

Kano State Government

**Approved
Water Supply Policy**

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ABBREVIATIONS & ACRONYMS

DFID	Department for International Development
JICA	Japanese International Cooperation Agency
K-SEEDS	Kano State Economic Empowerment and Development Strategy
KnSWB	Kano State Water Board
LGA	Local Government Area
M & E	Monitoring and Evaluation
NEEDS	National Economic Empowerment and Development Strategy
NGO	Non governmental Organization
O & M	Operation and Maintenance
PPP	Private Public Partnership
RUWASSA	Rural Water Supply and Sanitation Agency
SLGP	State and Local Government Programme
UNICEF	United Nations Children`s Fund
WCA	Water Consumers Association
WIMAG	Water Investment Mobilization and Application Guidelines
WRC	Water Regulatory Commission
WSA	Water Supply Agency
VBWSHE	Value Based Water, Sanitation and Hygiene Education

Executive Summary

This document presents a Draft Water Supply Policy for Kano State. It is the starting point towards development of a water policy for Kano State.

The Draft Policy Document was prepared by the DFID funded State and Local Government Programme (SLGP) in September 2005. SLGP hired a team of local and international consultants with expertise in water supply policy, who, through the review of numerous reports and documents and extensive information gathering meetings with stakeholders, developed the proposed new policy. The document has been subjected to stakeholder's discussions through a workshop held from 16 to 18 May 2007. Prior to this, copies were distributed to key government stakeholders for comments and suggestions for improvement of the initial draft. The stakeholders' comments are incorporated in this final draft Policy and is submitted for approval by Kano State Government.

The purpose of the new policy is to document the decisions and fundamentals that will form the basis for future development, operation and management of the water supply sector in Kano State. The policy will establish the basis for legal, institutional and economic reforms in the water sector that will lead to:

- Improved water governance at the State and Local Government levels
- Improved access to safe, adequate and sustainable water supply services for the people of Kano State.

In Kano State, the water supply sector has over the years been organized and managed in a top-down, supply-drive fashion. Decisions concerning water supply in the state are taken exclusively by government and government has a monopoly over the implementation and operation of water systems. For a number of reasons, this system has failed to produce the required results, and in 2006 it was estimated that over half the population of the state, comprising about 5.0million people, do not have access to safe and reliable potable water supplies. This is having extremely dire health and economic effects on the people of the state.

The new policy proposes sweeping changes in how the water sector is organized and managed in the state. It is in-line with current thinking and approaches being promoted by the Federal Government and therefore will enable Kano State to take advantage of funding that may be available from the Federal Government¹. The policy is consistent with the National Water Supply and Sanitation Policy in most parts, the National Rural Water Supply Programme Strategic Framework developed by the Federal Ministry of Water Resources with the contribution of all the 36 States of the country and the Federal Capital Territory and the Federal Government proposed Sample State Water Supply Regulatory Law. The policy is also consistent in many ways with approaches that are being successfully implemented in other developing countries. Some of the key fundamental principles of the proposed policy are as follows:

¹ The Federal Government has prepared a document called WIMAG (Water Investment Mobilisation and Application guideline which will enable the implementation of the cost sharing agreement between the Federal, State and Local government and communities for the implementation of water supply projects. Funding will be provided by the Federal Government to States who agree to adopt reforms that will lead to a more sustainable water supply in the country.

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- A new approach to water supply is required that is a “bottom-up, demand-driven” approach as opposed to the current “top-down, supply driven” approach
 - Decision making should be devolved to the lowest possible administrative level
 - Communities should be involved in decision making, ownership and operation of water supply systems
 - Capital costs should be shared between the 3 levels of government and the community
 - Water is an economic good and should be paid for – the government cannot provide water to its citizens for free
 - Government should move away from being a provider of services and focus its efforts on facilitating, co-ordinating, planning, financing and monitoring development
 - The private sector needs to take the leading role in provision of water service
 - The water sector needs to be regulated to protect the consumer and to ensure its long term sustainability
 - Cooperative government is critical to the success of the sector
 - Access to water supply for the poor needs to be guaranteed, and this may require both cross subsidies and government subsidies

These principles are consistent with the four key strategies of the National Economic Empowerment and Development Strategy (NEEDS) which aims

- to reform government and institutions to restructure, right size and strengthen so as to improve service delivery
- to grow the private sector by reducing the influence of government and accelerate privatization, de-regulation and liberalization with a particular focus on economic infrastructure
- to begin to implement a social charter to improve people’s access to, among other things, health, welfare, empowerment and participation
- to attempt value reorientation and focus on the private sector and enhancing the role of civil society among others

The fundamental principles of the proposed policy are also in-line with the principles of the Kano State Government as articulated in K-SEEDS.

The policy proposes a new institutional structure for the water sector in the state that is profoundly different than what currently prevails. The structure is based on community ownership and management of water systems in rural and semi-urban areas while in urban areas, most major water supply systems will remain in the ownership of the State government but managed commercially through suitable private public partnership (PPP). Small independent private service providers will also be organised and encouraged. Communities in rural and semi-urban areas will

elect or appoint a Water Consumers Association (WCA) that will be responsible for managing a communities' water supply system, and will be accountable to the consumer. The WCAs will hire private sector Water Service Providers (WSPs) to carry out operation and maintenance of the systems; however, in a small rural setting the WCA may fulfil the function themselves. The role of government will gradually move from being a service provider to being one of establishing policy and legislation, facilitating change, creating the enabling environment for success in the sector, providing technical assistance to the sector, developing standards for the sector, gathering data and preparing long term master plans. However, the government will still be able to operate as a service provider if they choose to, but will have to compete against private sector firms. While in the long term, WCAs will eventually be formed in urban areas to own and manage the urban water supply, the short and the medium term objectives will still leave the government as the main provider of the massive funds needed for infrastructural development in the water sector in urban, semi-urban and rural areas.

