



Partners for Water and Sanitation

Note on project reports

The following report has been prepared by Partners for Water and Sanitation in response to a project Terms of Reference.

The content of the report is based on the opinion of the author(s) and does not necessarily represent the opinions of the wider PfWS partnership, or the project funders.

Any extracts from the report should only be used with prior permission of the report author(s).



Partners for Water and Sanitation

Anambra Policy and Regulatory Support
Nigeria

TECHNICAL REPORT

Submitted by:

Rodney Anderson (R.B. Anderson & Associates Ltd, UK)
Ben Caulfield (United Utilities, UK)
Gabriel Ekanem (Paws, Nigeria)

July 2009

Contents amendment record

| This report has been issued and amended as follows: | | | |
|---|--|----------|--------|
| Revision | Description | Date | Signed |
| 0.1 | Draft Report | 27/07/09 | RA |
| 0.2 | Amendments | 29/07/09 | BC |
| 1.0 | Amendments and Issue to PAWS and Anambra | 06/08/09 | RA |
| 1.1 | Amendments, supplementary information, Final copy to Anambra | 28/10/09 | GE |



Contents

| | |
|--|-----------|
| 1. EXECUTIVE SUMMARY | 6 |
| 2. INTRODUCTION | 8 |
| Partners for Water and Sanitation | 8 |
| Previous Support to Anambra State..... | 8 |
| Terms of Reference for this visit | 9 |
| Background | 10 |
| 3. POLICY DEVELOPMENT | 11 |
| What is Policy? | 11 |
| Why Does Policy Matter? | 12 |
| The Policy Cycle | 12 |
| The Challenges of Policy Making..... | 13 |
| How to Meet These Challenges..... | 14 |
| The Skills of the Policy Maker..... | 16 |
| The Draft Water Supply and Sanitation Policy Document..... | 17 |
| Some Useful Tools for Analysis | 19 |
| 4. POLICY IMPLEMENTATION | 21 |
| Implementation..... | 22 |
| Risk Management..... | 22 |
| Managing Organisational Change | 23 |
| 5. REGULATION | 25 |
| What is Regulation? | 25 |
| What Is Regulation For?..... | 25 |
| The Characteristics of Good Regulation | 26 |



| | |
|---|-----------|
| The Primary Objectives of Regulation in Anambra..... | 27 |
| Regulation of Water and Sewerage Services in England and Wales..... | 28 |
| Possible Optional Regulatory Models..... | 29 |
| General Principles and Practices | 31 |
| Continuity..... | 33 |
| Who Regulates The Regulator?..... | 34 |
| Funding Regulation | 34 |
| The Skills Required | 34 |
| 6. LEADERSHIP..... | 36 |
| 7. COMMUNICATION | 37 |
| 8. SPECIFIC ISSUES | 38 |
| Securing buy-in..... | 38 |
| Recognising the Resource Implications | 38 |
| Organisational Structure | 38 |
| Build and Transfer of Assets | 40 |
| Water Resource Management | 40 |
| Relationship with the Federal Government | 41 |
| Training and Development | 41 |
| Option appraisal framework | 41 |
| Partnership working v contractual relationships | 42 |
| 9. CONCLUSIONS AND NEXT STEPS | 43 |
| Conclusions and recommendations..... | 43 |
| 10. APPENDICES | 50 |
| Annex A – Decision tree | 50 |



| | |
|---|-----------|
| Annex B – Draft implementation plan | 53 |
| Annex C – Sample Project plan..... | 54 |
| Annex D – Risk management plan | 55 |
| Annex E – Holistic organisational change | 58 |
| Annex F – Leadership and management | 64 |
| Annex G – Communication Plan..... | 65 |
| Annex H – Technical Meetings Highlights by Jude Emesim | 66 |

1. EXECUTIVE SUMMARY

Earlier technical support visits to Anambra state by Partners for Water and Sanitation focused on the institutional development aspects of the water and sanitation sector reform programme of the state. The first visit was on institutional assessment, looking at “who” was doing “what”, and “Where”. The institutional assessment was followed by an institutional restructuring and change management advice to help in the impending change processes and activities. A water policy and water supply master planning advice immediately followed the water sector restructuring exercise that was successfully carried out by the state government. And an investment planning advice was delivered to key policy makers in the state, towards a realistic investment planning for the water sector.

This technical support on policy and regulation is the first of a long-term technical support plan aimed at the effective implementation of the draft Anambra state Water supply and Sanitation policy document. The support was focused on analysing the policy for clear understanding of the challenges that may hamper effective implementation, and a focus on an aspect of the policy that is new to the water sector of Nigeria, water services regulation. Other areas of focus were; leadership, communication, change, and risks.

The two weeks support visit in Awka, Anambra state involved several meetings with key stakeholders, including the policy level actors, the state water corporation, and the water consumers associations from the programme focal local government areas. It also involved a detailed look at previous reports and documents relating to the themes in focus. At the end of the two weeks technical support visit, workshop sessions were held with key stakeholders in the state, to give a brief of the key findings and recommendations for the sector reform programme. Detailed conclusions and recommendations are presented in chapter 9 (Conclusions and Next steps) of this report. The headline recommendations are;

1. Policy is the bedrock of service delivery. Its development, implementation and review should be thought of as a cycle. It is usually an iterative process, involving testing and adapting ideas according to the supporting evidence gathered, and the context in which the policy is being developed
2. The draft Anambra state Water Supply and Sanitation Policy Document is a good document as a basis for consultation. There are substantial decisions which will need to be taken in order to clarify the policy direction and means of implementation.

3. There should be a mapping exercise to examine how the different bodies will mesh together to provide co-ordinated and seamless water supply and sanitation services. The mapping should cover functions, responsibilities, accountability and funding.
4. The Policy Document should refer to an implementation process. It does not need to spell out in detail how the policy is going to be implemented, but it should have a section on implementation and explain briefly what is going to happen next.
5. There should be a separate implementation plan, which should also be the subject of stakeholder discussions. The plan need not be complicated. Indeed, there is considerable merit in keeping it relatively simple, and built around the planned outcomes and high level objectives. It will be helpful to identify major cross-cutting work streams.
6. There will be risks which will need to be anticipated, and where possible, avoided or managed to ensure that the objectives are achieved. It is important to have a risk management plan for the reform programme.
7. The key issue on regulation is deciding the purpose of the proposed regulation. Whatever regulatory system is established for Anambra it should be consistent with the principles of good regulation. It will be helpful for the Anambra sector reform team to improve their knowledge of regulatory systems in other parts of the world. It is also important that the regulatory framework for Anambra is tailored to the needs and circumstances of the State.
8. Implementing the new regulatory framework will require new skills and expertise. Regulation demands different skill sets to manage. This will require a programme of specialist training and capacity building as part of introducing the regulatory system in Anambra.
9. Leadership and effective communication are critical to the effective implementation of the policy document. And the key actors in the sector must constantly anticipate and plan for the changes in the sector, through a change management process.



2. INTRODUCTION

Partners for Water and Sanitation

Partners for Water and Sanitation (PAWS) was launched at the World Summit in Sustainable Development in Johannesburg in 2002. It was a UK Prime Ministerial initiative with the aim of working with developing countries to help them improve the supply of clean drinking water and safe sanitation. It is a not-for-profit tri-sector partnership of Government, private enterprises and the third sector comprising over 40 organisations. PAWS currently operates in four countries: Ethiopia, Nigeria, South Africa, and most recently Tanzania. Partners offer their skills, expertise and practical experience without payment. The main focus is on human and institutional capacity building, coupled with other technical support. The programme works alongside other support programmes and initiatives and seeks to complement their activities.

Advice is provided in response to partner Countries' needs and requests. PAWS seeks to find long term and sustainable solutions through capacity development. The breadth of experience and expertise available means that there can be a tailored approach to suit the circumstances and needs of each country and local areas, working alongside their existing water and sanitation programmes.

The programme promotes multi-stakeholder engagement. It does not provide additional funding, but it can strengthen each locality's ability to identify and access available sources through the capacity building approach. There is strong evidence that investment without accompanying capacity building and strong stakeholder engagement brings – at best - only short term benefits and represents poor value for money. But, equally, there needs to be commitment among Partner Countries and localities to identify and commit adequate resources to enable improvements to be made. Hence, the importance of operating in partnership and ensuring that there is a coherent and co-ordinated approach on the ground.

Previous Support to Anambra State

In June 2007, PAWS undertook an initial institutional scanning of the water and sanitation sector of Anambra State, which provided the basis for a comprehensive institutional assessment exercise. The institutional assessment clearly showed the need for restructuring of the sector.



In November 2007, PAWS supported the sector restructuring, through the development of a restructuring and change management plan. This helped the sector reform team to carry out key structural changes in the sector.

In June 2008, PAWS again supported the Anambra sector reform team on master planning and policy development.

This was followed up by a further visit in August 2008, which built on the earlier work on developing the master plan. This looked at data needs and provided a road map for completing the master plan.

Terms of Reference for this visit

The visit to Anambra was over the period 6th to 17th July. The terms of reference were to provide advice on:

- the draft Anambra State water supply and sanitation draft policy document;
- effective policy implementation and management of changes in the sector; and
- the development of a regulatory framework and unit in the water and sanitation sector.

During the course of the visit, the following topics were the subject of discussion and were covered in workshops:

- policy development (building on the previous work);
- policy implementation;
- risk management;
- effective regulation and good governance of the sector;
- the relationship between leadership and management;
- effective communication; and
- next steps.

There were two workshops. The first of these, early during the visit, was primarily to explain the purpose of the visit and for the PAWS team to learn about relevant developments and concerns within Anambra. The second, towards the end of the visit, represented feedback by the PAWS team, together with opportunities for shared learning among a wide range of stakeholders (including representatives from other States participating in the Water and Sanitation Sector Reform Programme sponsored by the EC).

Background

Considerable progress has been made, for which Anambra State deserves recognition. This includes:

- The problems faced within the water and sanitation sector in Anambra State have been recognised and documented. The biggest obstacle to successful reform can be failing to acknowledge and document the issues to be addressed.
- There has been widespread and effective stakeholder engagement, and it is evident that there is a high level of commitment and enthusiasm to bring about positive change.
- Establishment of the State Technical Unit (STU) within the Water Supply and Sanitation Sector Reform. This provides a dedicated unit to lead facilitate and champion reform.
- Useful steps have been taken to improve the sector governance, for example, establishing the Ministry of Public Utilities Water Resources and Community Development.
- The Draft Policy document has been prepared and is out for consultation.
- The number of Water Community Associations (WCAs) has been extended in small towns.
- There has been investment in infrastructure, such as the rehabilitation of water supply schemes and the construction of pour flush latrines.
- There has been customer enumeration, for example, in Amawbia.
- Volunteer hygiene promoters and been encouraged.

3. POLICY DEVELOPMENT

When reviewing the draft policy document, it is worth reflecting on what policy is, what it is for and how it can be developed.

What is Policy?

Policy can be described as a plan or course of action, of or by government, political party or business, intended to influence and determine decisions, actions and other means. When applied to government – Federal, State or Local – it can more simply be described as “the process by which governments translate their political vision into programmes and actions to deliver 'outcomes' - desired changes in the real world”¹.

Or, even more simply, it is setting out what you want to happen, why you want it to happen and how and when you plan to achieve it.

A policy document would normally include:

- The aims and objectives.
- The purpose of the policy.
- Description of the context.
- Explanation of how the policy is to be delivered (in broad terms).
- Definition of the contribution to be made by the different players and their relationships.
- Explanation of the institutional arrangements, including where these may need changing.
- Information about whether existing legislation needs revision to harmonise with policy objectives.
- Description of how the policy is to be funded.

The Federal Government has issued guidance on preparation of States' Water Supply Policies. Future financial support by the Federal Government may become dependent upon whether this guidance has been followed. It would, therefore, be prudent to check whether the draft policy document for Anambra State adheres to the guidance and if it departs in any substantial respect the reasons for this are well understood.

¹ UK, Modernising Government White Paper, 1999



Why Does Policy Matter?

Clarity of intent is the most important single attribute of successful policy development. Unless there is this clarity, implementation will prove very difficult and there runs a strong risk of non-delivery. Moreover, in the absence of a clear policy:

- There is no adequate means explaining what is intended.
- Any case for resources will be weak.
- There can be no plan for the future.
- The risk of duplication and overlap is high.
- Services may well fail.
- Government is open to criticism.
- There is a strong risk that someone else will seek to impose their own policy.

Policy development and implementation is, therefore, the bedrock of service delivery.

