an external agency or contractor. In financial terms, this will usually be used to reclaim asset value lost due to asset depreciation. Capital maintenance funding is often referred to as 'covering the costs of asset depreciation', although there are subtle technical differences between the two concepts.

2. Supply scheme owners and operators will often require technical assistance or authorisation of funds from external bodies to carry out capital maintenance works. In the case of small towns/rural communities, assistance may also be required in order to technically and financially manage more complicated systems. These external bodies are often reliant on political will and funding, which is unpredictable and is not necessarily motivated towards maintenance activities.

3. There is often more than one organisation involved in monitoring and evaluating performance and identifying the causes and solutions for maintenance problems. This tends to result in a lack of clear responsibility, which leads to inevitable problems over funding (particularly in terms of logistics/fuel), scope and motivation.

The above problems relate to issues within the institutional framework that lead to a lack of maintenance. It also appears that the Water Service Providers (WSPs) themselves are not aware of the implications of asset failure in terms of financial planning and tariff collection. In order to prevent a long term breakdown of assets, and hence water supplies, it is necessary to be able to identify what might happen and ensure that this is either prevented through capital works, or that the capacity/funding/plans are in place to address problems when they occur.

Note: In this report, the word 'asset' refers to items of physical infrastructure (pumps, boreholes, treatment process buildings, offices etc) that are used in the operation of a water supply. 'Water Service Providers' (WSPs) are the organisations that are responsible for producing and delivering water supplies to consumers, whether they are the State Water Corporation, or rural Water Users Associations.

The reliance of WSPs on governmental support and funding for maintenance activities is obviously linked to the issue of tariffs and cost recovery. Ideally, tariffs should be enough to cover not just O&M activities, but also capital maintenance activities as they are required. This would remove problems over lack of accountability and predictable availability of funds. Unfortunately in many developing countries it is considered that tariffs that include capital maintenance will be too high for the community/consumers to sustain and external funding is required to ensure the long term maintenance of assets. As discussed in Section 5, this is not necessarily the case for efficient institutions, but in the short to medium term it appears that subsidies will be required for WSPs in Anambra State. However, unless financial mechanisms, training and capacity for self sufficiency are eventually built into the WSPs for <u>all</u> maintenance activities, then the historical problems over funding and maintenance are likely to occur once the current reform programme ends. It should be noted that issues surrounding eventual self sufficiency extend beyond simple affordability, to problems caused by the financial capacity in the state. This includes the lack of availability of banking debt and economic volatility (inflation etc).

Other technical and procedural issues that contribute to maintenance difficulties include:

- Because new schemes tend to be built by different organisations and are subject to the wishes and aims of government and/or NGOs, the design, location and construction of schemes are not consistent or even necessarily overseen by suitably qualified engineers. Political interference is a particular potential issue here, both in terms of unsuitable sizing and location, and lack of quality control on 'politically appointed' contractors.

- Lack of co-ordination between different types of infrastructure (notably roads and water) can mean other development in the state severely compromises the sustainability of existing schemes (e.g. road runoff leading to rapid erosion around a borehole or treatment works).

- The technology, water quality (in terms of taste, odour and appearance) and size/type of scheme may not be what is wanted by the community, particularly for smaller scale rural/small town water supplies. This can result in a lack of interest within the community and effective abandonment of scheme maintenance.

- The failure of existing institutions in itself could be a significant problem, as communities that have been adversely affected will need some convincing that new initiatives will actually work this time in terms of sustainability and reliability. Failure to do this is likely to lead to reluctance to pay tariffs or support community involvement in new schemes.

4.1.2 Technical Capacity and Capacity Distribution

'Capacity' in the water sector is often considered merely in terms of training requirements and the building of local manufacturing capability. However, the interviews carried out on this assignment indicated that there are likely to be a number of capacity issues that could not be easily addressed if large numbers of community based supplies are developed. The management and maintenance of many of the more complicated/desirable supplies will need technical assistance (e.g. hydrogeologists, engineers, accountants) that cannot be simply 'trained' within the local communities. Similarly, in many cases, some specialist equipment and services (tripod frames, electrical contractors, laboratory water quality analysis etc) will be needed on an occasional basis to address more serious maintenance or serviceability issues.

The initial sector scanning indicated that there is some technical capacity for engineering and maintaining water supplies within the state, but institutionally this appears to be concentrated within the government and parastatals. Although the private sector was not included within this review, it would seem reasonable to assume that some of the necessary specialist equipment/services are likely to be available for hire within the state. The key problem is likely to be the distribution and availability of this technical capacity on a long term, sustainable basis, particularly to remoter, poorer locations.

Although solids waste disposal exists within the state, availability for more remote areas is very poor. This could seriously affect the sustainability of certain types of sanitation initiatives, unless ways can be adopted to increase and extend existing capacity to these remoter areas.

4.1.3 Policy, Regulation and Accountability

A key issue within the state is obviously the current lack of water and sanitation sector policy. A Federal policy does exist, but there are certain elements within Anambra State that make the adaptation of this policy more difficult. The most obvious of these is the separation of water and sanitation service provision across a number of government ministries within the state, and the lack of a Ministry of Water Resources. Interviews carried out during this assignment indicated that this is likely to cause additional political problems within the state beyond those that would normally be associated with the adoption of a policy along the lines of the Federal document.

There is effectively no regulation of water quality and water supply within the state, other than the national standards imposed on bottled water retailers. Government ministries are not used to acting as regulators of other service providers, and currently tend to try and act as both service providers and self-regulators. As well as obvious health issues, this means there is a lack of incentive within the service providers to maintain or improve the service, or to reduce costs through efficiency and good management.

Because of the capital maintenance issue, and due to uncertainties over institutional roles and responsibilities, there is effectively no full accountability for the service provided to consumers (either at the urban or small towns/rural level). If and when systems fail, then the fact that this could have been caused by poor management, poor day to day maintenance, lack of funds, or lack of technical capability means that no one organisation can be held accountable. This lack of accountability is preventing responsibility for maintaining water supplies.

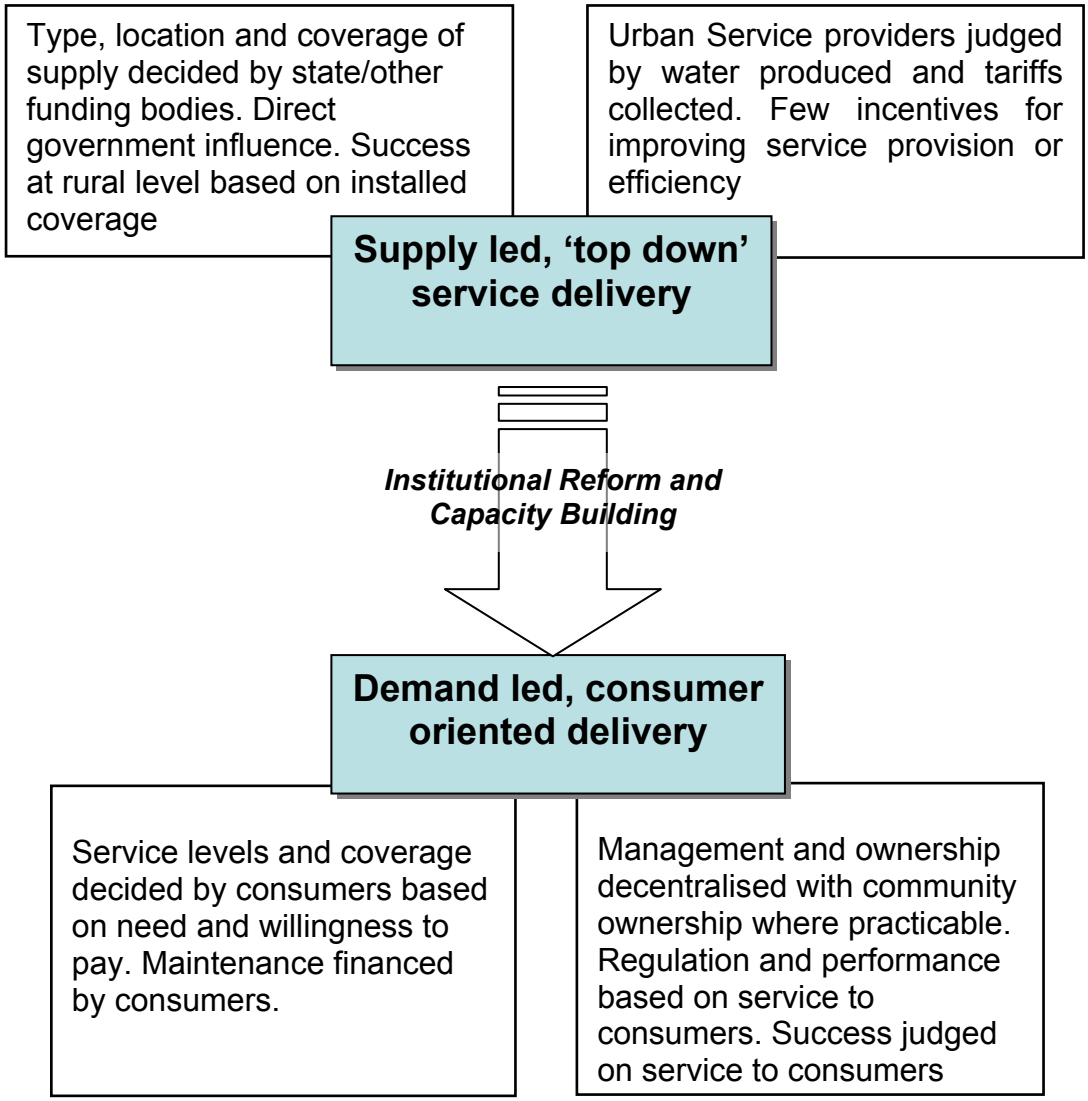
4.1.4 Property, Land and Erosion Control

Issues over property and land are a nationwide issue, but create particular problems with water supplies. As discussed above, supply systems and management institutions take a considerable amount of setting up, capacity building and maintenance. The effort required to do this therefore needs certainty in the long term viability of the supply in order to be justified. As well as the basic, lesser issue relating to potential conflicts over land that could cause problems over the ownership of assets, poor controls over land ownership and development add to the much larger risks posed by erosion. The unconsolidated nature of the soils in Anambra and the intensity of the rainfall mean that the state is particularly vulnerable to problems with erosion. This has already been referred to as part of the cause of the failure of the Onitsha WSW, but there are wider institutional implications that could affect the current reform programme. Although current, known erosion problems can be largely accounted for by good engineering placement and design, the impact of new houses, roads and land clearance is very difficult to allow for and could lead to almost unavoidable failure of supply schemes and sanitation initiatives. This is effectively a maintenance issue, but may be one that cannot realistically be controlled by the asset owner. For action plan on Inland Erosion Control, refer to the PAWS document by the UK Environment Agency, May 2006.