The policy proposes that government stop subsidising operation and maintenance of water systems, and that the consumer pay all costs of system operation and maintenance including eventual replacement of systems. It is proposed that capital costs be primarily funded by the 3 levels of government, also with a small contribution from the communities to instil the sense of ownership. If government discontinues funding operation and maintenance and redirects its funds to capital works, full water coverage across the state can be achieved in time. The policy also proposes that the WCAs will determine water rates and tariffs, and this implies that different locations will have different tariffs. The WCAs will develop systems within their water rates and tariffs to enable affordable access to the poor. If this cannot be satisfactorily accomplished then subsidies could be provided, and this is proposed to come from the LGAs and not the state government. Where subsidies are provided, they would need to be arranged in such a way that maintains accountability between the consumer and the water service provider.

Several legal changes will be required to implement the new policy. Instead of attempting to modify a number of existing laws, it is proposed to repeal the existing laws and create one new all encompassing law for the whole sector in-line with the requirements of the new policy.

The changes envisioned by the new policy are considerable, and someone will need to lead the process of change. The policy proposes the creation of a Change Management Office within the Ministry of Water Resources whose function will be to drive the process of change forward.

A well developed long term plan for implementation of the policy will be required, but this should only be prepared once the policy has been agreed to.

1.0 Introduction

This document presents a Draft Water Supply Policy for Kano State. Kano State currently does not have a water policy. There are overlaps and gaps in the current structure of the water sector in the state and there is a lack of clarity in who is responsible for what. As a result of this and other issues, water service to residents of the state has been very poor over the years. Improving water supply is one of the priorities of the Kano State Government and there is a need for a comprehensive water policy for the state as a basis for moving forward with improvements. Kano State requested SLGP for assistance in developing a water policy and a team of consultants was hired to prepare this draft policy for consideration by the state.

This Draft Policy document is a starting point in developing a water policy that will be adopted by the State Government. This document has been subjected to stakeholders' discussions through a workshop held from 16 to 18 May 2007. Prior to this, copies were distributed to key government stakeholders for comments and suggestions for improvement of the initial draft. The stakeholders' comments are incorporated in this final draft Policy for approval by Kano State Government..

This document presents a review of the water supply situation in the state. This is followed by a discussion of the objectives and main principles proposed for a new policy, the proposed policy statements, and the proposed institutional structure and legislative reforms that will be required to implement the policy.

Water supply is inextricably linked to other issues such as water resources management, sanitation and environmental management. These issues are mentioned in this policy, but there is a need to further address these issues in terms of how they relate to water supply in the ultimate State Water Policy and Environmental Sanitation Policy which may be developed by the State eventually.

2.0 The Present Situation

Water supply in the state is managed by a number of different government organizations at the federal, state and local government level. Organizations and agencies that have been involved in water supply in recent years include:

- Federal Ministry of Water Resources Department of Water Supply and Quality Control
- Hadejia Jama'are River Basin Development Authority
- Kano State Ministry of Water Resources and Rural Development
- Kano State Water Board
- Kano State Rural Water Supply and Sanitation Agency (RUWASSA)
- Kano State Agricultural Development Authority
- Local Government Authorities (44 in Kano State)
- External support agencies such as the World Bank, UNICEF, DIFD, JICA, etc.
- The private sector has also gotten involved where selected opportunities have arisen to satisfy consumer's needs.

Despite the efforts of these various players for several years, the water supply situation in Kano State remains very poor. Based on the 2006 National population census, the population of Kano State is 9.383million. It is estimated that more than half the present population, or approximately 5.0million people, does not have access

to safe, reliable and affordable potable water supplies. This does not mean that people are going without water, as water is essential for human survival. It means that they are obtaining their water from alternative sources. These alternative sources are usually very costly, often impose high labour requirements for fetching water, and the quality may be suspect. And it is usually the poor or lower income earners that are forced to get their water from these alternative sources. Clearly, the water sector is not delivering adequate service to the people of the state.

This situation is a result of the combination of many factors, including:

- a) The level of investment in the sector has not been adequate to match the rapid population growth
- b) Investment has focused on capital works rather than on operation and maintenance, resulting in deterioration of systems.
- c) Operational costs are high due to poor power supply, high treatment requirements for surface water sources and long pumping distances.
- d) Water has been treated as a social service by government, and there has been a lack of emphasis on cost recovery. This combined with high operational costs and lack of focus on operation and maintenance has made systems unsustainable.
- e) Lack of long term planning (creating a situation of responding to emergencies, and ineffective use of both operational and capital funds).
- f) Very low skills base in the sector, and it is contained within a few government agencies where motivation is low.
- g) The private sector has not developed to support the industry (because the water sector has been controlled by the government for many years}
- h) Lack of coordination in the sector, and duplication of efforts between the various organizations. The net result has been ineffective use of funds that have been available
- i) Poor planning and tendering practices, corruption and favouritism within government have led to ineffective use of funds
- j) Water supply has been delivered from the “top-down” with government making all the decisions. There has been very little input from consumers, which has impacted on their willingness to pay for service.

The proposed policy has been developed to address all of these issues. Given the extent of the current problems and the level of inadequately serviced water consumers, the challenge of improving the water supply situation is enormous.