The Policy Cycle

There are numerous different versions of the policy cycle, but the core elements comprise: identifying and defining the issues, explore the options, deciding what to do, implementing the policy and monitoring, evaluating and reviewing the policy. This can be expressed diagrammatically:

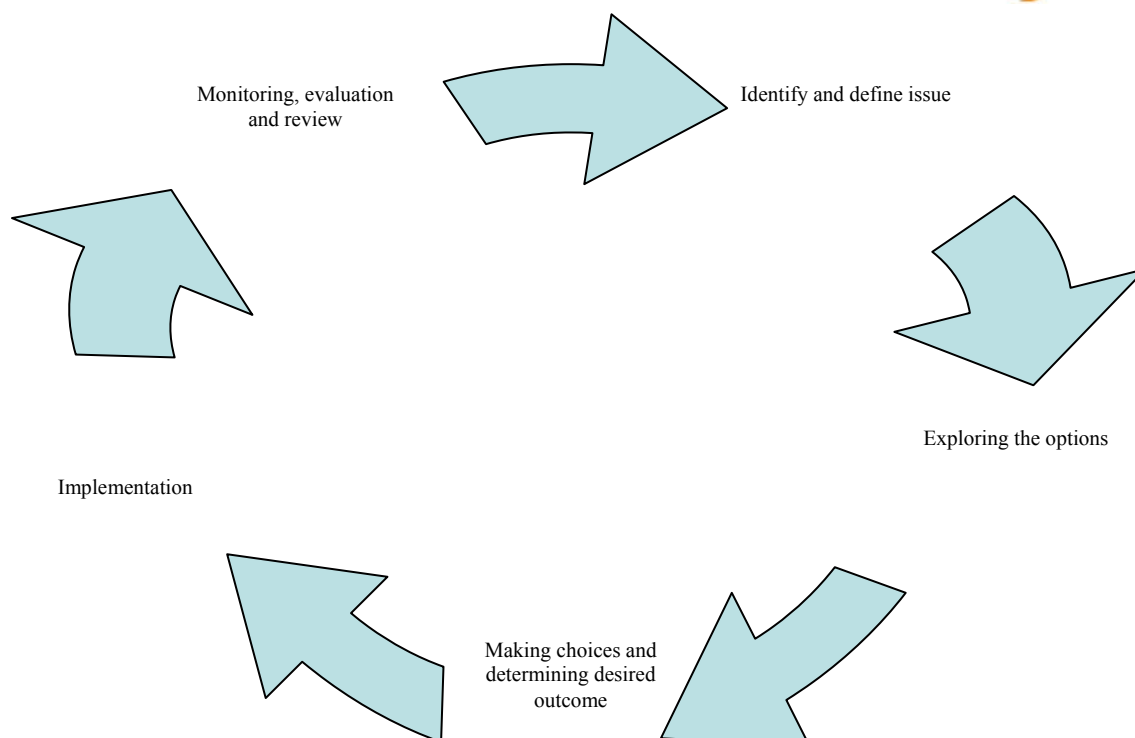


Figure 1: The Policy Cycle

As part of this cycle there should be constant communication and frequent stakeholder engagement. As shown in *Figure 1*, it is also important to remember that policy is a cycle. Circumstances change over time, and it is rare to find that from inception to delivery a policy produces exactly the result that was planned. More probably, there will be lessons to be learned and adjustments to be made. In other words, policymakers should expect to continually follow through the cycle and return to identifying the outstanding issues.

The Challenges of Policy Making

Policy making presents real challenges. Although every reasonable effort should be made to assemble the evidence needed to come to informed decisions, policy often has to be made with imperfect data and information. Policy development can mean having to make tough choices and as such it involves political and organisational risk. It can be an uncomfortable experience for those involved because policy development requires constantly questioning and challenging existing and proposed policies, actions and institutional arrangements. Change is rarely welcomed by everyone and policy development is all about change. People can, therefore, find the process threatening. There will probably have to

be compromises and trade offs. There will usually be losers as well as winners when a new policy is introduced. Those people who stand to lose out will often be more vocal than the beneficiaries of a policy.

Policy making is also rarely a neat and tidy operation, and no two policies will follow exactly the same development process. The reasons why policy-making gets underway will vary from case to case. It may for example be a consequence of political commitment prior to an election, undertakings given during the term of office, court decisions, and responses to external events or driven by donor requirements. The existing circumstances and policies will also contribute to the complexity and range of a new policy. Events or pressures outside the policy process can blow development of the policy off course. In real life, the entry point to the policy cycle, shown above at figure 1 can be at any stage. Policy making is usually an iterative process, involving testing and adapting according to the supporting evidence gathered and the context in which the policy is being developed.

It would be a mistake to think of policy development as a series of neat sequential steps. The policy cycle offers a sense of direction and is a useful guide, but some thought needs to be given to the practicalities of implementation and evaluation quite early in the process. The practicalities of implementation are very relevant, for example, when considering the policy options, as is the ability to monitor and evaluate. A mistake often made by policy makers is that consideration of data collection and monitoring is left until the end of the process. There are plenty of examples of policies being implemented where the policy makers found too late that they have no way of evaluating the effectiveness of the policy in delivering the planned outcomes. The fact that Anambra State has begun collecting performance data and sees that as an important issue is, therefore, encouraging. In short, policy development and implementation is a continuous process but the order of the performance cycle is a guide and not a rule.

No one in Anambra State should be surprised, therefore, if finalisation of the policy document proves demanding. In a sense, it should be tough going, since this will indicate that there has been sufficient rigour.

How to Meet These Challenges

There are a number of useful steps to take to help meet the challenges of policy making:

- Keep the policy document high level and do not make it highly complicated. It should contain sufficient information to enable the policy to

be explained and an implementation strategy to be prepared, but need contain no more. The next level of detail can appear in the implementation strategy and supporting documentation.

- Be clear and as precise as possible. Avoid 'fudging' an issue or policy. Lack of clarity will leave doubt and will make implementation difficult.
- Do not worry if you do not yet have all the answers. There may well be areas where policy development work is still underway or circumstances mean that further work is required. But, do state in the policy document how this work is going to be taken forward and solutions found, who is going to do the work and by when. The future of the Anambra State Water Corporation may be such an issue if it has not been resolved by the time that final policy document has been published.
- Policy-makers need to be courageous and bold, because by introducing change they take a risk and lack of adequate data can mean uncertainty about the outcome. This is where the policy cycle can help, since it recognises that policy implementation is followed by review and the possibility of the policy being adapted in the light of fresh information and experience.
- Do not put off a decision that could be taken today. Decisions are the stepping stones to policy development and implementation. Without taking decisions no progress can be made. It can be tempting to defer a difficult decision. This rarely helps. There may be no 'right answer'; it is usually a matter of choosing an option on the best available evidence and moving on.
- Maintain constant communication with and between everyone involved. Listen carefully to what others are saying and keep them informed about what you are doing and proposing. By doing this new ideas can be tested and potential pitfalls can be spotted.
- Foster a sense of ownership among participants. The Anambra State Water and Sanitation Policy will need to be delivered by a range of bodies. They should feel that they have had every opportunity to contribute and that their views have been listened to. The workshops and meetings already carried out will have been helpful in this respect. It is also worth considering how the different tiers of managers will feel about the policy. A common problem with policy development and implementation is that the 'middle' managers are told that they are champions for the new policy but have had no or little opportunity to influence that policy. The result is often that these managers become a block to successful implementation.

- Manage expectations. Do not promise more that can be delivered.
- Stay focused and clear sighted. Do not get pushed off course or distracted. This can easily happen in policy development – especially in a political environment - as there's always something else which is more immediate.
- Ensure that there is a thorough understanding of the issues and the people involved. With this comes an almost intuitive understanding of what will and will not work as a policy.
- Always be prepared to challenge and question. Never take any answer or explanation for granted. Existing practices may be well established for good reason, but equally they may not. Keep asking basic questions, such as how, what and why?
- Allow sufficient time, whilst maintaining pace. Proper stakeholder engagement and consideration of policy options are time consuming.

The Skills of the Policy Maker

As was observed in a UK Cabinet Office Paper, for policy making to be fully effective, policy makers not only need all the 'traditional' attributes (knowledge of relevant law and practice, understanding of key stakeholders' views, ability to design implementation systems), but they must also understand the context within which they (and the policy) have to work. This means understanding not only the way organisational structures, processes and culture can influence policy making, but also understanding political priorities and the way policies will impact in the 'real' world.

Often government operates through indirect levers when seeking to deliver policies. It will be reliant on others to respond positively and to deliver on the ground. The control mechanisms may be imprecise and there may be numerous counter pressures and influences. The need, therefore, to fully comprehend the broader context – the practical effect of policies and the subtleties of the various interactions – cannot be overstated. When preparing and agreeing a policy document this complexity has to be properly understood and allowed for.

The Draft Water Supply and Sanitation Policy Document

We were asked to review and comment on the draft Policy Document. It is a good draft document and provides a useful basis for consultation. As part of finalising the policy there are some big decisions to be taken. Among these are:

- The human and financial resources to be devoted to delivering the policy and how they are going to be sourced. How will the necessary capacity be found and how will the required skills and expertise be built up?
- Are the water supply and quality targets given in the draft document realistic in the light of the resources available? If they are, over what timescale is it realistic to expect them to be achieved? If not, the targets will need to be revised (if failure is not to be built in from the outset) and decisions taken about what revised targets should be set.
- What is wanted from regulation and how will effective regulation be achieved? There is a separate section below which discusses regulation.
- Which bodies will be responsible for delivering the services and how will their functions relate? This leads to questions about the further institutional changes that are required and how responsibilities, powers and duties will be allocated.
- What is to happen about the Anambra State Water Corporation?
- The extent to which the policy can be implemented within the terms of the existing legislation and the changes that may be needed to the current legislation to enable the policy objectives to be achieved.
- What will cost recovery include, and how will any other costs be met?
- How tariffs will be set to enable cost recovery, having regard to affordability. Who will determine the tariffs in urban, semi-urban/small towns and rural districts? How can the tariffs be constructed to ensure that the poor are protected whilst ensuring overall cost recovery?
- How the implementation programme will be managed, from this point on. Implementation of the programme represents a major change programme. The STU are playing a lead role in championing and coordinating this. How is this function going to be embodied within the policy implementation programme and where will responsibilities fall?

The draft policy document discusses most of these issues, but there remains some ambiguity and uncertainty.

It would be helpful if, towards the beginning of the document, there was a short explanation of why water and sanitation services are a collective good and need to be managed corporately. It was evident from points made during the first workshop and during subsequent discussions that this is not universally understood. For example, proposals to regulate private boreholes are seen by some as unnecessary government interference and an excuse for raising taxes.

The draft document describes the current roles of government bodies, the private sector and NGOs and outlines how the institutional arrangements will be reformed. From our visit it was evident that this is still the subject of debate. It will be important that all stakeholders have the opportunity to comment. It appeared from our discussions that not everyone was familiar with the draft policy document proposals and they were not clear about how they could respond. We recommend that the STU directly contacts all government bodies at all levels to remind them that their views are welcome and to explain how their views and comments can be submitted.

We also recommend that there should be a mapping exercise to show how the different bodies will mesh together to provide co-ordinated and seamless services. The mapping should cover functions, responsibilities, accountability and funding. It will be important to ensure that each of these elements is appropriately aligned. For example, responsibility for service delivery should be accompanied by budget authority.

This mapping exercise should also be done from the customers' and beneficiaries' perspective, i.e. from where a resident of an urban area, small town or rural village can be expected to look for water and sanitation services and how these will be delivered. This could help point up any potential overlaps or gaps in service provision. It would help demonstrate any inter-dependencies. In other words, if one body does not perform as it should what is the impact on others?

In different places, the draft policy document states different things about cost recovery. Greater clarity is required, particularly since this is so fundamental to a sustainable water supply service.

Similarly, there is room for more clarity about the role of the private sector and whether existing government and community based organisations are likely to have a future role in direct service provision. The document does indicate that the private sector can be expected to assume a prominent role in urban areas but is less precise about the future for small towns and rural areas.

These and other ambiguities and inconsistencies may simply be a reflection of the drafting process. It is quite a long document and inconsistencies can arise as a result. It would be worth going through the document carefully to ensure that all statements are consistent with each other and with the proposed policy objectives.

The whole policy document should be keyed to the planned outcomes and high level objectives. Some of the objectives that appear on pages 15 and 16 are covered in the remainder of the document, but others are hardly touched on. The final document ought to explain what is meant by “Have a clean environment”, “To sustain our industry and livestock production” and “Make Anambra State environmentally friendly”. Without further explanation and without being linked to any proposed actions in the draft policy document these statements are unlikely to have practical effect. It is not clear in the draft, for example, how the government proposes to “ensure that water services will be managed to minimise and adverse environmental impacts.....” Part of the answer is there by implication, but it would be much better to be explicit.