4.2 Overview of the Proposed Reform Programme

The draft Federal Policy seeks to address the institutional failures that have been recognised in most states nationally by a process of reform and re-focussing of the institutional framework. This has been supported by the National Water Supply and Sanitation Programme Strategy, which expands on the points raised in the policy. The WSSSRP has effectively been set up to enable the national vision for the reform of the water and sanitation sector to be implemented within six selected states, including Anambra. The details of this policy will not be discussed here, as they are well understood by the WSSSRP team and are likely to be adapted in any case to suit Anambra state. The 'essence' of the proposed reform programme is presented within Figure 4.1. below.

Figure 4.1. Illustrative Overview of the National Water and Sanitation Sector Reform Policy



Some of the specifics of this programme are described below. Potential issues, 'pitfalls' and advantages with the programme to help enable this reform are discussed in Section 5.

4.2.1 Policy and Framework Reform

In order to produce the improvements that are needed within the water and sanitation sector, it is considered that a firm, unambiguous state policy needs to be developed. This document will need to give a clear outline of the fundamental underlying principles and the institutional framework that is desired, as well as specific policy statements on issues such as:

- Targets for increasing coverage of water and sanitation
- Standards of water supply and levels of service
- Ownership and cost recovery mechanisms, including tariff setting, funding contributions and cross subsidies
- The role and structure of government and parastatals
- The role of communities
- The role of the private sector
- The role of NGOs, CSOs, CBOs and mechanisms for consumer involvement/consumer complaints
- The nature and form of service providers
- Monitoring, evaluation and regulation mechanisms
- Financial and business planning
- Sanitation and environmental protection
- Training, capacity building and capacity re-deployment
- Policies on women and the provision of supplies to poorer sections of the community

This list is not exhaustive, but illustrates the breadth of issues that potentially have to be addressed by the policy document. Ideally the policy document will contain statements on both the final, desired outcome, and the interim measures that are likely to be required to produce this desired outcome. The policy does not need to contain precise details of the reform process, but it needs to be prescriptive enough to ensure that the right actions have to be taken in order to satisfy the requirements of the policy. Advice on this process is provided in Section 5.

Along with the policy and reform process, the WSSSRP and SRIP programmes are aiming to promote good governance practices within the water and sanitation sectors. This particularly involves financial management practices and the promotion of strong, influential NGOs and CBOs that will be able to monitor service provision, regulatory activities and governmental spending. This is required to try and ensure that the reform process and institutional activities are being carried out in accordance with the policy, and that reforms are actually trying to achieve a better service for consumers.

4.2.2 Urban Water Supplies

The national level policy does not dictate a specific model for the provision of urban water supplies, but the national strategy proposes initial commercialisation/efficiency improvements for existing water corporations, followed by incremental private sector participation and possible privatisation. This should be supported by appropriate regulation and monitoring. Policy documents indicate that the ultimate aim for urban water supplies is an *'appropriate tariff structure should cover the cost of production, operation and maintenance as well as replacement'*. In other words, the ultimate aim is for the urban service provider to be self sufficient in terms of capital maintenance as well as O&M.

The WSSSRP programme only intends to facilitate the initial stage of this process – i.e. the commercialisation of the ASWC. The objectives of this 'commercialisation' are undefined, but the national policy indicates that autonomous water supply and sanitation service providers should '*operate along commercial lines and have the incentives to provide adequate services that respond to customer demands and expectations*'. The national policy also indicates that service providers, including water corporations, should be genuinely autonomous and should be allowed to operate '*as businesses*' that are '*free from political interference'.* Although not explicitly stated, the level of cost recovery suggested by the national policy indicates that significant efficiencies will also be required from the water corporation in order to make it a viable commercial operation that can ultimately cover capital replacement, as well as day to day O&M.

4.2.3 Small Towns and Rural Communities Water Supplly

The WSSRP and national strategy clearly propose community ownership and management of water and sanitation. In Anambra, it is proposed that this takes the form of Water Users Associations (WUAs), who own and manage the supply schemes. The intention is that, with sufficient training and capacity building, these WUAs should be self sufficient in terms of O&M, although it is accepted that technical and financial help are likely to be required for capital replacement of assets. Private sector participation is to be actively encouraged at the small towns/rural level.

The national policy recognises the role of LGAs in the setting up and maintaining of rural and small towns water supply schemes, particularly in terms of technical support and assisting in the facilitation of asset replacement. This approach is contained within the WSSSRP programme, that advocates the setting up of departments within the LGAs to provide management and technical support to the WUAs.

4.2.4 Sanitation

The national policy document on sanitation is less prescriptive in its approach, but does advocate the demand led approach and the inclusion of PSP. It indicates that the government role should be to '*provide an enabling environment for effective partnerships with the private sector to enhance local capacity and business opportunities towards sustainable sanitation development*'. Specific responsibilities for the state government are limited to funding, promotion and monitoring, although it does indicate that the state should *'develop sanitation programmes for State Capitals and major cities*'. The WSSSRP sanitation programme is limited to small towns and concentrates on preference/willingness to pay studies, as well as the development of options and financial mechanisms for supporting construction of low cost safe disposal excreta facilities. This is within the SUPE programme workplan. This is supported by a comprehensive programme plan that covers the development of a hygiene promotion strategy with emphasis on behaviour change during the OPE phase.

5 'Roadmap' for the Reform Programme

5.1 Introduction and Format of the Roadmap

The previous sections indicated some of the key issues with the current institutional framework in the Sate, and gave a general overview of the actions that are being considered to address those issues. This Section of the report provides some guidance on potential problems, issues and solutions that are likely to be faced by the STU WSSSRP team as they carry out their activities over the next 18 months.

The current full work programme for the WSSSRP is shown in Appendix A. Generally speaking it is considered that the proposed work programme is realistic (although timescales are now very tight) and is well structured to deliver the stated results. The 'roadmap' in this report has therefore been designed around the activities that are already proposed within the WSSSRP team's programme workplan and, where appropriate, refers specifically to work activities that are proposed by the WSSSRP. This section therefore concentrates on potential problem areas, omissions and 'quick wins' within the existing programme.

Many issues such as methods for training and development of staff, general administrative guidelines and approaches to routine O&M activities are not discussed within this section, as these can only be developed once the programme is underway. The specific form of supplies in small towns (e.g. piped supplies, standpipes, kiosks etc) is also not discussed, as this will be developed in consultation with the WUAs as part of the programme.

The WSSSRP programme is based around the delivery of four 'results areas'. The first of these relates to improved governance at the Federal level and is largely being achieved by the Project Management Unit in Abuja. The work programme for the STU in Result Area 1 therefore mainly relates to setting up of finances, communication etc with the PMU and is therefore not considered in this roadmap.

The other three results areas reflect the outcome of the activities that will be carried out by WSSSRP in the state. In very broad terms these involve:

- Promotion of good governance (including regulation) in the state at all levels in relation to the water supply and sanitation sector

- The assessment and institutional re-structuring of ASWC to provide a demand led, commercialised service. This includes technical assessments of rehabilitation needs for the existing urban infrastructure, and the facilitation of a state led initiative to carry out those rehabilitation needs

- The establishment of community based water & sanitation supplies in up to 8 - 10 small towns across 5 selected LGAs, plus support for small scale sanitation facilities for up to 90,000 people in small towns. The actual implementation from the WSSSRP only applies to small towns, but that the programme will be co-ordinated with the RUWASSA led implementation of community based rural supplies.

Some of the work items described below have been paraphrased slightly from the original WSSSRP descriptions to help with focus and clarity in this report.