A business as usual approach or making minor adjustments to how the sector is organized and managed will not suffice. Profound changes in the thinking, policies, organizational structure and management of the sector are required if improvements to the water supply situation in state are to be achieved within the foreseeable future.

3.0 Policy Objectives

The objective of the water policy is that institutional, economic and legal reforms it will lead to:

- improved water governance at the State and Local Government levels
- improved access to safe, adequate and sustainable water supply services for the people of Kano State

Specific targets for improvement in the water sector have not been established as part of the policy, but this would be confirmed in preparing the detailed implementation strategy for the policy. It is envisioned that in the future, all citizens in Kano State will have access to safe, reliable and sustainable water supply. In developing specific targets, the question becomes how quickly can the state move from where it is now, to where it wants to eventually get to. Kano SEEDS indicates that from 2005 to 2007 the objective is to increase levels of access to safe and reliable water supply from the current estimated level of 37.5% to 50%. This represents a 1/3 increase.

4.0 Fundamental Principles

The policy is based on a set of fundamental principles and guiding philosophies as set out below. The principles and philosophies are in-line with the current thinking and direction of the Federal Government of Nigeria and current trends in the water sector as well as other sectors in developing countries, designed to improve service delivery. Some of the fundamental principles are included based on the belief that they are appropriate for the particular situation in Kano State, and in some cases these are an extension of the Federal Government principles. Most of the principles are also in-line with Kano SEEDS.

- i) Better water supply is a priority of the Kano State Government
- ii) People are unhappy with the present situation and they want change.
- iii) The current supply driven “top-down” approach to water supply is not delivering adequate levels of service to Kano State residents
- iv) A new approach to water supply deliver is required – and it should be a demand driven, “bottom-up” approach
- v) The policy should be in accordance with NEEDS, which includes:
 - Reforming and re-professionalising government institutions
 - Growing the private sector
 - Empowerment and participation of people, enhancement of civil society
 - Value re-orientation and not “business as usual”
- vi) Kano State policy should be in-line with federal water policies and programmes (for example National Rural Water Supply Programme and National Small Towns Water Supply Programme) to take advantage of funds available from the federal government and external agencies. Principals of federal water policies include the following:

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- Decentralization
 - Demand driven
 - Community participation and ownership
 - Cost sharing between 3 levels of Govt
 - Autonomy of service providers
 - Water as an economic good
 - Water quality control
 - Involvement of the private sector
 - Possibility of subsidies to ensure access for the poor
- vii) Consumers are willing to pay for water if a reliable level of service is provided (this is demonstrated by the fact that many consumers purchase their water from private providers)
- viii) The poor are often paying the highest cost for water. The policy must change this
- ix) The community has shown a desire to get involved in the management of water supply schemes, especially through their local community development associations
- x) Consumers should pay for water based on level of service provided. This should include a contribution towards capital cost, the cost of system O&M, management, future replacement and regulation of the sector
- xi) Government should discontinue funding the operation and maintenance of systems
- xii) Government should provide the majority of capital financing for rehabilitation of existing systems and construction of new systems (including expansion of systems). After a system has been rehabilitated or newly constructed with government capital contributions, the future rehabilitation or replacement of that system should be funded entirely by the consumer
- xiii) At the same time, there must be access to safe water in reasonable quantities at an affordable cost for the poor, and subsidies need to be accommodated where required.
- xiv) Where government chooses to subsidize the cost of water to consumers, this should be done at the LGA level, and must be done in a way that maintains accountability between the service provider and the consumer
- xv) Politicians should not promise free water to consumers – this is not sustainable
- xvi) Government should phase out of being a provider of water supply, and instead should be a supervisor and regulator, facilitator of change and create the enabling environment for success
- xvii) Policy should aim to empower people, deepen democracy and strengthen civil society

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- xviii) Women as major stakeholders in water use should play a major role in all aspects of the water sector. Youth should also have a voice in water supply issues.
 - xix) Policy should be based on devolution of decision making and service delivery (decision making and accountability at the lowest possible level)
 - xx) The private sector should have a major role in the water supply sector and water supply should be an engine for private sector job creation and economic growth
 - xxi) Involving the private sector does not mean privatization. The principle of the policy should be community based ownership, not private ownership of water supply assets, however, private ownership should be allowed where it is beneficial
 - xxii) Goods and services used in the water sector in Kano State should be procured locally where possible
 - xxiii) Widespread enhancement of knowledge and skills in the water sector is a priority
 - xxiv) Standards and criteria for design, construction, service delivery, water quality and development of water supply systems need to be developed and enforced
 - xxv) Sanitation and hygiene go hand-in-hand with water supply, and the policy must address these issues. Women and children will be centre-stage in promoting better sanitation and hygiene practices
 - xxvi) Sustainability of water systems needs to become part of the planning process, and government funds should not be invested in water systems unless long term sustainability can be demonstrated
 - xxvii) There is a lack of coordination and control in the water sector, and the policy needs to address this
 - xxviii) Cooperative government is essential for sustainable water supply delivery
 - xxix) Demand management is an essential ingredient to long term sustainable water supply, and the policy should address this
 - xxx) Protection of water resources from environmental contamination is essential for long term sustainable water supply provision
 - xxxi) Water supply development and operations must not cause adverse environmental impacts
 - xxxii) The new policy should be viewed as a long term objective to work towards, and it may take several years to implement all aspects of the policy
 - xxxiii) It is not possible to go from the current situation to the realization of the new policy objectives overnight
 - xxxiv) There will need to be a well planned and executed transition towards the new policy

5.0 Policy Details

The details of the policy are presented below. To meet the objectives of improved governance and improved access to safe and reliable supplies, a regulatory body shall be established. Other new agencies and bodies will also be required. These entities are mentioned in the policy items below and details of them are given in subsequent sections.