We also suggest that, if it is to be more than a statement of intent, the draft Policy Document should refer to the implementation process. It does not need to spell out in detail how the policy is going to be implemented, but we recommend that it should have a section on implementation and explain briefly what is going to happen next (it could also acknowledge the work already done). This would then be followed by a separate implementation plan, which should also be the subject of stakeholder discussion.

Some Useful Tools for Analysis

There are a variety of mechanisms that can be employed to aid analysis, help make choices when developing policy and think through the means of delivery. These include:

- Decision tree
- Flow diagram
- Option appraisal
- Impact assessments

Previous PAWS visits focused on the master plan and included discussion about the application of techniques such as option appraisal and investment appraisal. When considering policy choices and examining how the work can be broken into manageable elements a decision tree can be helpful. It also encourages the questions why and how to be asked at each stage. Attached as **Annex A**, is an example, with fuller explanation of the methodology.



None of these techniques offers definitive answers. The principal benefit is that each facilitates going through issues systematically. The input and the process of careful and structured consideration are as important as the result.

4. POLICY IMPLEMENTATION

Having considered the options and set the policy, the next stage is to prepare an implementation plan. This is vital. It is the bases for making things happen in the way you want them to happen, when you want them to happen, and with the outcome you want. The plan need not be complicated. Indeed, there is considerable merit in keeping it relatively simple.

We recommend that the implementation plan is built around the planned outcomes and high level objectives. The draft Policy Document has the following five high-level objectives:

- To make clean, potable water affordable to all the masses.
- To have a clean environment
- To reduce the incidence of water-borne diseases like cholera and diarrhoea.
- To sustain our industry and livestock production
- To make Anambra State environmentally friendly.

In addition, it could be helpful to identify major cross-cutting work streams such as:

- Cost recovery and tariffs.
- Regulation.
- Institutional restructuring
- Review and harmonisation of the legislation

If this format is adopted, each objective and major cross-cutting work stream would have a separate section in the Implementation Plan. This would, in turn, be divided to show:

- What is to be achieved, by when?
- Why it is being done?
- How it will be done?
- How will progress be measured?
- The budget and source of funding.

We suggest that the implementation plan should also include sections on skills, training and development (capacity building is integral to achieving the objectives in the draft policy document); and the overall funding position.

The entries can be kept short and simple. The milestones for measuring progress should be as precise as possible. They should be specific, measurable,

and realistic and should state when they will happen. It will be important that those responsible for delivering the outcomes can be held to account and this is helped by being clear about what is expected to be achieved by when. For the same reason, the plan should clearly identify who is responsible for each of the main elements of the programme, and the responsibilities, powers and duties they hold.

An outline of an implementation plan, following this format, it is at **Annex B**. It is probable that the implementation plan will need to be broken down into individual projects for the purpose of programme and project management. At **Annex C** is a simple framework that can assist establish what needs to happen by when and can be used to track progress against key milestones.

Implementation

Things will not stand still – nor should they – while the policy document is being finalised and the implementation plan is being prepared. It could be quite a while before Anambra State has a final Policy Document and an accompanying published implementation plan. There have been areas already where useful progress has been made in advance. This can continue. As it does so, there should be regular checks that the direction of travel remains consistent with the emerging documentation.

To achieve its objectives the programme will require pace. Undoubtedly there will be occasions when there are uncertainties or obstacles to be overcome. Try to find ways of allowing progress to be made notwithstanding these barriers. Unnecessary deliberation and procrastination can be among the main risks to successful implementation. The constant focus should be on action and results (though not abandoning careful thought and consideration) which will deliver the planned outcomes.

Risk Management

It is unlikely that the path to implementation will go smoothly. There will be risks which will need to be anticipated and, where possible, avoided or managed to ensure that the objectives are achieved. On a major programme of this kind, it is advisable to have a risk management plan (set out in a simple summary register). This need not be a complicated exercise. It is a matter of identifying the possible risks and thinking about ways in which those risks can be mitigated. **At Annex D** is a framework for the risk management register.

When compiling a risk management plan, it should always be clear about who is responsible for managing a particular risk. This should be a named individual. That way there is proper accountability and responsibility.

Not all risks can be mitigated. In some cases, it can be good enough to accept the risk. This is something that needs to be weighed when considering each risk. The costs of mitigation, for instance, may be disproportionate to the risk or those delivering the programme may have no control over external events that give rise to the risk (particularly in a political environment). If this is the case, consideration should be given to what steps would be taken in the event of the risk occurring. Many risk registers are weak on this aspect. It might be decided, for example, to ensure that everyone affected is told immediately, in which case the risk management plan should identify how this would be achieved. There may be scope for an alternative course of action (an option B) to be initiated. Again, the plan should set this out in summary form.

The risks identified and the proposed actions should be reviewed regularly, say once a month. Time spent considering potential risks and pitfalls, and working out what action should be taken to deal with these in advance is never wasted. It is always worth remembering that risk equals cost. The cost may be financial, it may be borne by customers, it may be borne by the employees or contractors, it may be a political cost, it may be the impact on the environment or it may be all or some of these. Anything that can be done to reduce the risk and, therefore, the cost to society is to be welcomed and is likely to increase the cost benefit of the investment.

Managing Organisational Change

The Reform Programme represents a major change programme. Useful lessons can be drawn from experience elsewhere. When finalising the policy and developing the implementation plan it would be helpful to ensure that all elements of a major change programme have been taken into account. The chart below shows the principal elements:

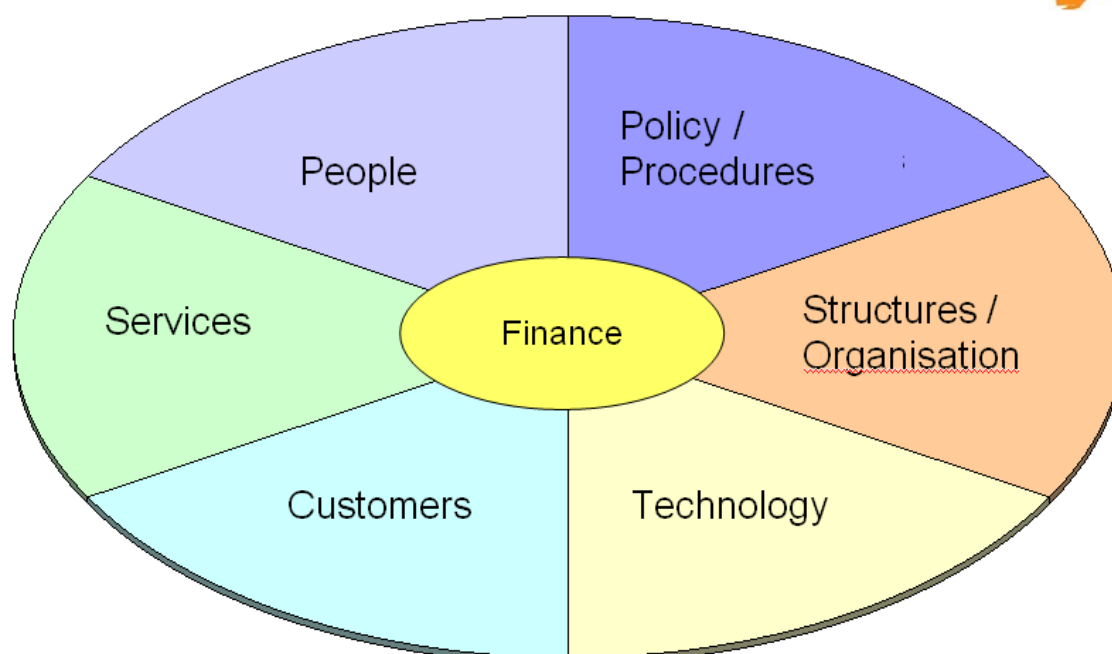


Figure 2: The key elements of organisational change.

When a change programme goes wrong or disappoints, it is often the case that the elements on the left of the chart have not been given sufficient attention early enough. The spotlight tends to be on policies, procedures, structures and technology since these are process driven and, therefore, more easily picked up applying project or programme management techniques. However, the outcomes will rest very heavily on understanding customers' needs, ensuring that services meet those needs and that the people delivering them support the programme and have the capacity to deliver. At the hub of the programme will be finance. There will need to be the money available to fund the changes proposed.

At **Annex E** is a chart showing how the principles of this holistic approach to managing change could be applied to the Reform Programme in Anambra. It could act as a useful check list.

5. REGULATION

What is Regulation?

Our terms of reference included advising on a regulatory framework. In its basic form, regulation is a means of controlling or governing conduct to produce desired effects. There are various forms of regulation. Regulation can be by law, a rule, a convention, a principle, a formal agreement, an understanding, fiscal and financial constraints, other resource constraints, and self imposed expectations. The means of regulation should reflect the circumstances and the risks of non-compliance.

What Is Regulation For?

The key question when considering any regulatory framework is; what is the purpose of the proposed regulation? There can be a number of reasons for introducing regulation, including:

- To ensure quality (e.g. water quality or levels of water supply). Customers can have confidence that they can expect good quality services.
- To protect the customer. Unregulated water supply systems can present health risks to customers.
- To give potential funders confidence. Funders are more likely to offer financial support and assistance if they can be confident that their investment will be protected through effective regulation. Good regulation can lower the cost of capital and lower the cost of concessions.
- To provide equity (e.g. tariffs that reflect ability to pay and water usage). Water is essential for life and there are always concerns that access to affordable water should be fairly distributed.
- To protect legitimate operators. Legitimate operators benefit from good regulation because they do not find their profits undercut by unscrupulous and illegal operators.
- To guard against corruption. Regulation is one of the major safeguards against corruption and abuse.
- To provide a buffer between provider and government intervention. Political intervention can add to risks and costs. The regulator can

help ensure that the implications of political initiatives are fully understood and properly taken into account when, for example, investment choices are made and tariffs and charges are set.

- To improve the efficiency of service providers. This is particularly important where the providers are monopoly service providers.
- To raise standards. Regulation can have a multiplier effect and help raise standards beyond the services being immediately regulated.

In summary, regulation is largely about creating a climate of confidence, which can be shared by customers, service providers and funders.

The Characteristics of Good Regulation

There are a number of principles of good regulation that are universal:

- Regulation should be **transparent**. The actions and decisions of regulators should be open. The regulations should be as simple as reasonably possible and should be capable of being understood by all involved. The regulator should be careful to avoid surprises for customers, for those being regulated and for government.
- The regulatory system should be **consistent** and applied fairly. Enterprises being regulated should be able to be confident that the rules and remedies will be applied to others in the same way as they are to them. Regulation must be operated honestly and with integrity.
- Regulators must be **accountable**, be able to justify decisions and be subject to public scrutiny.
- Regulation should be **targeted**, focusing on the problem or risk and minimising side effects.
- Regulation should be **proportionate**. The level of regulation and remedies should be appropriate to the risk posed. The costs of regulation should be clearly identified and kept to a proportionate level.
- The system should be **efficient**. It must be able to take prompt action to deal with unsatisfactory performance and failure by service providers. Customers should be able to expect swift action to deal with legitimate complaints.

- In most cases it should be **Independent** of service provision. Self regulation is not as transparent or as accountable as independent regulation. If regulation is closely associated with service provision (i.e. the same enterprise or unit does both there will always be the suspicion and risk that that they will be more sympathetic to their own cause than that of others).
- The regulator needs to be **well informed** about the regulated providers, the services being supplied and customers' needs..
- Effective regulation means being prepared to take the right decision, even if that is difficult (i.e. it is **not populist**).
 - a. When considering the regulatory framework for Anambra State we recommend that whatever system is established it should be consistent with these principles.

The Primary Objectives of Regulation in Anambra

The primary objectives of regulation in Anambra would seem to be:

- Quality of construction to ensure that the standards and objectives laid down by the Ministry are met.
- Financial probity and propriety, i.e. to ensure that the funds allocated are properly spent.
- A tariff and charges structure that is fair to customers, whilst ensuring it delivers sufficient resources to enable the water and sanitation systems to be operated, maintained and improved.
- Evidence to customers that the programme will be delivered in a way that will meet its objectives.
- Fair treatment of the service providers, whilst meeting the needs of customers and policy makers.
- To help ensure long term sustainability of water and sanitation services.

Regulation of Water and Sewerage Services in England and Wales

At **Annex F** is a summary of the regulatory system in England and Wales. This Regulatory system is tailored to the current circumstances of those countries and is reviewed from time to time to ensure that it continues to be fit for purpose. There are perhaps some useful lessons to be drawn about the extent to which customers are independently represented, the way in which environmental and economic regulation are linked but maintain independence, the powers and duties of the regulators and the significance of visible propriety and regularity when exercising regulatory functions.