5.2 Result Area 2: Improved Water Governance at State and LGA Levels in Anambra State

5.2.1 Area 2a: Enabling the Production of State Water Legislation in Accordance with Federal Water Policy

These work items cover the review, consultation and enabling of the production of a State water policy and subsequent incorporation into state law. It should be noted that many of the issues discussed in later sections may have a direct impact on the technical content of the final policy. They will not be repeated here, but should be considered during the policy development stage. 'Roadmap' considerations that relate to the approach used in consulting on and developing the policy are as follows:

1. **Conflict Resolution and Facilitation During Policy Development.** Based on the interviews that were carried out, it is clear that most Ministries with a vested interest believe the problem relates to lack of funding and a need to expand their role in service provision. In order to develop a policy in line with the Federal proposals, it is clear that the State's role (other than at the parastatal level) should be one of technical support, funding and regulation/monitoring. Historic differences between ASWC and Ministries (perceived poor management, political interference in Board activities etc) are also very likely to result in conflict during the policy development. It is therefore suggested that the arbitrator of the policy development process needs the following three key attributes:

    i. They must be, and must be seen to be, completely independent of any vested interests in the current institutional setup, and have no vested interest in the outcome of the consultation/policy development

    ii. They should be experienced in negotiation and conflict resolution

    iii. They should have enough authority to ensure that unreasonable behaviour by any party is not tolerated or allowed to unnecessarily stall the consultation/drafting process

    The current proposal for BBI responsibility for the process and STU/UNICEF facilitation of the process may not therefore be sufficient in this case. It may be advisable to appoint an arbitrator to assist in the policy development process. Organisations such as the Head of Service may be able to provide staff with the required attributes, but this would need further consideration. In any case, conflict resolution should be carried out in accordance with accepted guidelines such as 'attack the issue, not the person', 'look to the future, not the past', 'accept responsibility but do not seek to apportion blame', 'seek common ground and overriding principles of common interest' etc.

2. **Legal Issues.** One of the points identified during the PAWS interviews was the fact that the outcome of any direct conflict between Federal and State policy depends on whether the Federal policy has actually been incorporated into law. The Federal Policy will pass into law eventually, but it may not happen before the state policy has been developed. If the State policy is passed into law first,, then the State policy is allowed to take precedence and effectively any conflicting requirements within the Federal Policy will not be implemented in this State. This needs to be borne in mind if, for instance, agreement cannot be obtained on the consolidation of responsibility of all water supply within a State Water Resources Ministry.. Any potential conflicts that occur before the Federal Policy is passed into law therefore need to be raised with the PMU, who may have to consider any knock on implications at the Federal level or in other states.

3. **Policies on Erosion Adaptation Strategies.** Because erosion is such a large potential issue, it may be necessary to include a policy statement relating to erosion and new works. It is unlikely that the WSS Policy will be able to control the nature and location of non-water and sanitation related developments, but it should consider state wide approaches to ensuring new WATSAN facilities are able to better cope with erosion. Even a simple statement that requires that the location and design of new facilities should allow for existing <u>and</u> potential future erosion impacts would help to ensure that this is included in engineering design and standards. This is particularly relevant at the small towns/rural community level, where a number of bodies could be responsible for installing WATSAN facilities in future. There may also be opportunities within the policy to try and help limit the impact of other types of development on WATSAN facilities, but these will only become apparent during the consultation process.

4. **Interim Reform Stages.** It is clear that there are a number of parts of the current institutional framework that could take a considerable time to reform into the vision proposed by the national strategy. Policy documents should reflect the final required framework, outcomes, roles and functions. However, some of the reforms may be too large to carry out without firm guiding policy on interim steps that need to be taken. Potential areas where interim policy measures might be required include:

    i. The source, expected duration and form of interim funding for the ASWC to cover maintenance expenditure in the period before tariff collection and efficiency are at a level where this is no longer needed.

    ii. The set up and development of regulatory capacity. For instance, the policy could be that this will start within a Ministry, but ultimately result in an independent Regulator.

    iii. Interim solutions for supporting and funding WUAs before they can achieve the capacity required to become independent in terms of O&M funding

5.2.2 Area 2b: Clarify Institutional Roles and Functions

These work items cover the assessment of the institutional role and capacity of State institutions (other than ASWC), the development of an institutional restructuring plan, capacity building for the State institutions, and the development of a regulatory framework. The regulatory framework development includes assisting in the establishment of a State Water Regulatory Authority. Considerations for these work items include:

1. **Transfer of Capacity.** A number of the ministries (BBI, Ministry of Health via RUWASSA) have existing capacity for service provision. This is valuable capacity and care needs to be taken to ensure that the restructuring of the institutional framework makes good use of them, rather than just keeping them in unsuitable roles within their existing organisations 'by default'. Assuming that the reform removes the role of the State in terms of service provision, then consideration needs to be made as to whether the staff involved in this service provision (borehole drilling, supply installation, hydrogeological evaluation etc) should be kept within the Ministry, or transferred to other departments to assist with setting up and supporting WUAs. Obviously the ownership of existing equipment (borehole drilling rigs, tripods etc) will also need to be considered.

> *Note: Other draft state policy documents have suggested that governmental service providers should be allowed to continue, but that they should compete commercially for contracts against private sector providers. The PAWS evaluation team considers that this approach is likely to be fundamentally flawed and should probably not be pursued. Experience shows that governmental organisations will often use funding from outside of the service provision department to help undercut contractors, or use political connections to help secure contracts. This usually results in deterioration of the core activities (policy, monitoring, regulation, advice etc) that should be carried out by the governmental organisation, and reduces competitiveness/efficiency in the private sector. The same principle applies to parastatals such as ASWC if they try to become involved in contracting work or other activities outside their 'core' duty as a water service provider*

2. **Scope and Nature of the Regulatory Regime.** Work item 2.10 involves the development of a regulatory framework for service providers. However, before this can be done, consideration needs to be given to, and agreement reached upon, the scope and nature of the regulator. Issues that need to be considered include:

i. Should the regulator only cover urban supplies, or is the role intended to cover small towns/rural supplies as well? The STU work programme and national strategy do not make it clear whether, and how, small towns and rural water supplies should be regulated. Some state policies have suggested that these should be self regulated, which is appropriate to a certain extent. Possible simple methods for self regulation and management of private sector suppliers by WUAs are suggested in Section 5.4 of this report. However it is likely that governmental assistance in terms of monitoring and evaluation across WUAs, technical assistance with data gathering and financial management will be required. All these will have to come from some form of 'regulator', even if it is based on regulation guidelines that are implemented by LGA departments.

ii. Who is going to be regulated? Ideally the regulator should concentrate on regulating only those organisations that have authority and responsibility for providing supplies (i.e. ASWC and WUAs). However, there may be specific reasons (e.g. lack of technical capacity) within the WUAs to effectively manage private contractors. That means the regulatory regime should include licensing of certain types of contractors. This needs to be carefully considered, as direct State licensing of PSPs will almost certainly decrease the opportunities for innovation and efficiency, and increase the potential for bribery and corruption.

iii. How many regulators should there be? Serious consideration should be given to separating economic/levels of service regulation, water quality regulation and environmental regulation if this is more appropriate to the existing/planned institutional framework.

iv. What is going to be regulated? Most regulation will cover the three main areas highlighted above, but the remit of the economic regulator can cover a variety of service issues. Performance against Levels of Service (supply availability, pressure, leakage etc) is normally included, and is discussed in the next section. In this case, setting and monitoring of operational and capital efficiency, tariff collection and billing, and (possibly) monitoring of contracts and procurement practices (to avoid corruption) are also likely to be required to ensure sustainable water supplies.

3. **Funding of the Regulator.** Regulators themselves need funding, which includes funding to cover logistics, staff costs and IT/reporting systems. Obviously this needs to be managed and funded on a long term, sustainable basis, which means the cost and size of the regulator needs to be considered when the scope and nature of the regulatory regime is being determined. Regulators do not have to be expensive, and the temptation to create a huge regulatory body needs to be resisted, but financing should consider the full cost implications of all the activities that are expected of the regulator.

4. **Openness and Accountability of the Regulators.** Any regulatory process needs to be open and responsive to consumers, especially in this case where consumer confidence in the system is likely to be initially very low. This means that the mechanisms used to monitor, incentivise and (if necessary) punish water service providers need to be clearly and openly defined. The regulator should ideally be autonomous and political input should be limited to the creation of the rules by which the regulator operates. Unclear rules, or a system that allows the regulator to create rules without consultation, are likely to lead to poor governance and potential corruption. Consumers need clear, obvious routes to allow them to complain to the regulator about poor service. There should also be an open system of accountability that ensures the regulator can be held to account if the system is seen to be failing, and that allows NGOs/CSOs to monitor the regulator's activities.

   As discussed later, a strong regulator is likely to be needed in order to incentivise and hold the ASWC to account for any failures. However, if the regulator has real powers to hold ASWC to account, then this raises significant potential for corruption within the regulator itself. This could include the use of bribery by ASWC to avoid regulatory punishment/appropriate scrutiny, or the abuse of powers by the regulator to extort money out of ASWC or associated contractors. Regulatory accountability and a transparent, 'rules based' system should and help to reduce the potential for corruption, but one of the key weapons against corruption is to make sure that as many organisations as practicable are able to scrutinise the regulator's activities. Audit capacity and responsibilities within a separate Ministry could be used, and if possible, NGOs could be set up and empowered that have a legal remit to audit the regulators activities and findings. It may also be worth considering formal Public Accounts Committee reviews of the regulator's activities at intervals dictated by the State Water Supply and Sanitation policy.

5. **Water Quality Monitoring Capacity.** The collection and analysis of water quality samples is a technical process and results are easily invalidated by poor practice. Such capacity does not exist at the WUA level, particularly in remote locations. Some laboratory facilities and water quality collection expertise exist within the state (ASWC laboratory, university labs, Ministry of Health capacity), but as with service provision, these facilities tend to exist within governmental organisations.