5.1 Access to water supply

Water is essential for human life and enabling access to a safe and reliable water supply to all persons in the state should be a key development policy of the state government.

A safe and reliable water supply can be defined as:

Water that meets or exceeds safe water quality standards and minimum quantity standards is available on a regular basis

A safe and reliable water supply is a pipe-borne supply or a supply from a handpump borehole or open-well that has been confirmed through testing to meet the minimum quality and quantity standards. Water supply from a pond or stream or an open-well that may be contaminated does not qualify as a safe or reliable supply.

Kano State SEEDS indicates that approximately only 37.5% of the population of the state has access to safe and reliable water supply. The objective of the state government should be to increase access to 100% of the population over time. This is essential for the well-being of the state population, as non-access to safe water supply is a major contributor to poor health and poverty of the general population.

It is important that all people in the state have the same rights of access to safe and reliable supply. Access should not be denied based on where people live, what income group they are in, their religion or tribe, etc:

Policy Statement 1:
Everyone shall have equal access to safe and reliable water supply

While it is proposed that equal access to safe and reliable supplies is a policy of government, this does not mean that government has to provide the water supply or pay for it. It simply means that no individual or group can be denied access – how that access is accomplished is a separate issue that is dealt with under different aspects of the policy. It also needs to be recognized that there may be locations in the state where providing safe and reliable water supply may be very difficult from a technical standpoint. Although people who live in such areas cannot be denied the rights of access to safe and reliable supplies, they also need understand that they may have to make a choice between a high cost water supply, or moving to a location where water supply is more readily available.

5.2 Minimum standards of supply

To have effective, affordable, consistent and sustainable water supply, it is necessary to establish minimum standards of supply and also to enforce these standards. These minimum standards relate to both quality of water and quantity provided. Each of these is discussed below

5.2.1. Water Quality

To ensure the health of the residents of the state, a minimum water quality standard needs to be established. Water supply systems need to be designed and constructed to satisfy this standard and water supplies need to be monitored on a regular basis to ensure compliance with the Nigerian Drinking Water Quality Standard issued by the Standards Organisation of Nigeria (2007).which establish the water quality standard to be used and the frequency of water quality testing. The regulatory body will ensure compliance with this standard. The body will also establish a list of certified laboratories where water quality testing is to be performed. It is proposed that these will be private sector laboratories, but government laboratories could also be certified.

Policy Statement 2:

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| a. All water supply systems in the state shall supply water that meets or exceeds safe water quality standards prescribed by the Nigerian Standard for Drinking Water Quality No. ICS 13.060.20 and subsequent reviews issued by the Standards Organisation of Nigeria |
| b. The quality of water supplied from all water supply systems in the State shall be monitored on a regular basis in accordance with procedures established by the Nigerian Standard for Drinking Water Quality. |

5.2.2. Quantity of Supply

The regulatory body will also establish minimum standards for quantity of supply. Water supply systems would be designed and constructed to satisfy the prescribed standards and systems would be monitored on a regular basis to ensure compliance with the standard.

Policy Statement 3:

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| a. All water supply systems in the state shall supply safe water in quantities that meet or exceed the minimum quantity standards prescribed by the regulatory body |
| b. The quantity of water supplied from all water supply systems in the state shall be monitored on a regular basis in accordance with procedures established by the regulatory body. |

The choice of standard will be determined by the regulatory body, and this can be changed from time to time. As a starting point, the following minimum supply standards, taken from the National Water Supply and Sanitation Policy (Jan 2000) shall apply:

<p><u>Rural</u></p> <p>Settlements with population up to 5,000.</p> <ul style="list-style-type: none"> • 30 litres per capita per day, within 250 metres of the community, serving 250-500 people per water point
<p><u>Semi-Urban (Small Towns)</u></p> <p>Settlements with population between 5,000 to 20,000 and having a fair measure of social infrastructure and some level of economic activity. (Note: for Kano State it is recommended that all LGA headquarters outside of Greater Kano area be considered as semi-urban despite the fact that population may be greater than 20,000)</p> <ul style="list-style-type: none"> • 60 litres/cap/day – systems shall have reticulation and limited or full house connections as determined by the beneficiaries
<p><u>Urban (Greater Kano)</u></p> <ul style="list-style-type: none"> • 120 litres/cap/day – systems shall have full reticulation and consumer connections²

5.3 System Design and Construction Standards

To have an effective, affordable, consistent and sustainable water supply sector in the state over the long term, it is necessary to establish standards for design and construction of systems. At the present time, there are no accepted standards in Kano State and to the best of the consultant team's knowledge there are no standards on a national basis either.

The regulatory body will establish and enforce design and construction standards that will apply to all water supply systems in the state. The standards would be developed in conjunction with the Ministry of Water Resources and the proposed Water Supply Agency, as they will be the bodies that have the technical expertise to do this. The agreed standards would then be adopted by the regulatory body. The

regulatory body would also enforce these standards, but would delegate much of the enforcement activities to the Water Supply Agency.