Knowledge of systems elsewhere can be helpful, though it will be important that the regulatory framework for Anambra is designed within context of the State's circumstances and meets the objectives of the Reform Programme. We suggest, therefore, that whilst it is worth looking at other systems, such as that employed in England and Wales, it would not be appropriate to simply superimpose on Anambra a regulatory framework what works elsewhere. The regulatory framework should be tailored to Anambra's needs. We would, however, recommend that all senior personnel appointments within the regulatory framework should be subject to some prior agreed principles.

In the UK, the appointment of all regulators, their senior staff and members of overseeing committees are subject to a public code of practice underpinned by seven principles. Those principles are:

- **Ministerial Responsibility** – the ultimate responsibility for appointments is with Ministers.
- **Merit** – All public appointments should be governed by the overriding principle of selection based on merit, by the well-informed choice of individuals who, through their abilities, experience and qualities, match the need of the public body in question.
- **Independent Scrutiny** – No appointment will take place without first being scrutinised by an independent panel or by a group including membership independent of the Department filling the post.
- **Equal opportunities** - all appointments should be within a framework which delivers equal opportunities.
- **Probity** – Those appointed must be committed to the principles and values of public service and perform their duties with integrity.



- **Openness and Transparency** – The principles of open government must be applied to the appointments process; its working must be transparent and information must be provided about the appointments made.
- **Proportionality** - The appointments procedures should be appropriate for the nature of the post and the size and weight of its responsibilities.

We suggest that consideration is given to the appropriateness of these principles when making appointments in Anambra.

Possible Optional Regulatory Models

As indicated above, there is no single 'right' answer. Below are three possible options for economic and drinking water quality regulation in Anambra. They represent variations on the twin themes of independence and transparency and are offered by way of illustration of different possibilities.

1. Independent Regulator

The Regulator would be overseen by a management committee comprising people with knowledge of the industry, civil society, public sector and customers. These people would not be representatives or have any direct stake in the provision of the services other than from the point of view of efficient and effective regulation. The committee should also contain non-executive members with professional expertise. The role of the non-executive members would be constructive challenge within the committee.

The Regulator would be appointed by the Governor as the chief executive, answerable to the committee and its chairman and accountable to the State Assembly. The interview of and recommendation for the appointment of the Regulator would be by a team that included an independent adjudicator with human resources expertise and a representative from civil society. This would help allay any concerns there may be about the selection process.

The independence of the regulator would be enshrined in legislation, which would set out his/her responsibilities, duties and powers.

The regulator would be appointed for a fixed period (3 to 5 years). He/she could be re-appointed subject to satisfactory performance for a second term, but would not be permitted to stay in office beyond a second term. All staff within the regulatory body would be appointed by (or under the authority of) and accountable to the Regulator,

to avoid external influences. As in the case of the Regulator, the selection and appointment process would be open and transparent.

2. A Regulatory Unit within the Ministry

The Unit would form part of the Ministry. It would need to be seen as being separate from the remainder of the Ministry. The interview of and recommendation for the appointment of the Head of the Unit would be by a group that included an independent adjudicator with human resources expertise and a representative from civil society. This would help allay any concerns there may be about the selection process.

An advisory committee would be established comprising people with knowledge of the industry, civil society, public sector and customers. These people would not be representatives or have any direct stake in the provision of the services other than from the point of view of efficient and effective regulation. The committee should also contain non-executive members with professional expertise. The role of the non-executive members would be constructive challenge within the committee.

Although the head of the Unit would not be accountable to the committee, he/she would be answerable to it; in other words, he/she would be expected to report regularly to the committee and explain his actions. This would help strengthen the ability of the Unit to act with an appropriate degree of regulatory independence.

The staff in the Unit would be appointed by the Head of Unit. The recruitment and retention policy of the Unit would be subject to the approval of the committee and would be publicly known (a policy would typically set out how to advertise, how to document the selection process, what candidates should expect, how to ensure transparency etc).

3. Anambra State Water Corporation as Regulator

This would only be an option if the ANSWC ceased to be a service provider, otherwise there could be a conflict of interest; for example, it would not be satisfactory if they were regulating private sector water concessions whilst competing with them at the same time (either directly or indirectly through comparable competition).

The skills required of regulation are different from those required of operation and delivery. This means that there would have to be a high level of capacity training, coupled with substantial changes in personnel. This would call for a fresh skills audit, and a transparent selection process for any ANSWC staff that expressed an interest in undertaking regulatory functions.



The managing director would be the head of the regulatory body. As with the previous models, the interview of and recommendation for the appointment of all members of the management team would be by a group that included an independent adjudicator with human resources expertise and a representative from civil society.

The ANSWC would be overseen by a board which would include a majority of executive members with first-hand knowledge of the industry, civil society, public sector and customers. These people would not be representatives or have any direct stake in the provision of the services other than from the point of view of efficient and effective regulation. The board should also contain non-executive members with professional expertise. The role of the non-executive members would be constructive challenge within the board.

Although the managing director would not be accountable to the board, he would be answerable to it; in other words, he would be expected to regularly report to the board and explain his actions. This would help strengthen the independence of the Water Corporation. The Regulator would be able to make representations to the relevant Commissioner in the event of the board seeking to put at risk the regulatory independence of the Water Corporation.

General Principles and Practices

There are two relevant and useful reference documents that we recommend should be prior reading before setting up the regulatory framework:

- The Model Water Supply Services Regulatory Law; and
- Regulatory Handbook produced by Federal Government.

We also recommend that there should be a number of basic principles and practices that should be applied whatever regulatory framework is adopted:

- The regulatory rules should be transparent, readily understood and accessible to the public.
- The minutes of all meetings of the supervisory committee or board should be made public.
- The recruitment and retention policies of the organisation should be made public and should be underpinned by a set of principles designed to achieve transparency, appointment according to merit and sufficient autonomy.

- The regulator should regulate the prices the service providers could charge. How this was done would need to be decided. It could for example in some cases be by the regulator setting directly maximum tariffs and prices charged to the customers, and in other cases the regulator agreeing with the managing body (such as the WCAs) the tariffs and prices.
- Similarly, the arrangements for ensuring quality of construction could involve both direct inspection and monitoring by the regulator, and indirect quality audit through other bodies (such as WCAs).
- In all cases the regulator should be satisfied that the principles of good regulation were being applied and should be empowered to intervene if he/she found that the devolved body was not carrying out its duties properly.
- There should be an independent, state-wide customer group, which would have a legal right to be consulted on the economic, social and environmental regulatory arrangements. They would for example be consulted on the proposed water prices and tariffs for customers and on any proposed changes in the regulatory arrangements. The customer group would act as a watchdog on behalf of customers generally, and would be in a position to challenge the regulator, the organisations commissioning services, and service providers.
- Individual customers should have a clear route for making complaints directly to the regulator. Customers would need to be educated about the role of regulation and how they can use the system. This aspect of training and development would be particularly important for the customer group, if such a group was established.
- There should be recognised remedies for poor performance and failure by service providers. Effective regulation relies upon consistent, transparent and prompt enforcement. This needs legislative backing and the necessary capacity and skills within the organisation. The Regulator will want and need the cooperation, protection, and support of other law enforcement agencies.
- The Regulator should be required to submit an annual report to the Governor and the State Assembly on his/her work the previous year and flag up any major issues that have arisen as a result.
- The investment plans of service providers and the tariffs and charges to customers should be reviewed regularly. The period may vary according to circumstances but should be clearly signalled in advance, e.g. concessions are likely to have pre-determined review periods in the contract terms but these time spans may not be appropriate for small towns or rural services.

Continuity

An issue that cropped up during discussions was how to safeguard a sound regulatory system from the risk of changes in policy or practice as the result of political change at State level. We suggest that there are two primary safeguards. Firstly, ensure that the basic principles are enshrined in legislation. It is harder to unpick or ignore an established system if the arrangements are firmly set down in law. Here the State Assembly has an important part to play and it will be vital that Assembly members understand the reasons for the regulatory system and provide their support. The STU are aware of this and may need to focus even more of their energies on cultivating the support of Assembly Members.

This legal underpinning is essential, in our view, for the sustainability of improved water supply. Investors from any source – public, private or international donors - will be seeking assurances that their investments will be wisely spent and institutionally safeguarded. The regulatory framework is a central part of this.

Secondly, there could be a campaign of building wide and popular support. Political manifestos tend to reflect voters' aspirations and priorities. If the people with votes see a need for effective regulation and understand the benefits to them – clean, safe and regular water supply – this serves to protect systems that deliver those benefits. It would suggest a significant education programme about water supply, but, given the importance of water and the strong understanding among communities of the problems that arise when supply breaks down, this should not represent too much of a challenge. It is probably less of a challenge that in the UK and other parts of Europe, where people take high quality water supply for granted.

Who Regulates The Regulator?

This was another issue that was raised with us. An independent regulator is in a potentially very powerful position. The Regulator needs sufficient autonomy to be able to carry out his/her duties with proper independence, but should remain accountable for his/her actions. There should be a package of safeguards. Some of these have been mentioned above. A powerful customer group is helpful. The appointment of the regulator should be subject to clear rules. It is a good idea to limit the regulator's period of office. His/her actions should always be capable of being scrutinised by the public and there should be a strong policy of transparency. The regulator should be required to report regularly to a supervising committee and to a body (such as the State Assembly) with sufficient independence itself. The powers of the regulator should be prescribed in legislation, which serves not only to protect the position of the regulator but can also protect against abuse. Ultimately, the regulator carries out his/her functions by public consent. If there is no confidence in the regulatory system then it has failed.

Funding Regulation

The practical choices for funding regulation of water supply are narrow. In the first instance any State-wide regulatory system will probably have to be funded by the State. We understand that Anambra has secured some seed corn funding from the EC. This should enable a useful start to be made but it would be sufficient to establish a full regulatory system.

As water services improve and tariffs and charges begin to generate sufficient income there will be the alternatives of wholly or part-funding regulation via tariff income and other charges. To protect these funds and avoid them being redeployed on other priorities, a percentage of the income could be designated for regulation and held within a separate account specifically for that purpose.

The Skills Required

Implementing a new regulatory framework will require new skills and expertise. Regulation demands different skills to managing and operating services. There will need to be an understanding of what regulation is there to achieve and the context within which it operates. There will be people in Anambra with useful operational knowledge of systems and this knowledge should be employed. What they are likely to lack is regulatory experience. Effective regulation also demands high calibre staff capable of understanding third hand the needs of customers, service providers and funders as well as the political climate within which they are operating. This suggests



that there will need to be a programme of specialist training and capacity building as part of introducing the regulatory system in Anambra.

It is worth noting that it is not that long ago that independent regulation was first introduced in the UK and other countries. It is possible to create a regulatory system from a standing start, and in the case of Anambra there is advantage of being able to draw on the practical experience of existing regulators.

6. LEADERSHIP

Successful delivery of the Reform Programme will hinge on leadership being exercised at all levels. It was evident from our visit that there are plenty of people with the necessary commitment and enthusiasm as well as demonstrating leadership qualities. We recommend, however, that some time is allotted within the programme to foster and develop these qualities and to identify where leadership will play a crucial part in bringing about the changes sought.

So much of the Reform Programme will depend upon people's responses and behaviours. These will be influenced by leadership. The essential difference between leadership and management is that leadership is about working through people and culture, taking the organisation to constructive change, whereas management is about working through structures and systems to keeps the organisation functioning.

At **Annex G** is a chart that shows in more detail the relationship between leadership and management. Both are important.



7. COMMUNICATION

Good communication is vital, especially with the relatively large number of organisations involved in Anambra. The water and sanitation communication network includes: the Ministry, WCAs, WASH Units, WASHCOMS, the ANSWC, civil society, customers, other ministries, the State Assembly, and private water service providers as well as external links such as television, radio and newspapers.

Communication can take many forms. In fact, we communicate by just about everything we do or do not do. Among the more formal forms of communication are letters, news sheets, town meetings, workshops and so on. Less formal, but equally important are telephone conversations, text messages, e-mail exchanges. More thought is generally given to our formal communications than our informal, even though judgements may be more influenced by the latter than for the former. Possibly the greatest influence on others will be from what we do rather than what we say.

This section is about the more formal means of communication, but it is worth bearing in mind that every action or non-action is a means of communication. Communication can be thought of as the oil that ensures that the reform engine runs smoothly can reach its planned destination. All bodies involved in water supply should be considering what they need to communicate and how they intend to do this. A lot of this is already going on, but we found no evidence of a structured approach. A simple communication plan could help.

At **Annex H** is an example and a blank pro forma that could be used as the basis for a communication plan.