5.2.3 Area 2c: Developing Guidelines and Facilitating the Introduction of Planning and Budgeting in Line with State Policy

These work items cover the development of guidelines for the strategic planning and budgeting of water and sanitation services amongst state institutions. This includes Ministries and LGAs, but is a separate exercise to the development of business planning and commercialisation within ASWC. Considerations for these work items include:

1. **Guidelines and Monitoring for LGAs.** As noted previously, the structure and operation of LGAs is currently run according to a Federal level manual. If the intention is to set up directly funded LGA departments that support WUAs in the management and maintenance of community based supply schemes, this would be a departure from the current, standardised approach to LGAs. It may therefore be necessary to check if any state guidelines need to be adopted nationally, and if not, how this reconciles with the State Local Government Commission's current activities. The National Water and Sanitation Policy Mandates the Local Government to Establish, Equip, and Fund a unit/department in the local government, but the fact that this will not be rolled out across all states simultaneously could be problematic.

2. **Availability of Budgets and Capital Maintenance.** As discussed in Section 4, programmes and plans need to consider the costs of asset replacement and the implications of different types of technology for those replacement costs. The work programme suggests that, for small town and rural schemes, this will be provided by the LGAs under the cost-sharing formulas contained in the national strategy. However, it is unlikely that LGA support will involve significant asset replacement costs within the first 3-5 years, as capital in this initial stage will tend to concentrate on increasing coverage. This means that political will and budget stability for asset replacement costs may not be politically tested during the WSSSRP project. The historical experience with ASWC indicates that asset replacement costs may not be properly considered by government, which could ultimately lead to the failure of many of the WUA led schemes.

   Therefore, as well developing the guidelines for strategic planning and budgeting based on the pilot experience (work item 2.11), it is suggested that the affordability and sustainability of WUA level asset replacement also needs to be examined at the state level. The WSSSRP case studies and the implications of the State policy on the expansion of small town /rural supply schemes should provide some idea of future implications of capital maintenance funding on State budgets. If it appears that affordability or political will for maintenance could be at risk in the medium (10 – 20 years) term, then it is better to identify it at this stage and look for methods of dealing with it before it becomes a state wide problem. Approaches such as longer term funding through tariffs, or 'ring fenced' payments in the State budgets could be considered to address this potential problem.

3. **Longer Term Financial Planning.** The current work programme focuses on enabling capital financial planning and temporary O&M funding support within the State, and tariff setting/business planning within WUAs/ASWC to support O&M activities. Because of the nature of government, longer term funding for asset replacement can be based on a simple asset depreciation basis. However, if ASWC is to become self sufficient over time, then it may need to be trained in forms of financial management that are more suited to tariff based funding of capital programmes. This may not be within the scope of the WSSSRP activities, but basic guidance on this is readily available within the WIMAG Regulatory Handbook and it would seem prudent to at least introduce the issue as part of the WSSSRP.

4. **Role and Scope of LGA Support.** The WSSSRP ToR and work items appear to miss out a key element, which is defining the scope of how, and with what, the LGAs will provide support to the WUAs that are set up. If LGAs are going to carry out regulatory activities such as water quality monitoring, financial reviews, benchmarking etc, as well as a simple technical maintenance/capacity building role, then this needs to be identified up front so costs can be allowed for in business plans. LGA Funding is on the increase from the Federal Level. (10% to 20% from the Federal Account), but management to ensure that this is fed through to provide a sustainable resource for water supply and sanitation support at the LGA level will be a challenge. This will require a clear scope, 'ring fencing' of WATSAN budgets and good financial planning within the LGA. It will also require some form of feedback loop that makes sure the WATSAN department is answerable to the WUAs. The most obvious approach for this will be via the 'president of presidents' that represents Town Unions within the LGA, but other approaches could be considered.

5.3 Result Area 3: Improved Water Service Delivery in Urban Areas in Anambra Sate

N.B. These work items all refer to delivery of water supply in urban areas, with the exception of work item 3c, which includes monitoring and evaluation systems for small towns and rural communities.

5.3.1 Area 3a: Management and Financial Viability of Anambra State Water Corporation

These work items cover the development of cost of service estimates, tariff setting and billing guidelines/procedures for ASWC. They also include an evaluation of the potential for inclusion of PSPs in O&M activities for urban water supply, and the creation and empowerment of Water Users Associations as customer's representatives at the urban level. Considerations for these work items include:

1. **Strategies for Total Cost Recovery.** The national strategy indicates that the ultimate aim of the policy is that water corporations such as ASWC should, ultimately be self sufficient in terms of O&M and largely (or even entirely) self sufficient in terms of asset replacement/capital maintenance. Setting tariffs to meet this aspiration given the current level of efficiency that might be gained through short term reform of the ASWC is unrealistic. The intention is therefore that capital funding will be supported through state governments. As discussed later, this is unlikely to be practicable or sustainable in the long term, so ideally guidelines for tariff setting should contain a strategy for how the ASWC might move to full cost recovery.

   Figure 5.1. shows the basic model contained within the WIMAG 'Regulatory handbook' for tariff setting that leads to eventual cost recovery. Essentially this requires two elements:

   - Improvement in tariff recovery. This will improve as billing/collection systems improve, but crucially it will also improve as service levels improve and consumers gain confidence.

   - Efficiency Improvements. Improvements in both operational and capital costs (through improved procurement methods and improved deployment of capital) reduces the amount of money required from tariffs.

   The point of this is that WSSSRP activities 3.1 (developing guidelines for service estimates) and 3.3 (developing guidelines for tariff setting) need to consider strategies for eventual cost recovery, as well as current day estimates of costs and tariff affordability. Tariff setting and cost estimates should link into the regulatory process and allow for the fact that:

   - tariffs may be able to rise if service level targets are met and consumer confidence in the system is increased

- costs of service forecasts should include realistic efficiency targets, as set in agreement with the regulator.

The guidelines for tariff setting needs to outline how these factors are likely to be built into future tariff setting. The current work programme suggests that the guidelines should support 'regular revisions', however guidelines should go beyond this and consider how the tariff setting process might include a strategy for improving cost recovery over time.

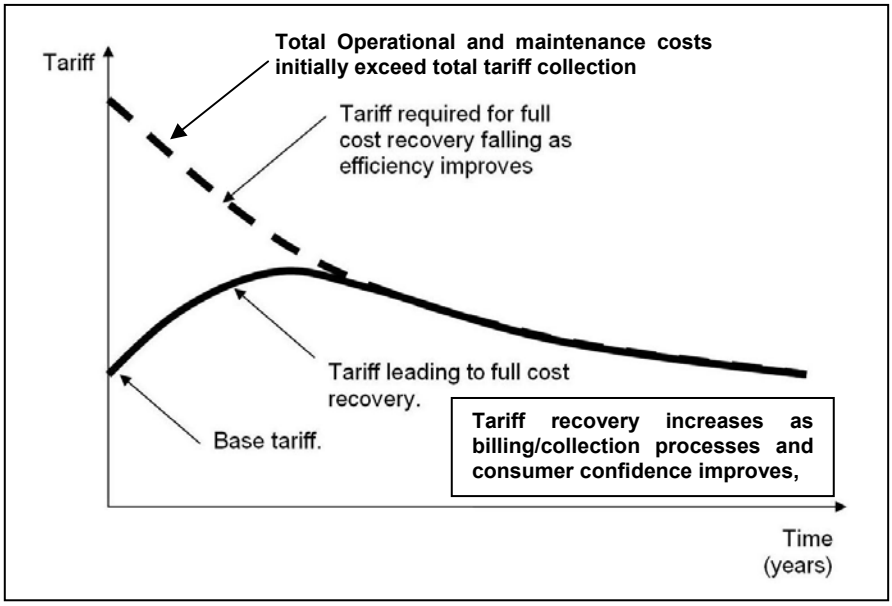


Figure 5.1. Illustration of Eventual Cost Recovery Model

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2. **WUA Involvement and Consumer Representation.** As well as empowering and sensitising WUAs/NGOs as customer representatives, it is important to consider the mechanisms by which they will be able to complain to government/regulators about poor service from the ASWC. It is suggested that complaints processes need to be formalised and developed in consultation with both consumer representatives (WUAs/NGOs) and the state regulators. This formal process may need to be referred to in the state policy to ensure that it is maintained and acted upon.

3. **Supply and Demand Forecasting.** During the visit it was made clear that population data at the urban level was extremely uncertain, and population forecasts are almost non-existent, even though the population of Nigeria in general is growing rapidly. The national strategy is that urban supplies should consist of *'120 litres per capita per day…..served by full reticulation and consumer premises connection'.* Even if this policy is considered to be unrealistic for Anambra state, it is likely that urban supplies will be dominated by reticulated supplies to consumer premises. However, without even indicative data on the number of customers supplied by each connection it will be extremely difficulty to forecast the amount of power, chemicals and even new works capacity that will be required as supplies expand. This makes tariff

setting and budgetary supplements very difficult to forecast. Therefore, it is suggested that the budgeting and tariff setting process will have to include some form of method that allows for such population and demand uncertainties.

5.3.2 Area 3b: Reform of the Anambra State Water Corporation

These work items cover institutional assessment of ASWC and the development of associated institutional reform programmes and capacity building. Considerations for these work items include:

1. **Use of Existing Initiatives.** The Head of Service and the Special Advisor of the BBI both indicated that management consultants had been employed to carry out an institutional assessment of ASWC. Although the scope and objectives of that assessment are likely to be different from the WSSSRP requirements, it would be prudent to liaise with those consultants and discuss findings.