Design standards and standardized designs will be required for all water supply system components including handpump boreholes, motorized boreholes, tubewells, surface water extraction systems, treatment works, pumping systems, pipelines, storage reservoirs, distribution system piping, service connections, metering etc. For clarification, design standards are written statements which relate to how a system is to be designed, the capacity of a component or materials and manufacturing processes used, and often reference other standards for quality control. An example

² It should be noted that Kano SEEDS specifies higher per capita rates than this, of 40-70 l/c/d for rural, 70-120 l/c/d for semi-urban and 150 l/c/d for urban.. If consumers want higher quantities of supply, then they should be given that choice based on their willingness to pay for the higher level of service.

could be “all systems shall include elevated storage tanks sized for 12 hours of average consumption”. Standardized designs on the other hand, are usually engineering drawings showing how a certain component of a system is assembled or constructed, for example a drawing of an elevated storage tank showing dimensions, piping arrangements, foundation requirements, etc.

Construction standards, which are really quality control measures, will also need to be developed for various works that get constructed in water supply systems, including civil works and structures, electrical and mechanical works, and instrumentation and control systems. Examples of construction standards are procedures for pump testing of boreholes, procedures for testing of concrete samples, etc.

Policy Statement 4:

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| <p>a. All water supply systems in the state shall be designed and constructed in accordance with the standards, codes and regulations established by the regulatory body.</p> |
| <p>b. The regulatory body will monitor all water systems design and construction work. Water systems in the state shall only be constructed based on designs approved by the regulatory body, and constructed systems shall only be put into use upon approval of the regulatory body.</p> |

5.4 Sustainability, Pricing and Cost Recovery

For a water supply system to be sustainable in the long term, the system needs to generate internal revenue adequate to cover all costs of operating the system (O&M and management) plus the cost to eventually replace the system at some point in the future. Anything less than this requires that subsidies be provided to keep the system operational.

The operation of all water supply systems in Kano State is currently (2007) highly subsidized by government in one form or another. These subsidies have proven to be ineffective and have resulted in inadequate water supply to the people of Kano State. Furthermore, the government cannot afford to continue to subsidize the operation of water systems if the objective is for all residents of the state to have access to safe and reliable water supply, as the funds are needed for capital works for new projects.

The policy proposes that the government stop providing subsidies for the operation of water supply systems, and only subsidize the capital costs for rehabilitation of existing systems and construction of new systems. If this is done, adequate water supply coverage for the entire state can become a reality over time. However, government should only agree to finance capital costs of systems where measures will be put in place to ensure long term sustainability. The only exception to this is that government may need to provide operating subsidies in certain cases to enable access to affordable water supply by the poor. But this should be the exception rather than the rule, and should be done on a case-by-case basis. The policy also proposes that where subsidies are given to enable access by the poor, this should be done at the LGA level for rural and small towns systems and at State level for Urban systems.

Removing government subsidies for system operation will mean that consumers will have to pay the full cost of sustaining the systems that serve them, including all operational costs and the cost to replace the system at the end of its useful life. Many consumers who purchase their water through water vendors are already paying these rates and higher. The government operating subsidies should not be stopped in one step, otherwise the impacts on pricing to consumers may be too great. A well planned phasing out of operational subsidies over a period of time will need to be put in place. The strategy and action plan for the implementation of this policy should address this.

Having consumers pay the full cost to sustain their systems also means that tariffs will need to be established for each system separately and not on a state-wide basis as is currently done. The managers of each system (this is proposed as community based organizations as described further below) will set their own tariff and the regulatory body will approve the tariff to provide assurance that the right balance between long term sustainability and affordability is being achieved.

During the period of phasing out of government operating subsidies, the method of subsidy should be such that it ensures accountability between the service provider and the consumer. For example, subsidies could be tied to the service provider meeting certain performance targets before the subsidy is released. This is currently not the case – present subsidies are given without regard to performance and this perpetuates poor service levels.

Policy Statement 5:
a. To be sustainable in the long-term, a water supply system must generate sufficient internal revenue to pay for all operational and maintenance costs and costs for replacement.
b. Consumers shall pay all costs required to achieve long-term sustainability
c. Tariffs will be established for each water supply system separately to ensure long term sustainability of each system
d. Government may choose to finance a portion of the capital cost of new water supply systems and rehabilitation of existing systems
e. Government shall only provide capital financing towards the cost of new water supply systems and rehabilitation of existing systems if long-term sustainability has been satisfactorily demonstrated
f. Government shall gradually phase out of and discontinue contributing to water system operation and maintenance costs in the long run
g. Government subsidies for operation and maintenance costs shall be implemented in such a way that it maintains accountability between the consumer and the provider.

5.5 Demand Management

Fresh water is a finite and valuable resource and proper management of water demand is a crucial aspect of sustainable water supply.

Leakage is really a supply management issue but is included herein under demand management. All systems should be operated to reduce or eliminate leakage as much as possible because reducing leakage is often the least expensive option for increasing system capacity. Existing systems have very high leakage and it needs to be a priority of system operators to have ongoing leakage reduction programmes at all times.

Demand management must also be viewed from the consumer side as well. Water wastage and excess consumption contribute significantly to unsustainability. Wastage/excess consumption is mainly a feature of urban and semi-urban piped supplies. It is typically not a significant characteristic or concern of rural handpump borehole systems or areas supplied by water vendors.