8. SPECIFIC ISSUES

A number of issues arose during our visit that were somewhat tangential to the main thrust of our terms of reference. Although we did not have the time to explore these in any depth, we thought it would be helpful to flag them up and to offer suggestions and recommendations where we felt able to do so.

Securing buy-in

It was apparent that a good deal had been achieved within Anamabra and that a demanding pace was being maintained to introduce desired changes. The STU are leading and co-ordinating the programme, and a prime driving force. There will remain the need for a dedicated team to oversee the implementation of the established and emerging policies. Because of their prominent role there is the risk that the STU could be seen as the sole owners of the policies and the programme. Successful implementation will require more than that. It will need ownership being shared among all those with a role in delivery, from the Governor and members of the State Assembly to WCAs and WASH Units.

This in turn will rely upon good communication and engagement throughout. One way of helping to get wide buy-in to the reform programme would be to create an advisory committee with members representing the various delivery interests. The membership should comprise only those with a direct, though non-pecuniary, interest or people able to contribute specialist expertise (in a non-executive capacity).

Recognising the Resource Implications

Implementation of the policies in the Policy Document will, in many cases, mean doing new and additional work, and developing and applying unaccustomed skills. Allowance will need to be made for this when planning the work. It will be essential to ensure that the resources made available match the political and policy aspirations, coupled with the necessary training and development. If the new work is simply loaded on top of existing duties this is unlikely to be a successful combination.

Organisational Structure

When considering the future structure for the management and delivery of water and sanitation services, the starting point should be the objectives followed by functions. The organisational structure should be geared to purpose and it should not be assumed that present structure remains appropriate. That is not to suggest that what is in place now should necessarily be abandoned, but it should be examined alongside other possible options. We heard that the existing arrangements in small

towns and rural areas had been driven largely by the requirements of the principal donors, notably the EC and UNICEF. No doubt those arrangements were instituted for good reason, but circumstances are changing and it is valid to consider what would work best in the context of the wider reforms proposed. This would entirely consistent with the policy cycle outlined above.

There was discussion during our visit about how small towns and rural areas might be defined separately. Mostly, the issue seemed to revolve around defining organisational responsibilities; with the RUWASSA playing a primary role in rural areas and a proposal for a separate agency to look after small towns. During the first workshop, attention was also drawn to the difficulties that had arisen because of the way in which water supply solutions were categorised according to whether an area was defined as rural or semi-urban/small town. For example, it is assumed that all rural areas can adequately be served by hand pumps, but in some areas the only suitable source of drinking water is surface water.

We learnt that fewer than 2% of the population of the State lived in rural areas and this was forecast to reduce to 1.4% by 2015, as semi-urban areas expanded and people moved. We recommend that further consideration be given to whether it is necessary to establish separate agencies for small towns and rural areas. There would seem to be potential advantages in combining the geographical responsibilities into a single agency (not least removing the need to define organisational boundaries which will inevitably be somewhat arbitrary). It could also make it simpler to marshal the skills and experience required. Within the agency there could be teams dedicated to current donor programmes (to satisfy any donor requirements relating to accountability), but there would also be the flexibility to deploy people and resources according to need. A single Agency might be better placed to match technology to hydrography and to carry out the type of option appraisal proposed for the Master Plan.

If it is regarded as necessary to distinguish rural from semi-urban by definition, whether there are one or two agencies, we suggest that the prime determinant should be the nature of the service to be provided. The geophysical and hydrographical factors are likely to be as important as the population density. We also suggest that there is a review of how areas are defined as rural and semi-urban/small town every 10 years to ensure that services remain geared to need.

A further organisational aspect is the relationship between WCAs and Town Unions. We have recommended above that all organisational relationships in the water and sanitation sector should be mapped in terms of their functions, responsibilities, accountability and funding. The future relationship between Town Unions and WCAs will be important to establish, especially if the EC's small towns initiative were to change in any material respect. The WCAs were established as part of the small towns initiative. There is the issue of whether the current structure continues to

meet future needs and what should happen if and when EC funding is no longer available.

Build and Transfer of Assets

Difficulties currently arise when facilities, such as pumping stations are constructed by the Government and transferred to WCAs. We heard that the WCAs were concerned that they were often expected to take on responsibility for defective equipment which had been shoddily installed. They had no control over the installation and we were told that, even where they had alerted the appropriate authorities to problems, no preventive or remedial action had been taken.

This is clearly an unsatisfactory situation. We recommend that WCAs should be involved from the outset when facilities are proposed for their areas. The WCAs should be consulted on the proposals and should be authorised to inspect works as they proceed (though the supervisory responsibility should continue to reside with the commissioning body). If the WCAs require technical support this should be provided by the senior Agency for small towns. The WCAs should ensure that their complaints are properly documented – a proforma could be employed to assist this – and local residents informed. Responsibility for maintenance and any remedial works should remain with the commissioning body until the WCA has signed to indicate that it is satisfied with the quality of the work. If there is poor workmanship by the contractor, the commissioning body should be responsible for taking appropriate remedial action against the contractor. The Regulator could be given a role as arbiter in the event of a dispute between the WCA and the Government, with authority to require action to be taken where necessary to ensure that the equipment and facilities are to a satisfactory standard.

Water Resource Management

Although outside the scope of our visit, it appeared from our discussions and comments received that water resource management was relatively undeveloped. Abstractions were being instigated without adequate regard to the consequences for existing supplies. There seemed to be limited understanding among some local service providers (and very probably most customers and beneficiaries) about the relationship between abstraction and supply and between waste water disposal and clean water supply. On a more positive note, the knowledge exists within Anambra and we were impressed by the expertise of some of those we met.



Water resource management should be central to any water and sanitation policy and we recommend that consideration be given to developing a water management plan. There is considerable expertise already within the State which could be employed to draw this up, perhaps with external advice and support so that experience can be shared.

Relationship with the Federal Government

Federal Government initiatives may cut across State plans. There is a history of difficulties arising (e.g. the provision of boreholes), where the Federal Government has launched an initiative without notifying the responsible bodies and agencies at State level. The final Policy Document should assist in ensuring that there is a shared understanding of future plans. The STU will want to give consideration as to how information can most appropriately be pooled without prejudicing the appropriate independence and autonomy of State level initiatives.

Training and Development

There is already recognition within Anambra that implementation of the sector reform programme will require training and skills development. We would point out that this should not be thought of as a one off exercise. Training and development is a continuous process. There will be the need for intensive training and development at the outset, to be followed by a lighter touch after that. But, continuous improvement should be the aim. In any event, staff turnover, the limited capacity for people to pick up information on the first pass of training, and new developments means that Anambra should be planning on an extensive and long term training and development programme. Consideration will need to be given to how this will be sourced and organised. The training does not have to be all externally driven or provided. The type of workshops in which we participated are an example of how there can be a strong element of self-help, with experiences being shared and information exchanged.

Option appraisal framework

The previous visits and reports on the Master Plan explained the value of option appraisal. The point was made that this should be proportionate. The Master Plan is for investment choices across the State. Similarly, optional appraisal is a tool commonly used in policy development. However, the WCAs are making decisions now about investments and tariffs. A basic option appraisal framework, drawing on the earlier advice, but trimmed to suit the experience and the level of decision making could be helpful to the WCAs. This might be an appropriate role the proposed Small Towns Agency or an alternative supervisory and support body.



Partnership working v contractual relationships

With multiple organisations involved in water supply and sanitation it is helpful to give emphasis to working in partnership, rather than looking upon the relationships as purely contractual. A well structured and clear contract is essential when working with the private sector. The same can be said of service level agreements (SLAs) and memoranda of understanding between public sector bodies and when working with NGOs (in certain circumstances a contract may be appropriate in the case of NGOs). However, if it is the contract or SLA alone that is allowed to determine the day to day working relationship, it is unlikely that the maximum potential benefit for the end customers will be derived from the relationship. There is the risk of 'gaming' by the other party for commercial or other short term benefit, without regard to the long term interests of customers. Gaming is not to be found only in the private sector. A partnership style relationship is likely to be more successful.

This means developing a comprehensive understanding of the other party and what they should be able reasonably to expect out of the relationship. It requires agreeing to work towards common goals and, if difficulties arise, not losing sight of these. The client body should remain demanding, within the terms of the agreement or contract, on behalf of the service beneficiaries and all parties should seek to work together to deliver a high class service. In return, the private sector can reasonably be expected to make an acceptable return on their investment, or in the case of another public body or not for profit NGO, be able to meet their own specific objectives.

9. CONCLUSIONS AND NEXT STEPS

This has been a wide ranging review, which reflects the breadth of Anambra's ambitious reform programme in the water and sanitation sector. Good progress has been made and a strong team has been assembled to co-ordinate the programme. A lot remains to be done. This is recognised. Some major decisions lay ahead (see chapter 5 above). It will be crucial that these are addressed if progress is to be maintained.

We suggest that the next steps should be:

- Set a timetable for signing off the Policy Document;
- decide how the reform programme is going to be managed from this point and put in place a formal implementation programme for those actions that can proceed in advance of sign off of the Policy Document; and
- begin work on the regulatory arrangements governing the concession(s) in the urban areas and ensure that there is an 'intelligent' client facility to manage the contract. This is urgent because a concession has been agreed.

Conclusions and recommendations

Our principle conclusions and recommendations are as follows:

- i. The Federal Government has issued guidance on preparation of States' Water Supply Policies. Future financial support by the Federal Government may become dependent upon whether this guidance has been followed. It would, therefore, be prudent to check whether the draft policy document for Anambra State adheres to the guidance and if it departs in any substantial respect the reasons for this are well understood.
- ii. Policy is the bedrock of service delivery. Its development, implementation and review should be thought of as a cycle. Policy making is rarely a neat and tidy operation. It is usually an iterative process, involving testing and adapting ideas according to the supporting evidence gathered and the context in which the policy is being developed.
- iii. There are a number of useful steps that can be taken to help meet the challenges of policy making, which are summarised at chapter 5. When

considering policy choices and examining how the work can be broken into manageable elements a decision tree can be helpful. Attached at Annex A is an example, with fuller explanation of the methodology.

- iv. Policy makers need not only knowledge of the relevant law and practice, understanding of key stakeholders' views, and the ability to design implementation systems, but they must also understand the context within which they (and the policy) have to work. This is because government often operates through indirect levers and other bodies when seeking to deliver policies, the control mechanisms may be imprecise and there may be numerous counter pressures and influences.
- v. The draft Policy Document is a good document as a basis for consultation. There are some substantial decisions which will need to be taken in order to clarify the policy direction and means of implementation. These are summarised at chapter 5.
- vi. It would be helpful if, towards the beginning of the document, there was a short explanation of why water and sanitation services are a collective good and need to be managed corporately.
- vii. We recommend that the STU directly contacts all government bodies at all levels to remind them that their views are welcome and to explain how their views and comments can be submitted. It was evident from our discussions that not everyone was clear about this.
- viii. We recommend that there should be a mapping exercise to examine how the different bodies will mesh together to provide co-ordinated and seamless water supply and sanitation services. The mapping should cover functions, responsibilities, accountability and funding.
- ix. In different places, the draft policy document states different things about cost recovery. Greater clarity is required, particularly since this is so fundamental to a sustainable water supply service.
- x. Similarly, there is room for more precision about the role of the private sector and whether existing government and community based organisations are likely to have a future role in direct service provision
- xi. The whole Policy Document should be keyed to the planned outcomes and high level objectives. Some of the objectives that appear on pages 15 and 16 of the document are discussed in further detail in the remainder of the document, but others are hardly touched on. This will cause difficulties when it comes to implementation.

- xii.** The Policy Document should refer to the implementation process. It does not need to spell out in detail how the policy is going to be implemented, but we recommend that it should have a section on implementation and explain briefly what is going to happen next.
- xiii.** There should be a separate implementation plan, which should also be the subject of stakeholder discussion. The plan need not be complicated. Indeed, there is considerable merit in keeping it relatively simple. We recommend that the implementation plan is built around the planned outcomes and high level objectives. In addition, it could be helpful to identify major cross-cutting work streams. The recommended format can be found at Annex B. At Annex C is an example of a simple framework that can be used to support the implementation plan and assist project management.
- xiv.** Some elements of implementation will continue alongside finalisation of the Policy Document and the implementation plan. As this work proceeds, there should be regular checks that the direction of travel remains consistent with the emerging documentation
- xv.** There will be risks which will need to be anticipated and, where possible, avoided or managed to ensure that the objectives are achieved. On a major programme of this kind, it is advisable to have a risk management plan. A model plan is at Annex D.
- xvi.** Not all risks can be mitigated. In some cases, it can be good enough to accept the risk. Where this is the case, consideration should be given to the steps that would be taken in the event of the risk occurring. All the risks identified and the proposed actions should be reviewed regularly, say once a month.
- xvii.** The Reform Programme represents a major change programme. At Annex E is a chart showing the key elements of organisational change. The spotlight tends to be on policies, procedures, structures and technology since these are process driven. However, the outcomes will rest very heavily on understanding customers' needs, ensuring that services meet those needs and that the people delivering them support the programme and have the capacity to deliver. It will be crucial to have regard to all factors.
- xviii.** Our terms of reference included advising on a regulatory framework. The key issue is deciding the purpose of the proposed regulation. Report identifies those seemingly appropriate to Anambra (Chapter 7). We recommend that whatever regulatory system is established for Anambra it should be consistent with the principles of good regulation shown.