2. **Development of an Outcome Based Reform Programme.** Work item 3.9. involves the development of a reform programme for ASWC. Under normal circumstances, an institutional reform programme is created to help an organisation deliver its business/institutional objectives more effectively. However, in this case the reform programme seeks to change the fundamental nature of the ASWC in order to turn it into a demand led, commercialised organisation. The overall institutional framework that ASWC will operate under is also due to be changed. Therefore, before a reform programme can be developed, it will first be necessary to carry out a strategic assessment to determine what the exact scope, role and objectives of the ASWC will be within the new institutional framework. It will also be necessary to consider what form of commercial model it will adopt to deliver its stated objectives. Points to consider when carrying out this strategic assessment include:

    i. What Levels of Service will the ASWC be delivering to its customers? Ideally the new organisational structure will reflect the relevant Levels of Service it is going/Trying to achieve (e.g separate into production/quality, distribution, operational customer service, billing/tariffs etc)

    ii. How significant will the role of regulation be in the new organisation? Will ASWC need a Corporate Strategy department that is responsible for understanding regulatory needs and carrying out the business planning required to deliver against regulatory outcomes?

    iii. Is the corporation going to be responsible for capital delivery (via state funding, or ultimately through tariffs) of new capacity or capital maintenance schemes. If it is, then the relevant structure and capacity (contract management, capital procurement etc) needs to be included within the new corporation.

    iv. How is the corporation going to deliver efficiency targets and how should its operations and capital delivery departments be structured in order to deliver those efficiency targets? How will it incentivise staff to deliver efficiencies?

v. The importance and role of Monitoring and Evaluation (M&E) systems is discussed in the following section, but the implications these have on management information, internal accountability and the structures needed for M&E reporting need to be considered when determining the reform programme.

It is suggested that this 'strategic assessment' of reform objectives is carried out after the initial institutional assessment, but before the reform programme is developed.

3. **Use of Existing Capacity.** It is clear that the ASWC, even when it was fully functioning, contained a very large number of staff compared to the number of connections it served. EU MTE activity reports indicated an historical maximum of 22,000 connections, served by an ASWC head count of around 744. This equates to around 34 staff per 1000 connections. This is a very crude measure of the efficiency of the ASWC, but this is a relatively high figure and it indicates there could be significant scope for efficiency improvements.

   As noted previously, ASWC managers indicated that many staff have not been paid for a considerable amount of time. The implications and costs of this on re-instating operational capacity within the ASWC should not be under-estimated. However, as well as presenting considerable difficulties, the lack of payment and extremely low morale within the ASWC may provide some advantages when it comes to re-structuring ASWC into a more efficient organisation. These staff represent an extremely valuable resource to the state, and it is <u>not</u> suggested that staff should simply be made redundant on a large scale. Rather it is suggested that current low morale means staff may be more amenable to being moved between organisations.

   One issue on the small towns/rural water supply side will be finding enough appropriate staff to move into LGA water and sanitation departments to provide technical support to WUAs. It is suggested that the ASWC may be able to provide a readily available, suitably trained source of human capacity for such departments. The process of setting up WUAs and expanding the community based service in the LGAs will be incremental, so it may be possible to match the pace of efficiency improvements within the ASWC with capacity needs in the LGAs. In other words, creating efficiency in ASWC may actually help to solve the problem of capacity in the LGA support teams. As noted previously, the ASWC is separated into zonal offices, so re-location of staff may not be a hugely significant barrier to such a process.

   As well as simple transfer within governmental bodies, it may also be worth considering whether some existing ASWC capacity could be redeployed into the private sector. This might be particularly appropriate for WUAs, or groups of WUAs, that wish to employ full time private sector operators to manage their systems.

4. **Autonomy and checks/balances.** One of the key issues discussed in Section 4 is the lack of accountability, political influence and lack of direct management of capital maintenance funds that led to the current failure of ASWC. Although there are a number of reasons for this, it is clear that one of the fundamental issues is over the lack of actual autonomy within ASWC. The organisation is theoretically autonomous, but board appointments are carried out on a political basis, and reliance on the government for capital maintenance funding means that autonomy is severely compromised. This has two effects:

    i. It means that ASWC cannot fully technically manage the maintenance of their own assets

    ii. It means that ASWC cannot be held fully accountable when those assets, and hence service provision, fail.

    If the strategy is to move to a demand led, commercialised organisation, then this lack of autonomy will almost certainly cause even more problems. The basic principle of commercialisation is that ASWC must be free to manage its affairs and provide efficiency improvements, whilst being held accountable for any failure to provide agreed Levels of Service. This will be impossible if it has to rely on the existing mechanisms for securing capital budgets and does not have a transparent, technically based system for appointing board members.

    It is acknowledged that increasing autonomy increases the risk of corruption, particularly if ASWC has the power to identify, procure and contract capital schemes. This risk must be considered and addressed through the regulatory system, which may include the need for contract review and external audit of budget/procurement systems. However, it is strongly suggested that the commercialised system will not work unless ASWC is given the necessary autonomy. Comments on the potential for corruption within the regulatory body, particularly if they have power over the ASWC Board, and associated 'regulation of the regulator' are contained in Section 5.2.2.

5. **Water Vendors and Water Retailers.** The review of interests and activities within the state identified the fact that many water vendors and water retailers may well resent the provision of municipal supplies. Unlike small towns/rural areas (discussed later), it is unlikely that there will be many opportunities for vendors to benefit from the proposed rehabilitation and extension of the supply network. Sabotage/vandalism is therefore a real potential problem. This issue should be considered as part of the reform programme, and 'maintenance' considerations should include security, policing and repairs associated deliberate acts of vandalism by other (potentially powerful) commercial bodies. Consumers have the ultimate policing and monitoring power. The populace should be adequately informed on the reforms, the role they play, the possible outcomes and what they stand to benefit. Then sabotage will be frowned at and resisted by the general public.

5.3.3 Area 3c: Harmonising and Improvement Monitoring and Evaluation Systems (including small towns and rural communities)

These work items cover the baseline assessment of supply scheme facilities, baseline surveys of the selected small towns (see Section 5.4) and the development and training of M&E systems to monitor service delivery, use etc. Considerations for these work items include:

1. **Integration of M&E and management information for ASWC.** It is important that the M&E reporting is not seen by ASWC as an additional burden on their basic operating activities. If this happens, M&E reporting will be poor quality, sporadically collected and will not actually help improve service in Anambra state. It is therefore suggested that data on Levels of Service (LoS), consumer usage and operational sustainability actually form the key indicators that the management of ASWC themselves use to judge internal performance. For instance, if one LoS is to repair visible bursts/leaks within a given timescale, then part of the incentivisation of managers within the responsible department needs to include performance against this indicator. This change in focus can be included within the institutional reform objectives and the associated reform programme.

> *Note: There are a large number of documents that suggest appropriate Level of Service indicators for municipal water and sanitation service provision in developing countries (e.g. the WIMAG Regulatory Handbook). This document will not therefore discuss the actual form of service indicators in detail. However, the issue of demand management does need to be specifically considered in the Anambra context. Anambra has relatively high rainfall and the quantity of water resources may not be a particular issue given the current low levels of exploitation. Therefore, the effort involved in obtaining and processing relevant information for many demand management based LoS measures may not be justified. This is particularly true for leakage estimates, which can be time consuming, difficult and ultimately highly uncertain. It is therefore suggested that measures of demand management that reflect social impacts of leakage (e.g. time taken to fix visible leaks/bursts) may be more relevant. These will address service issues that are actually causing economic/social disruption (e.g. erosion of roads caused by bursts) or are affecting consumer confidence in ASWC.*

2. **M&E Systems for Small Towns/Rural Supplies.** These systems obviously need to be simple and reflect easy to measure indicators (e.g. number of days where supplies are not available). However, it is important to ensure that these measures are collected in an open, fair, objective way. Assessments of service levels need to reflect the overall service that is being provided to the communities, not just by any individuals that are directly involved in the monitoring process. This could lead to acceptance of poor management or unnecessary contractual disputes with PSP operators/contractors. An example of an 'open' system could be a calendar that is used to track supply availability during each week, which can be viewed by any member of the community. If this is linked with a method of notifying incorrect entries to the WUA, then this could provide a self regulating, subjective method for assessing supply availability.

Discussions with the Ministry of Health indicated that indicators relating to the rate at which schemes are able to deliver water are likely to be important to small town/rural communities, especially where standpipes are involved. This should be considered during the construction of schemes and when monitoring and evaluating scheme performance.

The same general point about management information that has been made for ASWC also applies to community based organisations – i.e. if service indicators reflect the demands of the local community, then these same indicators should be used to judge the performance of systems and operators.

5.3.4 Area 3d: Promoting Access to Safe Water in Urban Areas of Anambra State

These work items cover the technical assessment of facilities and rehabilitation needs for implementing the full re-introduction of supplies from the ASWC schemes. A review of technical specifications was not included within the PAWS assessment, so comments on those work items are limited. This work area also includes the empowerment of NGOs/CSOs within the state, but many of the issues surrounding consumer complaints and regulation have already been discussed in other sections. Considerations that are specifically relevant for these work items include:

1. **Construction Standards and Operational Take Over Procedures.** ASWC indicated they do have construction standards for scheme design and construction, but they are not necessarily formalised and are not always applied to water schemes that are commissioned by other government authorities. It is therefore recommended that there should be an agreed, common set of standards that are used for all capital schemes that are going to be adopted by ASWC. This includes sign off of feasibility studies (i.e. when the location and general nature of the scheme is decided upon). It is also proposed that there should be some form of operational takeover procedure, where ASWC operational staff confirm that they are satisfied with the construction, commissioning and operational documentation for the scheme.