The best demand management tool on the consumption side is the tariff because structures and charge rates can be manipulated to encourage prudent use and water conservation while at the same time allowing poor people access to a lifeline supply through cross-subsidy arrangements. Physical demand measures can also be introduced, such as rationing by limiting the hours of supply, reducing water pressures to limit flows and installing smaller diameter supply pipes to household connections which will restrict flows. Another possible measure is to limit supply to discrete quantities instead of providing consumers with unrestricted access. Passing legislation or formulating bye-laws restricting what consumers can do, eg not water gardens or livestock can also provide a measure of demand management. This method has been successfully used in desert areas of the southwestern United States and elsewhere. The use of low water consuming appliances has also proven to be an effective demand measure in some countries. This can include items such as low flush toilets, low consumption faucets and shower heads, faucets with automatic shut-off, water recycling systems, etc. However, there will be little incentive for consumers to install these systems (which tend to be costly) unless metering is in place with a stepped tariff. Government subsidies are sometimes used to assist customers with the cost of these systems. Legislation has also been passed in many countries that will only allow the sale of low consuming appliances. Customer education about water conservation is also an effective means of reducing demand. Messages are targeted towards getting consumers to better manage their in-home water usage and eliminate wastage through measures such as repairing leaking storage tanks, pipes and faucets, eliminating theft of water by illegal connection, and if on a flat connection, not using excess water (more than your fair share) and not giving away water to neighbours who may have been disconnected due to non payment of bills. Prompt settlement of water bills also needs to be promoted. Messages about water conservation and treating water as the scarce and valuable

resource that it is, should also be aimed at children in a school environment to inculcate good practices which they will take into their adult lives.

Policy Statement 6:
a. Water is a scarce and valuable resource that needs to be properly managed and conserved. This includes water in the supply system and water within the consumer's premises

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| <p>b. Water should be delivered and utilized efficiently to minimize excess consumption, wastage and leakage. Methods to be employed may include but not be limited to:</p> <ul style="list-style-type: none"> ○ leakage reduction ○ system and consumer metering ○ tariff measures ○ reduction or elimination of illegal connections ○ consumer education on water conservation including education of school-age children ○ physical methods to restrict consumption ○ promotion of low water consuming appliances and possible subsidies for purchasing of same ○ passing of legislation to restrict water usage for certain functions |
| <p>c. The regulatory body will issue regulations from time to time concerning demand management and will enforce these regulations</p> |

5.6 Community Involvement

The government controlled supply driven “top-down” approach to water supply has not delivered adequate levels of water supply service to Kano State residents. A new approach is required, and the proposed policy is that it will be a “bottom-up”, demand driven approach.

Community participation in planning, decision making, operations and ownership has proven to be an effective means of achieving sustainability in other countries as well as in various locations within Nigeria. Communities have shown a desire to get involved in the planning and management of their water supply schemes. The policy proposes that communities in rural and semi-urban areas get involved in all aspects of water supply delivery including the planning, design, operation and management and ownership of systems. For large urban water supply systems, the policy proposes that consumers get involved in the management while the ownership of the system shall generally remains with the government. The involvement will be through Water Consumer’s Associations (WCAs) that will be established for each water supply scheme, and these associations will be registered corporate bodies. The WCAs will represent the consumers’ interests. WCAs should have representation from all geographical areas within a water scheme, including women and youth participants. On larger systems, WCAs could also have representation from government. The small independent service providers will continue to own and manage their systems in accordance with guidelines issued by the regulatory body.

The level of service of a particular water supply system should reflect the demands of the community and their willingness to pay for it, and should not be imposed on the community by government.

The policy proposes that in the future, government subsidies to water supply systems should be limited to capital funding for rehabilitation of existing systems and construction of new systems. The policy also proposes that communities make a small contribution towards the capital cost of projects.

Ownership increases chances of sustainability – when someone owns something, chances are they will look after it better than if someone else owns it. The policy therefore proposes that water system assets (that may have been constructed with

capital contributions from various levels of government) be transferred over to community-based WCAs in rural and semi-urban areas. However, in view of the size and complexity of the urban water supply infrastructure, the ownership of the assets will remain with the State government.

Policy Statement 7:
a. Water supply development and management should be based on a participatory approach involving users, planners and policy makers at all levels, and decisions should be made at the lowest appropriate level.
b. Communities should get involved in all aspects of water supply delivery including the planning, design, operation and management and of systems. Communities in rural and semi-urban areas should also own the water supply infrastructure.
c. Water Consumer's Associations (WCAs) should be established for each water supply system. The WCA will represent the consumers' interest and will be a registered legal entity.
d. All consumers in the area of a water system should be proportionately represented in the WCA, including adequate representation by women and where possible youth. The WCAs for larger systems may also have representation from government.
e. Level of service for a particular water supply system should be based on the community's demand for service and their willingness to pay
f. Communities shall make a small contribution to the capital cost of water supply systems to enhance the sense of ownership. The 3 tiers of government shall contribute the remaining capital funds
g. Water system assets in rural and semi-urban areas shall be transferred to the community-based WCAs.
h. Water rates and tariffs for each system will be established by the WCAs to ensure long-term sustainability of the systems and also to ensure access by the poor. Water rates and tariffs will be approved by the regulatory body.

5.7 The role of government

With the exception of a few small scale private sector operators, the water sector in Kano State is essentially a government monopoly situation where government does planning, development and delivery of water service. For many reasons, government is not effective in the role of a service provider, and this has been confirmed in the water sector throughout the country, as well as in many other sectors. The current thrust of the federal government is that government should discontinue being a service provider (in all sectors), down-scale and re-professionalize government and change the focus of government to be one of regulating, facilitating change and creating an enabling environment for the private sector to deliver services and to empower people to make the choice about the services they want and are prepared to pay for. Kano State SEEDS is very much in-line with these philosophies.