- xix.** It will be helpful for the Anambra sector reform team to improve their knowledge of regulatory systems in other parts of the world. It is also important that the regulatory framework for Anambra is tailored to the needs and circumstances of the State.
- xx.** We recommend that all senior personnel appointments within Anambra's regulatory framework should be subject to an agreed code of practice. We suggest that consideration is given to the principles listed in chapter 7.
- xxi.** In chapter 7 there are three options for economic and drinking water quality regulation in Anambra. They represent variations on the twin themes of independence and transparency and are offered by way of illustration of different possibilities.
- xxii.** There are two relevant and useful reference documents that we recommend should be prior reading before setting up the regulatory framework: the Model Water Supply Services Regulatory Law; and the Regulatory Handbook produced by Federal Government
- xxiii.** We also recommend that there should be a number of basic principles and practices that should be applied whatever regulatory framework is adopted.
- xxiv.** An issue that was raised during the second workshop was how to safeguard a sound regulatory system from the risk of changes in policy or practice as the result of political change at State level. We suggest that there are two primary safeguards. Firstly, ensure that the basic principles are enshrined in legislation; and secondly build wide and popular support for the established system.
- xxv.** An independent regulator is in a potentially very powerful position. The Regulator needs sufficient autonomy to be able to carry out his/her duties with proper independence, but should remain accountable for his/her actions. There needs to be a package of safeguards.
- xxvi.** The practical choices for funding regulation of water supply are narrow. In the first instance any State-wide regulatory system will probably have to be funded by the State. As water services improve and tariffs and charges begin to generate sufficient income there will be the alternatives of wholly or part-funding regulation via tariff income and other charges. To protect these funds and avoid them being redeployed on other priorities, a percentage of the income could be designated for regulation and held within a separate account specifically for that purpose.

- xxvii.** Implementing the new regulatory framework will require new skills and expertise. Regulation demands different skills to managing and operating services. This will require a programme of specialist training and capacity building as part of introducing the regulatory system in Anambra.
- xxviii.** Successful delivery of the Reform Programme will hinge on leadership being exercised at all levels. It was evident from our visit that there are plenty of people with the necessary commitment and enthusiasm as well as demonstrating leadership qualities. We recommend, however, that some time is allotted within the programme to foster and develop these qualities and to identify where leadership will play a crucial part in bringing about the changes sought. Annex G is a chart that shows in more detail the relationship between leadership and management. Both are important
- xxix.** Good communication is vital, especially with the relatively large number of organisations involved in Anambra. A basic communication plan would help. At Annex H is an example.
- xxx.** Because of their prominent role there is the risk that the STU could be seen as the sole owners of the policies and the programme. Successful implementation will require more than that. It will need ownership being shared among all those with a role in delivery, from the Governor and members of the State Assembly to WCAs and WASH Units. One way of helping to get wide buy-in to the reform programme would be to create an advisory committee with members representing the various delivery interests. The membership should comprise only those with a direct, though non-pecuniary, interest or people able to contribute specialist expertise (in a non-executive capacity).
- xxxi.** Implementation of the policies in the Policy Document will, in many cases, mean doing new and additional work, and developing and applying unaccustomed skills. Allowance will need to be made for this when planning the work. It will be essential to ensure that the resources made available match the political and policy aspirations, coupled with the necessary training and development.
- xxxii.** We learnt that fewer than 2% of the population of the State lived in rural areas and this was forecast to reduce to 1.4% by 2015, as semi-urban areas expanded and people moved. We recommend that further consideration be given to whether it is necessary to establish separate agencies for small towns and rural areas. There would seem to be potential advantages in combining the geographical responsibilities into a single agency (not least removing the need to define organisational boundaries which will inevitably be somewhat arbitrary). A single Agency might be better placed to match

technology to hydrography and to carry out the type of option appraisal proposed for the Master Plan

- xxxiii.** If it is regarded as necessary to define rural from semi-urban, whether there are one or two agencies, we suggest that the prime determinant should be the nature of the service to be provided. The geophysical and hydrographical factors are likely to be as important as the population density. We also suggest that there is a review of how areas are defined as rural and semi-urban/small town every 10 years to ensure that services remain geared to need.
- xxxiv.** A further organisational aspect is the relationship between WCAs and Town Unions. The future relationship between Town Unions and WCAs will be important to establish, especially if the EC's small towns initiative were to change in any material respect. The WCAs were created as part of the small towns initiative. There is the issue of whether the current structure continues to meet future needs and what should happen if and when EC funding is no longer available.
- xxxv.** Difficulties currently arise when facilities, such as pumping stations are constructed by the Government and transferred to WCAs. We recommend that WCAs should be involved from the outset when facilities are proposed for their areas. The WCAs should be consulted on the proposals and should be authorised to inspect works as they proceed (though the supervisory responsibility should continue to reside with the commissioning body). The WCAs should ensure that their complaints are properly documented – a proforma could be employed to assist this. The Regulator could be given a role as arbiter in the event of a dispute between the WCA and the Government, with authority to require action to be taken where necessary to ensure that the equipment and facilities are to a satisfactory standard.
- xxxvi.** Although outside the scope of our visit, it appeared from our discussions and comments received that water resource management was relatively undeveloped. Water resource management should be central to any water and sanitation policy and we recommend that consideration be given to developing a water management plan. There is considerable expertise already within the State which could be employed to draw this up, perhaps with external advice and support so that experience can be shared
- xxxvii.** There is a history of difficulties arising (e.g. the provision of boreholes), where the Federal Government has launched an initiative without notifying the responsible bodies and agencies at State level. The STU will want to give consideration as to how information can most appropriately be pooled without

prejudicing the appropriate independence and autonomy of State level initiatives

- xxxviii.** Training and skills development should not be thought of as a one off exercise. It should be a constant process.
- xxxix.** The WCAs are making decisions now about investments and tariffs. A basic option appraisal framework, drawing on the earlier advice in PAWS reports, but trimmed to suit the experience and the level of decision making could be helpful to the WCAs. The proposed Small Towns Agency or an alternative supervisory and support body might be able to assist in this respect.

10. APPENDICES

Annex A – Decision tree

How the decision tree works:

1. Take an objective, high-level value or idea that you want to put into action (e.g. the objectives outlined in the Anambra Draft Policy Statement).
2. For each objective, ask the question 'how?' (i.e. 'how could this be achieved?').
3. Write down all the answers you can think of at the next level of detail (looking at the example decision tree below will make this clearer).
4. For each of these answers, ask the same question 'how?' and again write down all the answers you can think of.
5. Continually ask the question 'how?' of each answer until you can go no further!
6. Repeating the process for all your answers, you should end up with a set of actions that are so specific they can be designated a date, assigned to an individual and the progress measured over time. Groups of actions (i.e. whole branches of the tree) can be assigned to managers.

Note that it is quite possible that several branches of the tree will end in the same conclusion. This kind of overlap is completely normal as it shows that different aspects of the objective can be achieved by undertaking the same set of actions. This is exemplified in the decision tree below in the recurrence several times of 'establish regulatory framework.'

From right to left the branches should continually separate and never converge; however, in creating the decision tree you may find yourself tempted to make the branches converge. If so, go back towards the left and re-examine earlier decisions to see if you've missed something, or could answer the 'how?' question more concisely.

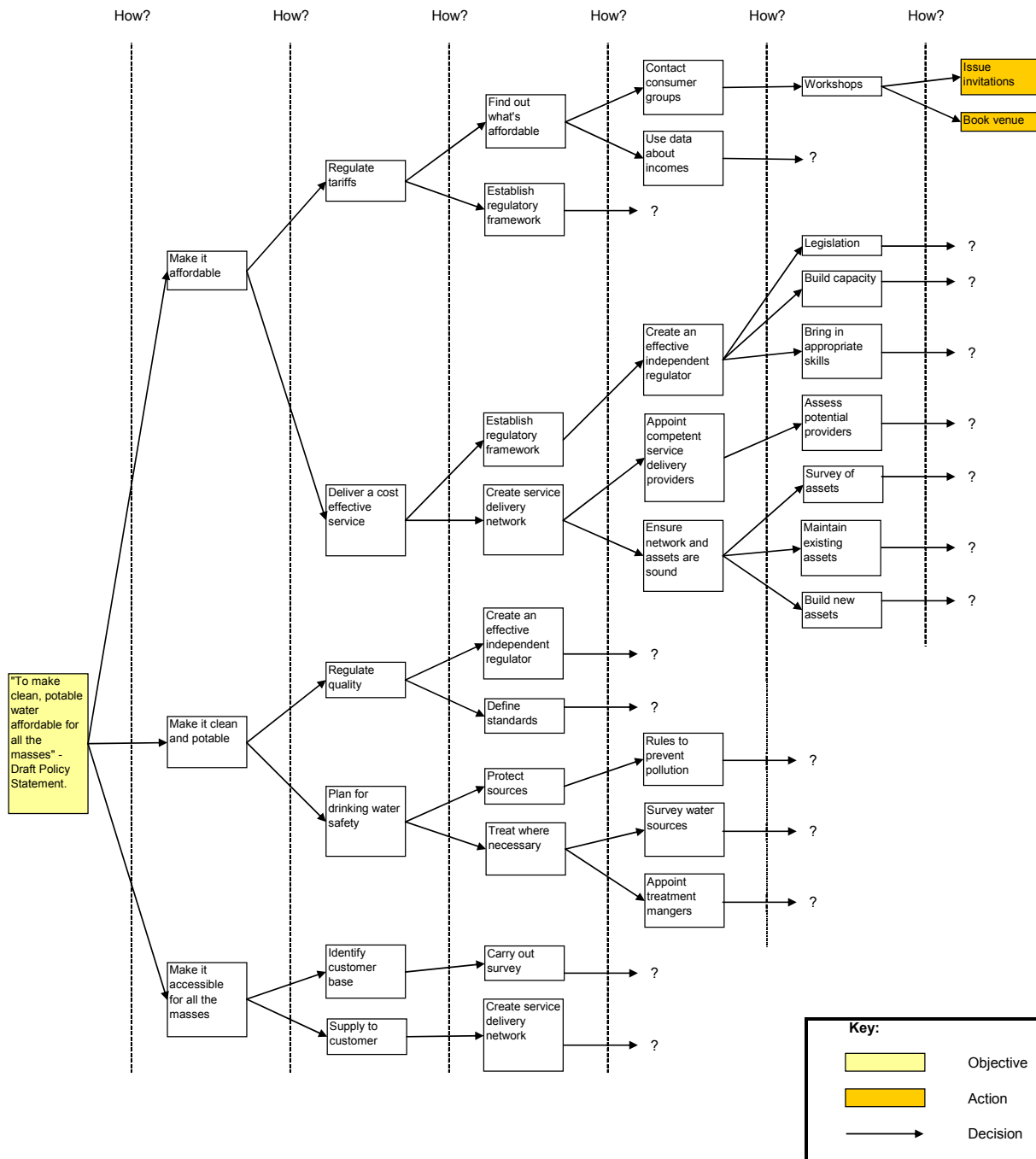
The decision tree is useful in finding how to translate high-level ideas or values into actions, It could be a useful exercise to produce a decision tree for each of the remaining objectives in the Draft Policy Statement – we have used just one of these in the example below. This would help spot where further clarification may

be necessary, in order to turn policy into action, and ensure that careful and structured thought is given to how each objective is going to be delivered.

The decision tree can be used earlier in policy-making, or when the reasons for the direction of an implementation plan are becoming unclear, to review whether the plans will bring the outcomes you require. In this case, the question 'why?' is asked at each stage instead of 'how?'

As a side note, although project management is beyond the scope of this report, the actions produced by a decision tree could usefully be set out in a simple project management plan, by specifying start and finish times and representing graphically. This would then allow the tasks critical to the success of the project to be identified, and resources to be allocated in the most efficient way.

The uppermost branch of the decision tree below has been completed through to the actions at the 'leaves' (issue invitations and book venue). The remaining branches have only been partly developed, as this is just an example.