   Because of the large part that erosion can play in the failure of schemes, it is considered essential that any standards allow for the potential impact of future development (road runoff, roof area etc) and land clearance on erosion. Allowing for known problems and problems that could arise from existing development are not likely to be enough to help address this problem. Because of the lack of controls on land ownership and development, assessments of future impacts are likely to be subjective. However, simple rules about the likelihood of development in a given area, combined with the potential vulnerability of locations and construction methods should help to reduce the impact

2. **Empowerment and Development of NGOs/CSOs.** There are a number of synergies between these work items and SRIP activities. It is suggested that WSSSRP should first consider what they are trying to help promote in the state (consumer representation bodies, pro-poor action groups etc) and how NGOs they support will fit into the proposed regulatory and institutional frameworks that are being developed. This should allow them to focus their activities and produce something more specific than the general good governance role that is already being provided by SRIP.

5.4 Result Area 4: Delivery of Sustainable Integrated Water Supply Sanitation and Hygiene Promotion Services in Small Towns and Rural Communities

5.4.1 Area 4a: Establish Watsan Services using the Community Based Model in up to 10 Small Towns

These work items cover the baseline assessment of the small towns, the training and sensitisation of WUAs, assessment of PSP capacity and opportunities and the actual construction of water supply schemes in the 10 small towns. Considerations for these work items include:

1. **Choice of Technologies.** RUWASSA and the Department of Health indicated that many rural communities were unhappy with very simple technologies such as centrally located shallow hand pumps because of issues with delivery rates, location and even the smell/taste of the water. This is likely to be even more of an issue in the small towns context. The SEEDS document also supports the use of 'solar powered pumping machines' and actually refers to the 'construction of minor dams' where appropriate.

   The WSSSRP programme addresses the choice of technology though community consultation on preferences, but the team should be aware of the institutional difficulties that are associated with more complex schemes. They should also be aware that some of the issues over water quality will be associated with aesthetics rather than absolute health standards.

   As well as the obvious issues over operational costs and day to day maintenance associated with more complicated technologies, the supply chain involved in parts replacement, and the ability of WUAs to access that supply chain should be considered. Equipment such as electronic parts for solar panels, valves/actuators, power regulators etc could be a significant problem, and it is unlikely to be realistic to try and store spare parts within the LGA support teams. The availability of any specialist equipment required for maintenance (e.g. tripods for lifting motorised borehole pumps) should also be considered when determining the type of technology used.

   As with urban water supplies, small towns/rural WATSAN facilities should be covered by basic construction standards, which also cover location and conceptual design to limit the impacts of erosion. Because communities will find it very difficult to cope with erosion problems if they occur, it is considered particularly important that designs attempt to allow for the impacts of <u>future</u> development on runoff and erosion, even if it is on a simple level. This means it is particularly important to ensure that LGA (or other) technical support capacity is aware of the link between changes in land use (particularly increased hard surface area) and runoff/erosion, and is able to make simple judgements about the impact this should have on scheme location and design.

2. **Replacement/Capital Maintenance.** This is unlikely to be a significant issue during the WSSSRP project, as schemes will be newly installed. However, it is not clear from the current proposals how, and through what channels, capital maintenance funding will be requested by the WUAs when parts of schemes cannot realistically be kept running by day to day maintenance activities. The awareness for such requirements, and the systems for delivering them (presumably via the LGA teams), should be considered as part of the development and training of planning and O&M skills within the WUAs. Similarly, checks should be made to ensure that capacity is built into the LGAs to help identify, report, manage and, if necessary, procure, capital maintenance schemes. Issues over funding for capital maintenance are discussed in Section 5.2.3.

3. **Scheme Management and Dispute Resolution.** For simple schemes, management should be relatively straightforward, with local artisans and part time local people being able to maintain and operate supply schemes. However, for more complex schemes it is likely that private sector contractors or WUA staff will be needed to ensure that fuel and chemicals are ordered, routine maintenance is carried out and other logistical issues are addressed. This is likely to require simple forms of budgeting, and also raises the potential that services from outside of the local area will be needed. This means that the relationship between the WUA and the private sector might become more complex, even to the extent where the WUA merely 'owns' the assets, but contracts out responsibility for O&M and even tariff collection. This significantly raises the risk PSP opportunism, and raises the risk of contractual or legal disputes between the WUAs and the private operators.

   Many Town Development Unions have experience with PSP management in their own public services (schools, health clinics etc), so may be able to share knowledge of dispute mediation and contract management. However, the technical issues surrounding water supplies will be new to them, so regulation and supervision of PSP contractors may be difficult initially. On the other hand, the technically trained LGA teams may lack experience with dispute resolution and the management of PSP involvement. It is therefore suggested that the availability of contract management/dispute resolution skills within the Town Unions involved are investigated to determine if there are any opportunities for capacity sharing/training. Implications of existing experience on the makeup and role of any LGA support teams should also be considered, as some of the 'regulatory' style roles may be better provided by WUAs attached to experienced Town Unions.

   It may also be worth considering whether the use of an 'apex' system of management is appropriate. This refers to a situation where the largest/most experienced Town Union forms a WUA that includes management support capacity for the other WUAs in the area. This 'apex' WUA could assist with complex issues such as tariff setting, financial management and legal issues/dispute resolution, without having to refer to and rely on support from the LGA.

4. **Separation of Management Roles.** Small towns schemes may involve the distribution of water via kiosks or other 'retail' outlets, or the collection of tariffs using other centralised payment mechanisms. WUAs may wish to contract out this sort of activity separately to O&M responsibilities, and may even wish to separate responsibilities for the maintenance of treatment facilities and distribution systems. This is not an issue, but caution is urged if WUAs try to contract out the management of treatment, distribution and consumer service to separate providers. This may cause problems with accountability. When something goes wrong there will be a tendency for providers to blame each other, and this can result in a lot of wasted time and effort trying to apportion blame rather than actually fixing the problem. This issue should be made clear to WUAs that are considering PSP involvement in the management of small towns water supply schemes.

5. **Water Quality Monitoring.** As noted previously, problems with capacity for water quality monitoring are likely to be particularly severe. Therefore, any proposals for water quality monitoring regimes at the small town/rural level will have to be considered in light issues over location and accessibility, which could affect their long term sustainability and financial viability.

6. **Water Vendors and Water Retailers.** The potential for sabotage of community schemes by water vendors and retailers is high, particularly as this project will involve the provision of water supplies into areas where this has not been available previously. There are two obvious approaches to dealing with this:

    a. The companies/bodies that currently provide the water to the vendors are engaged in the sale and tariff collection for the new water supply schemes. This could include activities such as running kiosks, distributing and collecting bills etc.

    b. Strong community policing is encouraged, and communities are advised on simple security measures for particularly vulnerable/expensive items such as solar panels.

5.4.2 Area 4b: Formulate and Test Strategies to Provide Access to Sustainable Basic Sanitation Facilities

These work items cover preference surveys and options development for strategies to support the construction of low cost Safe Excreta Disposal (SED) facilities. Considerations for these work items include:

1. **Capacity.** Discussions during the visit indicated that there is unused technical capacity within ANSEPA that could be used in an advisory/regulatory role in this sector. Similarly, some of the NGOs appear to have capacity with community level education programme, which may be useful in sensitisation activities.

2. **Maintenance and Long Term Effects.** The activities for SED concentrate on supporting uptake and construction of facilities. However, maintenance of schemes is an equally important issue, particularly as it could directly impact on the quality of water resources at the community level if large numbers of SED facilities overflow or become flooded. Therefore, it may be worth considering issues that could affect the sustainability of SED schemes. These could include:

    a. The availability of relevant service providers for waste disposal activities

    b. The role of Town Unions in ensuring that individuals behave responsibly in terms of maintaining their SED facilities

    c. The availability of state level investigators if health/water quality problems start to occur that might be caused by problematic SED facilities

3. **Monitoring and Evaluation.** The National policy on sanitation indicates that all stakeholders associated with the adoption of sanitation systems should 'regularly monitor the environmental impact'. This issue is not really addressed in the WSSSRP programme, and experience with RUWASSA on the water supply side shows that monitoring programmes that involve the LGAs will not happen unless they are properly funded.

4. **Regulation and Bye-Laws.** The National policy also indicates that LGAs should formulate and pass bye-laws to regulate sanitation in their areas of jurisdiction. LGAs are identified as stakeholders in the WSSSRP programme for sanitation activities, which means the role of bye-laws can be considered in the development of sustainable sanitation mechanisms.

5.5 Other Considerations

Although this is not explicitly referred to in the work programme, some of the most significant issues that are likely to be faced by the programme are political. Many of the proposed reforms will effectively remove responsibilities (and associated funding) from governmental departments. The development of a firm, clear policy should help to remove some of the objections that are likely to be raised because of this, and considerations have already been provided in relation to conflict resolution during policy development. Nevertheless, it is vital that political and civil service support is maintained during the programme if it is to have any chance of success in the long term. The SRIP programme on good governance should help with this, but understanding the motives and concerns of the relevant departments, and promoting the advantages of this reform programme will be key requirements that must not be under-estimated.

The programme includes the setting up of a Water and Sanitation Sector Reform Joint Steering Committee. This will be attended by senior governmental representatives. It may therefore be advisable to consider whether the remit of this organisation could be extended to include some form of arbitration forum. It may be more appropriate to facilitate this via the associated Technical Committee, which will meet more frequently than the main Committee. The arbitration forum would be called when specific issues arise, rather than as a regular technical review, and it is likely that the authority of the Joint Steering Committee will be needed to ensure satisfactory dispute resolution.

6 Conclusions and Recommendations

6.1 Conclusions

The current problems with water supply and sanitation in Anambra State are well documented, but this review was able to identify some of the key underlying institutional issues that have caused them. Major issues included:

1. The lack of a long term maintenance culture and institutional barriers to supply system maintenance, particularly where asset replacement/capital works are required.