The water policy for Kano State therefore envisions the government disengaging from being a service provider. The policy proposes that WCAs, who will be charged with the responsibilities of operation and management of their water systems, will either carry out the operation and maintenance of the systems themselves (on small rural systems) or will hire a service provider to perform these functions on larger systems. Service providers will be autonomous and will be accountable to their customers, who will be the WCAs and the consumers. Service providers will be private sector individuals (as in the case of small rural community water supply) or companies. Government may choose to reform some of the existing entities in the water sector to act as service providers, but these entities would need to compete with private operators on an equal footing (i.e. without subsidies).

Policy Statement 8:
a. Government shall discontinue their involvement in the direct provision of water service
b. Government will focus on facilitating change and creating the enabling environment for success of the sector. This may include but will not be limited to: <ul style="list-style-type: none"> ○ Development of policy and legislation ○ Government coordination ○ Capital projects financing ○ Technical support to the sector ○ Long term planning ○ Water resources management ○ Developing government programmes ○ Providing the link to external support agencies ○ Data collection, monitoring and evaluation ○ Providing support for the private sector ○ Capacity building in the sector ○ Societal Re-orientation
c. Government agencies may choose to be involved in the sector as a service provider, but will have to compete on an equal basis with private sector service provider

5.8 Serving the poor

The poor suffer the most from lack of access to safe and reliable water supply and typically pay the highest cost for water. High cost can be in terms of physical labour to collect water from distant sources, buying water from water vendors at high costs because they live in areas that are not served by water schemes, or in terms of health costs due to water-borne disease. Government subsidies in the past have disproportionately benefited wealthier segments of the population as opposed to benefiting the poor. A quick analysis showed that people in Greater Kano who purchase water from water-hawkers pay approximately 7.5 times the cost that consumers connected to the water supply system pay. The policy seeks to address these issues.

The policy proposes that over time government should withdraw from the provision of water supply services and discontinue providing operating subsidies to the sector.

This will enable government funding to the water sector to be redirected towards financing of capital projects, and over time will enable poor segments of the population to have access to safe and reliable supplies. The onus will be on the government to redirect capital funding towards the poorer segments of the population to fulfil the policy requirement that everyone shall have equal access to safe and reliable water supplies. The proposed policy is based on a demand-driven approach. However, there will still need to be some balancing done by government as to where they make capital funds available, so that the poor can be adequately served.

The policy proposes that consumers pay all costs required to achieve long-term sustainability. Paying these charges may pose problems for some members of the community. Payment arrangements and tariffs should be sufficiently flexible to accommodate such customers. How this might best be done will vary from system to system and possibly from location to location. Arrangements suitable for someone with access to an urban piped supply are likely to be different from those suitable for a rural borehole with handpump. In the former case support can be given the poor through the tariff. A stepped tariff with a low-cost first tranche could provide a lifeline support to poor households with rising rates of tariff for higher bands of consumption subsidising the consumption of the poor. This can also be accomplished to some extent through differing flat rate charges where there is a low level of metering. In rural areas without household connections and tariff systems this would not be possible; there it is proposed that schemes be financed by collections from the community and the poor could be assisted by being excused from making any contribution or being required to make a lower contribution. Again contributions from those able to pay would subsidise the poor. Contributions in kind instead of in cash may also be acceptable in rural areas, but would be difficult to implement in semi-urban and urban areas.

Under the policy, the setting of water rates and tariffs has been shifted away from government to the water consumers' associations (WCAs), working in accordance with guidelines laid down by the regulatory body. WCAs will then decide how these cross-subsidy arrangements will be handled. The WCA should be in a much better position to know the members of the community it represents and be able to identify where a cross subsidy is justified and what amount is appropriate.

Only in the event where cross-subsidies are inadequate to provide affordable access for the poor (while at the same time keeping the cost within reach of other consumers) should government subsidies be considered. Where government subsidies are required to ensure affordable access by the poor, the subsidies should come from the local government in the case of rural and semi-urban areas as they are in the best position to determine the specific needs of people in the area. However, in the case of urban areas, the State Government shall provide the necessary subsidies. Where subsidies are to be given by the LGA, they need to be given in a way that maintains accountability between the service provider and the consumer and ensures that the subsidy serves to benefit the people that need it, and not the ones that don't need it.

Policy Statement 9:
a. Government shall ensure that adequate capital funding is directed towards poor segments of the population to increase their level of access to safe and reliable water supplies
b. WCAs shall establish water rates and tariffs with a cross-subsidy to enable affordable access by the poor. Where a regulator exists, the regulator shall establish guidelines for setting appropriate water rates to make the water

supply sustainable. The regulator shall approve the rates wherever a private operator is engaged.

c. Local government may choose to provide subsidies to WCAs in rural and semi-urban water supply systems where cross-subsidy through water rates and tariffs cannot provide affordable for the poor and this shall be implemented in such a way that maintains accountability between the consumer and the provider. State government may do the same for urban areas.
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5.9 Involvement of the private sector

Limited private sector participation in water supply in the state already exists; small scale independent private service providers are currently involved in water supply in the state, and private sector companies are involved in the provision of consulting and contracting services related to the construction or rehabilitation of schemes and in the supply of goods and limited services for system operation and maintenance. The private sector has responded to low levels of service in urban and semi-urban areas and several private borehole operators have set up business selling water to consumers and water-hawkers. Many people are now employed throughout Kano State as water-hawkers and they provide an essential service for distributing water.