Annex B – Draft implementation plan

1. Forward

This could be a forward by the Governor summarising why he sees this programme as important and welcoming the implementation plan.

2. Introduction

This would introduce the implementation plan explaining its purpose and make up.

3. Clean, potable water affordable to all the masses

What we plan to achieve, by when.

Why we are doing this.

How we plan to do it

The main milestones.

The estimated cost and how we plan to fund this.

4. To have a clean environment

5. To reduce the incidence of water-borne diseases like cholera and diarrhoea.

6. To sustain our industry and livestock production

7. To make Anambra State environmentally friendly.

8. Cost recovery and tariffs.

9. Regulation.

10. Institutional restructuring

11. Review and harmonisation of the legislation

12. Skills, training and development

13. Budget

Annex C – Sample Project plan

| | |
|--|-----------|
| Programme: Cost recovery and tariffs | |
| Activity: Assessing and proposing the tariff/cost recovery balance in urban areas | A1 |

Senior Responsible Officer: Name

ACTIVITY MANAGER: Name

AIM: To ensure that the tariffs charged in urban areas will be sufficient to meet the cost of operation, maintenance and future capital investment in urban areas.

CONTRIBUTION TO PROGRAMME OUTCOMES: This will enable the Reform Programme to achieve a long term sustainable water supply service, without reliance on external funding.

DRIVERS:

- Poor quality existing services
- Political commitment to achieve long term improvements

MILESTONES/DECISIONS:

- Complete initial assessment by.....
- Consult on proposed tariffs by.....

RECENT PROGRESS:

- Preparation of project plan
- Receipt of legal advice

END DATE: November 2010

RESOURCES & RESOURCE PROFILE:

| Resource | Grade and number of people involved | x | y | z | | | | |
|-------------|-------------------------------------|---|---|---------------------|--------------------|--|--|--|
| | | 2 | 1 | 0.5 | | | | |
| £ programme | Who | | | Lead official (1.0) | Supported by (0.5) | | | |
| | | | | | | | | |

| Work level(1) | | | | | | | | | | | | |
|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |

RISKS AND ISSUES:

- State elections
- Lack of data

LINKS WITH OTHER PROJECTS/ ONGOING WORK:

- Accessible safe water supply to all in Anambra

Note – this section is colour coded to indicate levels of pressure on the team: red – high, amber – medium, green – low. The height of the blocks indicates the volume of work. It provides at a glance of peak loads and when resources could be redeployed]

Annex D – Risk management plan

A risk management plan focuses on risk management through practical countermeasures and contingencies. Risk management involves answering systematically the following questions:

What is the risk?

What could happen that would threaten the achievement of the objectives?

How likely is the risk to occur?

High = Certain or highly likely to occur

Medium = Moderate likelihood of occurrence

Low = Unlikely to arise in practice

How severe would be the impact of it occurring?

High = Incidence would severely impact ability to deliver the objective

Medium = Some impact on the ability to deliver the objective

Low = Incidence would have little impact on delivering the objectives

How can the risk be minimised?

How to reduce the likelihood of the risk occurring, and to reduce the impact of the risk should it occur and contingencies

How can the remaining risk be managed?

There is no set answer to this question. Each risk will require a tailored answer. Among the options might be:

- Have an alternative plan of action to enable the objectives to be met, i.e. a ‘plan B.’
- *Transfer the risk to an organisation better placed to manage it (e.g. transfer the risk to a contractor or concession).*
- *Have a communications strategy so that if the risk occurs, there are clear and established lines of communication.*
- Two example risks are given below in the form of a simple risk management plan:

| What is the risk? | How likely is it to occur? | How severe would be the impact? | How can the risk be minimized? | How can the remaining risk be managed? | Who is responsible for dealing with this risk? |
|--|----------------------------|---------------------------------|---|---|--|
| <i>The WCAs are required to accept a badly built assets, which they have to run.</i> | <i>High</i> | <i>High</i> | <i>Involve the WCAs from the concept and design stage of the project. Ensure that they are equipped to monitor the construction, and have authority report problems to the Ministry. The rights and responsibilities of the WCAs to be set out in a formal agreement (e.g. a memorandum of understanding)</i> | <i>If the asset does not meet requirements, the WCAs should be empowered to rectify the problem with the asset, e.g. to request that the Ministry withhold retention monies from the contractor, and to commission remedial work.</i> | <i>(named individual in the Ministry)</i> |
| <i>Confusion about respective roles.</i> | <i>Medium.</i> | <i>High.</i> | <i>Set out responsibilities, duties and powers in the policy document, having discussed them with the respective organisations.</i> | <i>Communicate to all parties and ensure that there is a shared understanding.</i> | <i>(named individual in the Ministry)</i> |
| | | | | | |
| | | | | | |



- A blank risk management plan is also provided:

| What is the risk? | How likely is it to occur? | How severe would be the impact?? | How can the risk be minimized? | How can the remaining risk be managed? | Who is responsible for dealing with this risk? |
|-------------------|----------------------------|----------------------------------|--------------------------------|--|--|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Annex E – Holistic organisational change

| | Initiation | Implementation | Post-implementation |
|--------------------------------|---|---|---|
| Policies and Procedures | <p>Be clear and specific about objectives and priorities, in terms of: outputs and outcomes; the resources available; and the services to be market tested.</p> <p>Establish respective responsibilities and powers. Responsibility has to be accompanied by authority to act.</p> <p>Issue formal delegations and set down in memoranda of understanding the respective relationships and how the different bodies will work together. These should spell out what they are authorised to do and not do</p> <p>Identify potential risks to achieving the objectives and agree a risk management strategy</p> <p>Decide the pace of change within the WSSSRP and how it will be phased or piloted.</p> <p>Prepare overall implementation plan</p> | <p>Publish State and local delivery plans and milestones, together with a single vision of what success will look like. The plans should be outcome and output based. Be as precise as you can be about what is to be achieved by when.</p> <p>Ensure that everyone who needs to know is aware of the disputes process, in case problems arise.</p> <p>Ensure that procurement policies and practices are complementary to the agreed objectives and the implementation plan</p> <p>Guard against excessive inward focus. What is going on outside the Reform Programme will be as important as what is happening internally.</p> | <p>Review progress and realism of delivery plan in the light of experience.</p> <p>Identify what is working and what is not working as planned. Identify and deal with barriers to progress and, if necessary, adjust priorities.</p> <p>Review how well the different bodies are working together and levels of decision making. Apply a policy of earned autonomy.</p> <p>Review the extent to which state and local spending and service delivery priorities continue to reflect Federal Government priorities and policies.</p> <p>Implementation of the programme will mean thinking non-traditionally about service delivery. Assess whether there has been the desired culture change.</p> |

| | Initiation | Implementation | Post-implementation |
|------------------|---|---|--|
| | <p>with milestones and indicate relationship with other related programmes (e.g. Health and Education).</p> <p>Agree disputes policy and procedures.</p> | | |
| Services | <p>Undertake assessments of need and capacity, skills, ability and willingness at all levels.</p> <p>Evaluate match between needs and possible providers. Identify where there are capacity and skill gaps.</p> <p>Produce a map of the delivery landscape at State level, tied to the key objectives. Review existing commissioned services to assess whether present arrangements meet objectives.</p> <p>Identify key performance indicators for managing successful implementation of the programme and for delivery of the services.</p> | <p>Begin process of reinforcing the working relationships between the different managing and delivery organisations to create integrated services. Make full use of the existing forums and mechanisms such as workshops and Town Meetings.</p> <p>Begin nurturing service providers to develop opportunities for more cost effective service delivery.</p> | <p>Review cost effectiveness of services. Watch for gaming by service providers (e.g. reporting service standards based on what they are supposed to achieve and not what they are achieving)</p> <p>Benchmark output of services across different areas and different service providers (e.g. compare private with public).</p> <p>Hold regular contract/Service Level Agreement meetings with providers.</p> |
| Structure | Establish governance arrangements for overseeing | Wherever practicable, ensure that separate teams deal with | Set up a team of state and local staff to review progress. |

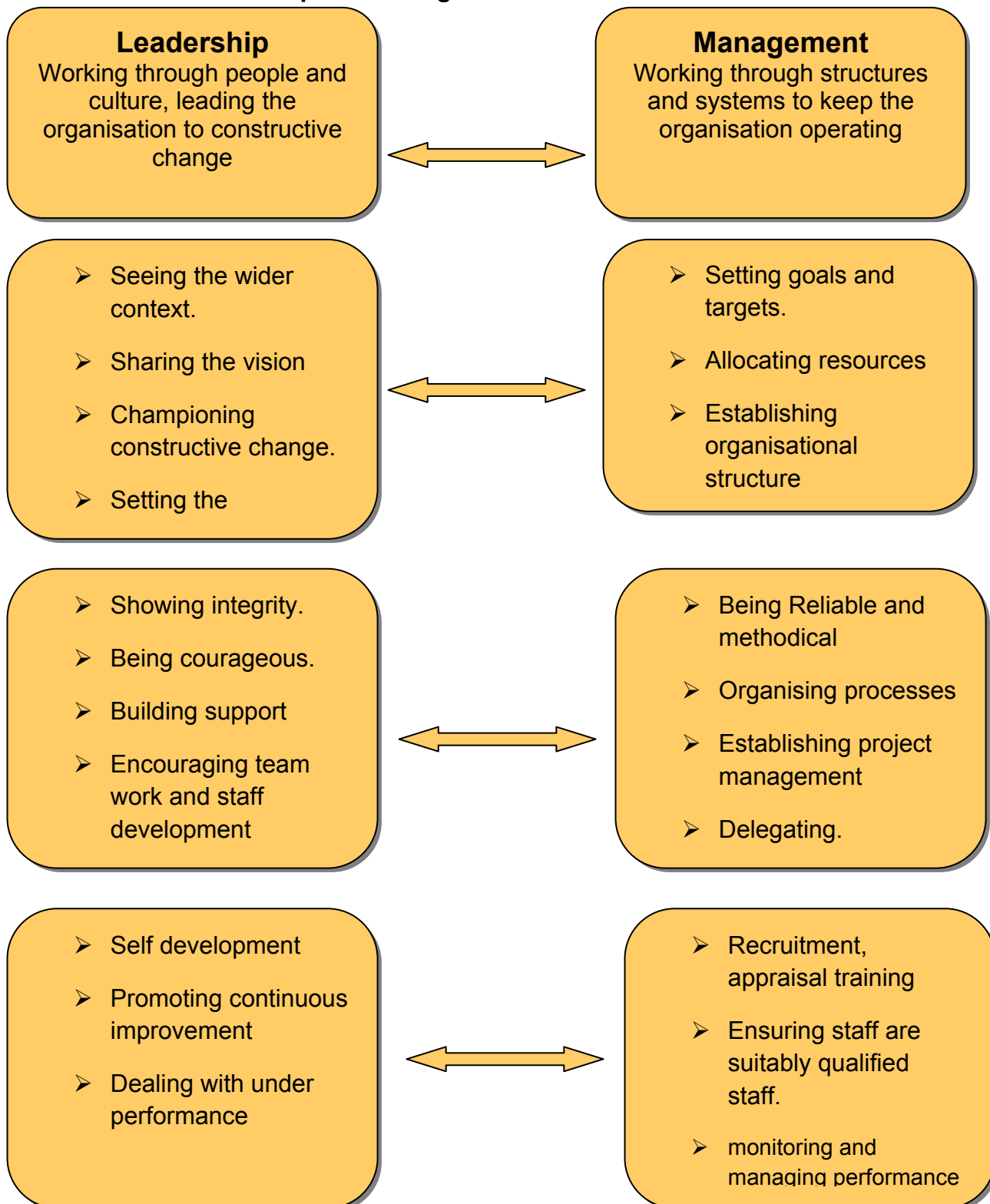
| | Initiation | Implementation | Post-implementation |
|---------------|--|--|--|
| | <p>implementation of the policy.</p> <p>Establish regulatory system.</p> <p>Ensure that there is technical support to assist those that need it. Decide where this support should be placed and how it will operate.</p> | <p>commissioning services and delivering actual services. In all cases be clear about the difference between the commissioning function and the provider function.</p> | <p>Review governance arrangements and structure to ensure that they are fit for purpose.</p> <p>Review technical support arrangements. Are they working as they should?</p> |
| People | <p>Undertake skills audit. Identify and record where knowledge about services rests. Ensure that all staff are kept informed of how commissioning will affect them, answering queries honestly and frankly.</p> <p>Decide what is to be done about the pay of the Water Corporation staff, and about those people in the Water Corporation unable to meet the needs of providing satisfactory level of service to customers.</p> <p>Appoint/designated technical support staff. Be clear about where the costs of technical support will be borne.</p> | <p>Ensure that those commissioning services at all levels have sufficient knowledge about services to evaluate and manage contracts/Service Level Agreement.</p> <p>Ensure that all public bodies commissioning water and sanitation services and delivering those services have appropriate training and access to technical support.</p> <p>Reflect commissioning responsibilities in staff appraisal and reward systems.</p> <p>Issue the guidance to WCAs, and set up feedback system.</p> | <p>Invite regular feedback from staff, service providers, delivery partners and customers to tune and adjust programme, as necessary.</p> <p>Observe whether behaviours among the various players match expectations. Are people acting in ways that reflect what is expected of them and others?</p> <p>Adjust rewards and other incentives to foster the desired behaviours. Deal with unsatisfactory performance by individuals.</p> <p>Respond rapidly to problems or difficulties raised by</p> |