2. Availability and distribution of technical capacity, which is currently concentrated in governmental and parastatal organisations.

3. A lack of accountability, combined with political interference in the management of water supply systems and the spread of water supply service implementation across a number of uncoordinated bodies.

4. The lack of a State policy and clarity over the role of the various Ministries and Bureaus, many of whom are trying to carry out service provision, monitoring and self regulation all at once.

Other issues exist, but are considered either less important, or are symptoms of the above key issues.

The WSSSRP project seeks to address these issues by helping to implement a reform programme in line with the national strategy. The general change is from centralised, supply oriented delivery to a demand led, consumer oriented framework that operates at the lowest practicable level. The WSSSRP has a realistic, well considered programme, but there are a large number of problems that are likely to be faced in the implementation of that programme.

The main body of this report contains a large number of comments and recommendations that should help to understand the nature, potential impact and (where possible) potential ideas for addressing those issues.

Overall it is clear that the sort of reforms that are proposed within the WSSSRP programme are necessary to avoid a repeat of the maintenance failures that have occurred in the past, or seem likely to happen with many of the small towns/rural schemes that are being implemented now. However, moving from the current institutional framework to the proposed framework cannot be achieved without political and civil service backing for the process.

Sanitation is a smaller part of the WSSSRP remit, but there is a good opportunity here to develop sustainable, 'best practice' approaches to sanitation programmes within the zone. When doing this, it is recommended that the STU team should consider issues over maintenance and sustainability of sanitation facilities, as these could counter act many of the health improvements that might otherwise be gained from improved sanitation.

6.2 Recommendations

Key recommendations from the visit are as follows:

1. The WSSSRP should review this report and consider whether any amendments are needed to its work programme in light of the issues discussed in Section 5. It should also consider whether any additional support (possibly from PAWS) is needed in light of the 'roadmap' contained in this report.

2. This programme concentrates on the rehabilitation of existing urban water supply schemes and the implementation of new schemes at the small town level. It is therefore unlikely to encounter problems with capital maintenance during the course of the programme. Nevertheless, this is one of the critical issues that will almost certainly prevent water supplies within the state from being sustainable into the future unless it is addressed. It is therefore recommended that the WSSSRP ensure that ways of managing this issue are included within the policy development, institutional reforms and capacity training elements of its programme.

3. More consideration should be given to the need for, and role of, conflict management and arbitration during the creation of the policy document and the implementation of the reform programme.

4. Cost implications of the backlog in payment to ASWC staff need to be raised with the State government as a matter of urgency. The potential for re-distribution of technical capacity from ASWC, or other poorly supported government agencies (such as ANSEPA), to help with regulatory roles, or support for the small town/rural development programme should be considered.

Appendix A: Anambra WSSSRP-STU Programme Workplan

Anambra WSSSRP -STU Programme Workplan

LGF ACTIVITIES	Expected Output	Timing	Responsible	Stakeholders	Facilitator/s	Year-1 Feb-07 - Jan-08 Q1	Q2	Q3	Q4	Year-2 Feb 08 - Jan-09 Q1	Q2	Q3	Q4	Year-3 Feb 09 - Jan 10 Q1	Q2	Q3	Q4	Year-4 Feb 10 - Jan 11 Q1	Q2	Q3	Q4
1. Programme management, coordination and awareness																					
1.1 In conjunction with SRIP, and UNICEF, support SAO to establish the State Programme Steering Committee and organise its inaugural and one subsequent meeting	Functional Anambra State Joint Steering Committee Set up	Y1-0.25	SAO	SEC, MEPD, MOH, BPI, RUWATSSA, SWA,	STU and SRIP																
1.2 Participation of stakeholders in state and national meetings and workshops	Attendance at all Sate and national Meetings	Y-Thru	STU-CS, SAO	CS, SAO,	SAO																
1.3 Support programme launching.	Anambra State Reform Programme launched	Y1-0.25	SAO	SRTC, SPJSC, BPI,	STU, UNICEF, SRIP																
1.4 Inception workshop.	Inception workshop with clear roles and responsibilities understood.	Y1-0.25	SAO	BPI, MEPD, SWC, RUWATSSA,	STU																
1.5 Joint Logframe Harmonization:workshop .	Joint State LGF reviewed and updated	Y1-0.25	SAO	BPI, MEPD, SWC, RUWATSSA,	STU																
1.6 Prepare an overall work plan covering the entire programme with more detail for the first two year contract period.	4-year workplan jointly developed and shared	Y1-0.5	CS	BPI, MEPD, SWC, RUWATSSA,	STU																
1.7 Develop and implement an appropriate and acceptable accounting system for recording of financial transactions related to the programme estimates.	Simple computerised accounting system	Y1-0.25	STU	SAO	Feedbacks																
1.8 Prepare the first operational programme estimate for Anambra State WSSSRP	OPE-1 participatorily developed	Y1-0.5	STU-CS	SAO, BPI, SWC, RUWATSSA, MEPD	STU																
1.9 Recruit specialist short term consultants, enumerators and support staff.	Specific programme activities are delivered qualitatively	Y-Thru	STU-CS	SAO, BPI, SWC, RUWATSSA, MEPD	STU																
1.10 Propose a communication /visibility plan in conjunction with PMU	Programme communication and visibility plan that is implemented	>Y1-.025	STU-CS	PMU, SWC, BPI, SAO	STU																
1.11 Coordinate with stakeholders and external implementing partners within Anambra State in order to establish coordination mechanisms under the WSSSRP.	State level coordination mechanism developed and acctivated	Y1-0.25 and Y-Thru	STU-CS	SEPD, SWC, MOH, MOWA, BPI, MOE, LGSC, SRTC, SSC	STU																
Rapid Anambra State Water Supply and Sanitation Sector Assessment	Basic Report decsribing the status of the sector in terms of institutions, programmes and service delivery	Y1-0.25	STU/CS	BPI, MEPD, SWC, RUWATSSA,	STU																
Result 2 Improved water governance at state and LGA levels in Anambra State																					
Result 2.a State water legislation is coherent with federal water policy including gender and equity concerns.																					
Review of the current legislation and policy to ensure coherence with National frameworks, including gender sensitivity and assessment of existing roles and responsibilities of all water supply and sanitation institutions within the state.	Recommendations on next Policy and process	Y1-0.5 and Y1-1	BBI?	RUWASSA, SWA, MOH, MOWA, SEPD, SRTC	**AnSTU,** AnSRIP, UNICEF																
Supporting consultation of all key stakeholders for preparation of a gender sensitive State policy, coherent with the National policy framework	Recommendations on gender issues and mainstreaming process	Y1-0.5	MOWA	BBI, SEPD, SRTC, Legislators	**AnSTU,** AnSRIP, UNICEF																
Drafting, approval and dissemination of State policy	State Water Policy and wide dissemination	Y1-1	BBI?	RUWASSA, SWA, MOH, MOWA, SEPD, SRTC, SEC, Legislators																	
Establishing regular communication flow between civil society, decision service providers (public or private)	Pool of CBOs, NGOs, Media sentised and empowered to engage in Reform process	Y1-0.5	SRTC, SEPD	CSOs, NGOs, Media, Advisers, SRTC	**AnSTU,** AnSRIP, UNICEF																
Facilitate the Establishment of a Water and Santation Sector Reform Technical Committee	SRTC established and actively engaged in sector coordination	Y1-0.25	SEPD	BBI, SWA, RUWASSA,	**AnSTU,** AnSRIP, UNICEF																
Result 2.b I nstitutional functions and roles clarified in accordance with the National policy																					
Assess capacity of state institutions and ministries involved in drinking water and sanitation activities and recommend reform measures	Capacity gaps and recommendations for bridging + Resource and process implication	Y1-0.5	BBI, SEPD	SWA, RUWASSA, MOH, MOWA, PSP	AnSTU, UNICEF																
Assess the current roles and mandates of institutions as well as review of human resources and budgeting and expenditure procedures	Sector issues - roles, responsibilities and fiscal items and HRD capacity gaps	Y1-0.5	SEPD, BBI	SWA, RUWASSA, MOH, MOWA, PSP																	
Prepare institutional restructuring plan	Plan for restructure with recommendations on process, cost and change management plan	Y1-0.75	Consultant	SEC, BBI, SWA, RUWASSA	AnSTU, AnSRIP, UNICEF																
Developing capacity building including comprehensive HRD programme for relevant WSS institutions at State and Local level (including supply of equipment) and developing follow-up instruments to assess effectiveness of training programmes and staff performance	Capacity gaps in 5 capacity areas; gap bridging plan, resource and change implications, HR Policy, PMS and implementation	Y1-1	Consultant	MEPD, SWC, RUWATSSA, LGSC																	
Develop regulatory framework for service providers and assist the establishment of State Water Regulatory Authority in Anambra State	Functional State Regulatory Authority and Framework for Service providers	Y1-1-	Consultant	Legislators, SEC, BBI, SWA, RUWASSA, LGAs	STU																