| | Initiation | Implementation | Post-implementation |
|-------------------------------|--|--|---|
| | <p>Decide which services will be open to private sector provision and whether public providers can compete.</p> <p>Prepare accessible and useful guidance for WCAs.</p> | <p>Establish networks to enable WCAs to learn from each other's experience.</p> | <p>service providers and by those managing them.</p> <p>Keep training people continually to raise performance.</p> |
| Systems and Technology | <p>Establish formal and informal communication systems and ensure that people understand how they are intended to operate</p> <p>Design a performance monitoring system. Be realistic about what can be achieved. Set up systems to deliver the data required for monitoring performance of services, including qualitative assessment. How customers feel about the services can be as important as the hard data.</p> <p>Put in place a risk management system with clear apportionment of responsibility and accountability.</p> <p>Compile register of</p> | <p>Appropriately apportion responsibilities and risks between commissioners and providers.</p> <p>Prepare standard contracts and Service Level Agreements (indicating where local variations are permitted).</p> <p>Launch monitoring system promptly, ensuring that it is proportionate and relevant.</p> <p>Develop a simple score card to evaluate performance of water and sanitation services and roll out of the programme.</p> <p>Establish review mechanism.</p> | <p>Undertake risk management review.</p> <p>Review monitoring system performance. Make sure that the performance data metrics are appropriate and that accurate and timely data are being received.</p> <p>Review and, if necessary, promptly modify other processes to ensure that they work as intended.</p> <p>Evaluate whether structures, systems and specifications facilitate innovation and appropriate local discretion.</p> |

| | Initiation | Implementation | Post-implementation |
|----------------|--|---|---|
| | <p>definitions where performance monitoring and contract/Service Level Agreement management rest on these.</p> <p>Establish State and local technical support capacity.</p> | | |
| Finance | <p>Identify the resources available.</p> <p>Ensure that the implementation plan objectives and proposed delivery mechanisms match the resources (including financial) available. If there is a mismatch revisit the proposals to bring them into line.</p> | <p>Issue budgets, in line with responsibilities for managing water and sanitation services.</p> | <p>Monitor expenditure and assess cost effectiveness of services in terms of outputs and outcomes.</p> <p>Ensure that budget and funding problems or difficulties are addressed promptly.</p> <p>Ensure that the budget cycle enables the work to proceed as planned. The timing can affect when work can be commissioned and commenced.</p> <p>Introduce positive budget incentives for service managers who demonstrate their ability to meet the programme's objectives and ensure</p> |

| | Initiation | Implementation | Post- implementation |
|------------------|---|--|---|
| | | | that high quality services are delivered. |
| Customers | <p>Build an accurate picture of the customer base and likely demand. Anticipate behavioural effects, e.g. if the water supply improves will people want to use more? How will demand be managed to match supply?</p> <p>Involve customers in helping to shape the services to be provided.</p> <p>Inform customers of proposals and what they can expect to happen by when.</p> | <p>Establish arrangements for customers to be able to feed back their experiences of the services. Make customers' views public (e.g. as part of a regulator news sheet).</p> <p>Establish a customer group which can represent the interests of customers collectively.</p> | <p>Ensure that any feed back from customers is acted upon and is seen to be acted upon.</p> <p>Keep customers informed.</p> |

Annex F – Leadership and management





Annex G – Communication Plan

A Communication plan consists of a phased plan with key activities, audience, responsibilities and deadlines. Two example communication points are given below:

| Purpose of Communication and Key Messages | Date of Communication | Activity and Audience | Means of Communication | Person responsible for this action |
|--|-----------------------|---|--|---|
| <p><i>Purpose: to rectify the problems being experienced with the borehole, and ensure people can receive clean water.</i></p> <p><i>Key Messages:</i></p> <ul style="list-style-type: none"> <i>- the WCA is aware of the problem and are able to offer a solution to the Ministry; and</i> <i>- they are taking action on behalf of their customers.</i> | | <p><i>Letter from WCA drawing attention to difficulties experienced with a recently constructed borehole. The audiences are both the Ministry, and the local community.</i></p> | <p><i>The letter itself and a town meeting to let the community know what has been said in the letter.</i></p> | <p><i>Chairman of the WCA.</i></p> |
| <p><i>To seek contributions to draft policy statement to strengthen it. To get 'buy-in' amongst stakeholders, to let people know what is proposed..</i></p> | | <p><i>Draft policy statement. All stakeholders in the water and sanitation sectors.</i></p> | <p><i>Workshops, meetings, letters, copies of the policy sent to everyone with an interest, press notices.</i></p> | <p><i>Named individual in State Technical Unit.</i></p> |



A blank communication plan is also provided:

| Purpose of Communication and Key Messages | Date of Communication | Activity and Audience | Means of Communication | Person responsible for this action |
|--|------------------------------|------------------------------|-------------------------------|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Annex H – Technical Meetings Highlights by Jude Emesim

Meeting with Anambra State Water Corporation 14/07/09

The meeting started with a general introduction by all the participants present and Gabriel highlighted PAWS technical support the state and the visit objective. He said the meeting is to understand the roles and responsibilities of various state actors and for them to make inputs in the ongoing reform of the WSS sector.

Answc Reform Strategy

- The seven man board drawn from public and private sector have varying experience in water supply issues.
- The board proposes change in staffing, institutional roles and funding.

Staffing

- The board is proposing to down size over four hundred staff and use the remaining the two hundred to run the corporation.
- The board will implement the various staff audit report to select the affected staff.
- The board will encourage the retraining of the remaining staff to increase staff morale.
- The board is soliciting the support of the government in offsetting the arrears of salary owned the corporation staff.

Institutional Strategy

- The board will support the on going reform in the state and the definition of new roles and responsibility for the Answc.
- The board will support the involvement of the organized private water supply providers in the urban cities of the state.
- The board supports the establishment of an independent Regulator.
- The board is recommending a new role for the Answc as a support agency for the small town water supply while the PSP will manage the urban cities and RuwassA will oversee the rural areas.

Funding

- The State government should increase the budget allocation to the sector.
- Make policy that will encourage Private sector actors to bring in funds and improved technical expertise in the sector.
- Support the ownership and management of rural and small town water scheme by the WCA and WASHCOM as this will increase sector funding through their funding of operation and management of the WSS Schemes in their area.
- Support massive rehabilitation of Answc Water Supply Scheme.

Recommendations

- Training and Retraining of the Answc should be supported and encouraged.
- The draft policy document needs to be circulated to the board members and Principal Answc Staff.
- Independent Regulator should be established and its composition should include Private water service provider, Civil Society Organisation and town union.
- Support the change of roles of the Answc to be limited to small town water supply.

Meeting with Anambra State House Committee on Public Utilities 14/07/09

The meeting started with a general introduction by all the four committee members on public utility, committee secretary and the PAWS Team present and Gabriel presented to the committee PAWS technical support the state and the visit objective. He said the meeting is to intimate the members on their programs for the state and create awareness for the draft WASH policy and proposed WASH law which will be table to the committee for their ratification and accent.

List of Committee members present

- Hon. Ebere Ezechukwu Deputy Chairman
- Hon. Ejiofor Egwuatu Member
- Hon. Idu Emeka Member
- Hon. Simon Oraguanya Member
- A.C Udemba Committee Secretary

Reform Outcomes to Date

- Establishment of Ministry of Public Utility, Water Resources and Community Development
- Detailed Sector Assessment
- Ongoing Sector Restructuring with good change management
- Draft policy developed with Master plan ongoing
- Funding source awareness

Issues

- The Honourable members want better communication of information on the on going water sector reform process.
- The members want copies of the zero draft WASH policy to send to their constituencies.
- The Public Utility committee members want a workshop organized for them to bring them up to date on the water sector reform activities; this will enable them to make legislation on the proposed water law.
- The law makes fully support the assets management plan and believes this will not only help them make good laws but will assist them to ensure that the citizens of this state derives the greatest benefit for every Naira appropriated.

Recommendation

- The workshop report and the WASH policy will be forwarded to the honorable members.

- A State stakeholders workshop will be organized for Anambrians to make input into the zero draft WASH policy.

Meeting with WASH Coordinators, UNICEF Consultants, and RUWASSA

10/07/09

The meeting started with a general introduction by all the participants drawn from the five focal local government WASH Coordinators, Unicef Consultants and RuWASSA TEAM and Gabriel PAWS country Manager during the opening remark said that the meeting objectives is to know what each institutions does and equally share knowledge and experience. He said the meeting is to understand the roles and responsibilities of various state actors and for them to make inputs in the ongoing reform of the WSS sector.

ISSUES RAISED

- What is the relationship between Ruwassa and WASH unit ?
- The relationship between Wash Unit and WSSSRP need to be properly defined at the small town level.
- WASH unit is meant to be in charge of water, hygiene and sanitation at the LG level but greater emphasizes is placed on water supply only.
- What relationship will exist when unicef, wsssrp and Eu programs ends.
- Their need to be role for the WASH unit in the WCA constitution.
- The relationship between the washcom and the wash unit is properly defined but the relationship between the WASH unit and WCA is not very clearly defined.
- What are your thoughts on the establishment of small town rural water supply agency?
- How should regulate and where/.
- How do we know when people are getting services?
- How do we get information for service delivery/
- How do your get cost recovery for sanitation services?
- What cost should be included in the cost recovery
- What do we want regulation for/?
- Who should regulate and what do we think regulation should be in WSS sector?
- How do we enforce compliance in the proposed water law?

Recommendations

- Support the adoption of either WCA or Wash COM as the definition for the community water structure in the small town and rural community.
- Support the creation of an independent Agency to regulate the sector but added that WASH unit should regulate at the LG level.
- Support the upgrading of WASH unit to a Full department to enable the department has direct budgetary allocation from the LG council.



- Support the establishment of small town water supply agency.
- Need for proper integration and definition of roles and responsibility for Ruwassa, Anwsc, Wash UNIT and WASHCOM.

Meeting with WCAs, CSOs and Local Government Steering Committees 10/07/09

The meeting started with a general introduction by all the participants present and Gabriel highlighted PAWS technical support the state and the visit objective. He said the meeting is to understand the roles and responsibilities of various state actors and for them to make inputs in the ongoing reform of the WSS sector.

Rodney Anderson asked what the relationship between LGSC and WCA is and what sustains the program and activities of the LGSC.

The LGSC is the policy making organ for the water and sanitation sector at the LGA level and they also proffer advice to policy implementers at the IGA level.

What is the relationship between LGSC and Local Government Council?

What is the relationship between LGSC and town Union?

The relationship with town development unions is cordial.

Lgsc committee members are drawn from the town unions, CBO, women group and traditional rulers.

WCA roles are not limited to managing and operating the water supply facilities but to ensure that standards are met during construction of the facilities.

Issues Raised

- Who monitors the water supply schemes in the small towns.
- What is your view on the draft water policy and did your organization participated in the preparation of the draft policy
- How do your strategy for translating the policy into action
- Should water be social good or economic good.
- What is your strategy for billing and tariff setting/
- What is your thought on regulation?
- Where should the regulator be/
- Who pays the regulator
- In terms for improving WSS what changes do you envisage?

Recommendations



- Regional WSS schemes should be constructed and encouraged for Aguata Zones due to the difficulty in drilling boreholes in the region.
- Support the reorientation and training of staff in charge of government water supply scheme.
- Support public private partnership arrangement in the water supply sector.
- The people are ready to pay for sustainable services.
- Support Overseas training for government officials in WSS sector
- Support the formation of independent regulator that will comprise government officials, WCA, PSP, TDU.
- Local Government Steering Committee should be upgraded to include direct supervision of WSS facility in the LGA and fund should be earmarked to support their activities.
- The independent regulator should be funded from government revenue and the tariff collected from consumers.
- The community through their Wca should determine the tariff level that will be adequate and enough to sustain services.