Result 2.c Relevant WSS Ministry and Departments carries out planning and budgeting exercises in a manner coherent with overall State Policy					
Developing guidelines for strategic planning and budgeting with stakeholders: RBDAs, State Ministries, RWSSA, SWB	Strategic Planning Guide based on the pilot experience	Y2-0.25	Consultant	SEC, MEPD, MOH, BPI, RUWATSSA, SWA, LGAs	STU
Developing partnership agreement between state and LGAs defining State/LGAs commitment	MOUs	Y1-0.25	SAO	SEC, Legislators, LGAs	STU
Supporting States and LGAs preparation of WSS programmes and budgets	Participatory	Y2-0.5	STU/CS	SEPD, SWC, MOH, MOWA, BPI, SRTC, LGAs	STU/UNICEF
Supporting the preparation of annual WSS investment plan and a medium-term expenditure framework for planning, budgeting and implementation (3/5-year period)	State and 5 LGA sector investment plan and pivot for SEED and LEEDS	Y2-0.25	Consultant/CS	SEPD, SWC, MOH, LGSC, LGAs	STU/UNICEF
Develop administrative and financial guidelines for the implementation of the cost-sharing formula	Administrative guide developed and implemented	Y1-0.25	STU	SAO	STU
Assess the general conditions for works contracts prescribed by the national legislation for possible use in co-financed projects	Approved state works contract	Y1-0.25-0.5	SAO	SEPD, SEC, Legislators, LGAs,	STU, SRIP, UNICEF
Result 3 Improved water service delivery in Urban town areas in Anambra State					
Result 3.a Management and financial viability of Anambra State Water Corporation					
Develop guidelines for cost of service estimate and revenue estimate and financial projections of Anambra State Water Corporation	Fiscal guide/policy developed and implemented	Y2-0.25	Conultants/SC	SWC, RUWASSA, BBI, SEPD, PSPs	STU
Introducing an efficient billing and revenue collection system	Billing and revenue collection guide + capacity building	Y2-0.5-0.75	Consultant/CS	BBI, SEPD, SRTC, Legislators, SWC, PSP, CSOs	STU
Developing guidelines for tariff setting taking into account affordability for the poorest and supporting regular revisions	Tarification guide with cross-subsidization implemented	Y2-0.5	Consultant	BBI, SEPD, Legislators, SWC, PSP, CSOs	STU
Developing recommended models for PSP in O&M and management, including implementation where advisable (support for preparation of tender dossier, contract document, evaluation)	PSP model developed and implemented	Y2-0.75	Consultant/CS	BBI, SEPD, SWC, PSPs, CSOs	STU
Promoting constitution of water vendors associations	Association of SSSP formed and active in the sector	Y2-0.75	STU/CS	PSPs, BBI, SWC, CSOs	STU
Sensitisation campaign for water users and promoting constitution of water users association (WUAs)	WUA fomrmed, capacity built and taking over STWSSP - SD	Y1-0.75	Consultant/CS	SWC, SEPD, PSPs, CSOs	STU
Training of WUAs on their roles in the budget monitoring and how to identify, expose and report corruption cases.	Empowered WUA, with built capacity and active	Y1-0.75-Y2-0.5	Consultant/CS	SWC, SEPD, PSPs, CSOs.	
Developing customers' relations, establishing periodic consultation WUAs/SWBs	Consultations process mediated by NGOs/CBOs	Y2-0.25	Consultant/CS	CSOs, NGOs, Media, SRTC, SWC	
***Result 3.b* Reform process for State Water Board in Anambra agreed between main stakeholders**					
Carry out assessment of organisational, financial and technical capability of the Anambra State Water Corporation with the aim of identifying reform needs	Reforms needs identified, agreed with stakeholders and implemented and monitored	Y1-0.75 and year thru	Consultant/CS	BBI, SWC, PSPs	STU, SRIP
Training staff in key areas such as O&M and finance	AWC statf trained on the job, in and out of the Country	Y1-1 aand thru Y2	Consultant/CS	BBI, SWC, SEPD	STU
Result 3.c M&E systems for urban and small towns are in place at state, LGA and community level and harmonised with National M&E framework through the involvement of 4 RBDAs					
For urban, small town schemes:					
Facilitating inventories of WSS facilities (GPS) with the aim of creating and maintain a database	Database of WSS facilities	Y1-0.5	STU/CS	SWC, BBI, SEPD	STU
Carrying out baseline surveys in the selected Towns	Baseline data	Y1-0.5-0.75	STU/CS/CSOs	SCW, BBI, CSOs, PSPs	STU
Training WSS staff at state, LGA and community level in data collection and M&E systems	Active M&E system covering service delivery, use, participation and sustainability	Y1-0.75 thru Y3-0.5	Consultant	SWC, RUWASSA, BBI, SEPD, PSPs, CSOs	STU/UNICEF
Developing and piloting community based /LGAs/state M&E systems	Basic and active M&E system	Y1-1 thru Y3-1	Consultant	BBI, SWC, RUWASSA, LGAs	STU/UNICEF
Result 3.d Access to safe water in urban areas of Anambra State					
Assist staff of Anambra State water corporation to carry out an inventory of the existing water supply facilities in four urban areas in the state, including Awka and prepare catalogues of nice-to-have rehabilitation need	Inventory of WS Facilities in Urban areas and rehabilitation needs	Y1-0.5	STU/CS	SWC, BBI, SEPD, PSPs, CSOs	STU
Engage consultants to carryout technical studies and prepare cost estimates of (A) possible rehabilitation requirements and prepare tender schedules for civil, hydrogeological and environmental aspects (B) of possible rehabilitation requirements and prepare tender schedules for electrical and mechanical component	Cost estimate and design of Civil works Cost estimate and design of electrical and mechanical works	Y1-0.75-1	Consultants/CS	SWC, BBI, SEPD, PSPs, CSOs	STU
(C) Prepare terms of reference for engineering and technical and environmental studies and topographical/hydrological/hydrogeological surveys in prioritised urban areas	Rehabilitation Plans with implementation schedule and resource requirements	Y1-0.75	STU/CS	SWC, BBI, CSOs, PSPs	STU
(D) Support Anambra State Water Corporation to prioritise rehabilitation needs and prepare implementation schedule	Priotised list and implementation plan	Y1-0.75-1	STU/CS	SWC, BBI, SEPD, PSPs, CSOs	STU
(E) Prepare terms of reference for the private sector assessment studies and conduct the study	PSP/SSSP Report and active engagement	Y1-0.5 and thru Y3	Consultants/CS	SWC, BBI, SEPD, PSPs, CSOs	STU
3.18 Conduct awareness and information campaign for the implementation of NGO's co-funded pilot projects including capacity development proposals	NGOs are slected and trained to participate	Y1-0.5 and thru Y3	Consultant/CS	CSOs, SEPD, BBI, Legislators	STU/UNICEF and SRIP
3.19 Undertaking NGOs-implemented citizens action pilot projects through calls for proposals and in cooperation with state institutions	Selected NGOs deliver on their components	Y1-1 thru Y3-1	Consultants/CS	CSOs, BBI, SEPD	STU/UNICEF and SRIP

Activities under Result 4 WSS and hygiene promotion services are delivered in a sustainable and integrated manner in up to 70 rural communities and 8 small towns (including guinea worm endemic villages) in the 5 selected LGAs of Anambra State					
Result 4.i Community based model established in up to 8small towns (population between 5,000 people and 20,000) and increased access to safe water for about 90,000 people					
4.49 Mobilising communities and training WUAs in the selected towns	Small towns Selected, WUA formed and trained and participate in SD	Y1-0.75	STU/CS	CSOs, SWC, BBI, RUWASSA, LGAs	STU
4.50 Carry out baseline surveys	Baseline data, geotechnical and hydrogeological survey report and possible implementation plan	Y1-0.75	STUs/CS, CSO	SWC, BBI, SEPD, CSOs, PSPs	STU
4.51 Sensitisation on involvement of the poor	Mass particiaption with gender and poverty mainstreamed	Y1-0.5 and thru Y4	CSOs/CS	CSOs, WUA, SEPD, BBI	STU
4.52 Select, develop and promote innovative appropriate technologies	Small towns make informed choice of service options	Y1-0.75	STU/CS	WUA, BBI, SWC, MEPD	STU
4.53 Awareness in Anambra state to inform local private sector on opportunities – contractors, O&M contracts	SSSP and PSP are sensitised	Y1-0.75 thru Y2-0.5	STU/CS	PSPs, BBI, SWC, CSOs	STU
4.54 Inventory of possible private sector partners and ascertain levels and areas of competences	Database of operators and potential services	Y1-0.75	Consultant/CS	PSPs, BBI, SWC, CSOs	STU
4.55 Provide training for O&M and artisans for construction of facilities;	Small Towns/WUA operating and maintaining their systems	Y1-1	Consultants/CS	PSPs, BBI, SWC, CSOs	STU
4.56 Developing recommended models for PSP in management and O&M in small towns	PPS model developed and implemeted with the WUA	Y1-0.25	Consultant/CS	BBI, SWC, PSPs, CSOs	STU
4.57 Construction of water schemes in 10 small towns in the 5 selected LGAs (150,000 people)	Schemes are designed based on community choices, and constructed PSP/SSSP Report and active engagement	Y1-0.75 thru Y3-1	Consultants/CS	BBI, SWC, PSPs, WUA	STU
Result 4.j Formulated and tested sanitation strategies on access to sustainable basic sanitation facilities and small scale sanitation projects for 90,000 people in small towns					
4.58 Conduct Safe Excreta Disposal (SED) preference surveys, develop SED ladder and willingness to pay studies	Study reports and action plans	Y1-0.75	Consultant/CS	PSPs, BBI, SWC, CSOs, SEPD	STU/UNICEF
4.59 Support existing initiative such as sanicentres	Sanitation and hygiene promotion/ SD	Y1-0.75	CS/STU	PSPs, CSOs, WUA	STU/UNICEF
4.60 Develop options and financial mechanisms for supporting construction of low cost safe disposal excreta facilities such as provision of materials, support to the private sector	Sustained campaign for the uptake of SeXD facilties. And evaluation	Y1-1 thru Y3-0.75	Consultant/CS	PSPs, CSOs, WUA, SEPD, MOH	STU/UNICEF