On the premise that government cannot on its own meet all the water demands of its communities, a fundamental principle of the policy is that in addition to community participation, the private sector should have a major role in the water supply sector and that water supply should be an engine for private sector job creation and economic growth. This is in-line with Federal and State Government policies.

Involving the private sector does not mean privatization. The principle of the policy is community based ownership, not private ownership of water supply assets. However, private ownership – which already exists in small scales - should be allowed where it is beneficial.

To have a thriving water sector in the state, the private sector will need to increase its role significantly. The level of competence in the private sector will also need to increase significantly – because the sector has been exclusively in the hands of government for many years without appropriate support to the private sector especially the small scale independent providers, the private sector has not grown to support the industry.

The policy envisions that all water systems in the state will be operated by the communities in most rural areas where handpumps are usually used, and by private sector companies in small towns and urban areas rather than by government agencies. On larger systems there may be several service contracts, for example one company could run the source works, while another may operate the distribution system and another may be responsible for billing and revenue collection. Systems may also be divided up between different operators on a geographical basis. Private companies will also be involved in providing consulting services, contracting and in the sale of materials. The clients would be the WCAs and not the government and companies will compete for business on the basis of their capabilities and price. Government agencies will be free to participate in all water sector activities but would have to compete against private sector companies and could not receive subsidies that would give them an unfair advantage. It will likely be necessary and desirable to

support these government agencies initially to raise their competence levels, but subsidies will have to be phased out over time.

To provide a level of quality control, operators will need to obtain a permit to participate in certain activities – for example borehole drilling or operating of certain sizes of systems. Companies who want to participate in certain activities will have to raise their competence level to a minimum threshold to obtain an operating permit. The permitting process will enable the bar to be continually raised over the years in terms of competence.

Policy Statement 10:
a. The private sector should be involved in all aspects of the provision of water supply in the state. They will contract with WCAs to provide the required goods and services
b. Participation by locally based companies will be encouraged
c. Government agencies are free to provide any goods and services to the sector, but must compete against private companies on an equal basis
d. The regulatory body shall issue regulations with respect to minimum standards that must be achieved to participate in certain areas of business
e. Government will encourage the growth of the private sector and may establish programmes to support its development

5.10 Autonomy of service providers

Efficient and effective operation of service providers is essential for long term sustainability of the water sector. Service providers must be able to operate on a commercial basis as a business and therefore need to be autonomous and free of political interference. This applies to both private sector companies and also government agencies if they choose to operate as service providers.

Policy Statement 11:
Service providers, whether private sector or government agencies, need to operate on a commercial basis to ensure the long term sustainability of the water sector. Other than complying with normal business laws and regulations and the requirements of the water sector regulatory body, service providers must be given complete autonomy in all aspects of their operations apart from tariff setting which will be regulated not by government but by the regulatory body.

5.11 The role of women

Women play a vital role in the water sector in both the rural and urban areas. Women are the chief custodians of water in the household. They control the amount of water used by the family, are primarily responsible for proper sanitation methods and inform the men when there is need to buy or fetch water. Women often fetch water themselves in the rural areas, and normally bear the brunt of sick children from water-borne diseases. In urban areas, many women engage in trades that require the purchase of water, such as running restaurants or salons, selling of traditional drinks and foodstuffs, ice making and laundry services, etc.

The policy envisions women playing a higher role in the water sector, being involved in the decision making process and management of their supplies. Increased participation of women is in-line with Kano SEEDS.

Policy Statement 12:

Women as major stakeholders in water use shall have adequate representation in all aspects of the water sector.

5.12 Human Resource Development

The existing human resource capacity in the water sector is very low – the skill sets are generally low, and while there are some very knowledgeable personnel, they tend to be contained within a few organizations. To create a vibrant water sector, human resource development must be a priority. The skill levels and the number of skilled people taking part in the sector needs to increase dramatically and needs to be spread out amongst all the organizations and groups that will be involved in the sector including government bodies, private sector, and WCAs. Government needs to support the development of human resources in the sector. One way to accomplish this would be to provide improved education and training opportunities at universities and polytechnics tailored to the specific situation in Kano State. For example, the rural water sector is dominated by handpump boreholes. There should be training available at local institutes to learn how to maintain and repair handpumps. It is hoped that external support agencies will play a major role in assisting with capacity building in the state, and government should invite them to participate.

Policy Statement 13:

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| <ul style="list-style-type: none"> a. Widespread enhancement of knowledge and skills is required to have an effective and sustainable water sector b. Government shall make human resource development and capacity building in the sector a high priority c. Government expects external support agencies to play a major role in assisting with capacity building in the water supply sector in the State. |
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5.13 Monitoring and Evaluation

Monitoring and evaluating (M&E) activities in the sector are essential to its success. There currently does not appear to be any form of M&E in the water sector. To implement the new policy, it will be necessary to assess along the way if the new policies are having the desired impacts and to make adjustments to policies or implementation plans as required to achieve desired results. Part of M&E activities should also be benchmarking against other states in Nigeria and other countries, and incorporation of best practices.

Policy Statement 14:

Government shall institutionalize monitoring and evaluation of activities in the water sector to track progress of changes and to make necessary adjustments required to achieve the desired outcomes. Benchmarking against other locations shall be an integral part of evaluation.

5.14 Data gathering and information management

Gathering, analysis and proper management of data is essential for the long-term success of the water sector, as proper planning is not possible without this. One example is groundwater resources. In order to properly plan for future development of water supplies in the state, the characteristics of the groundwater resource must be known. Without this, over-extraction of the groundwater resource is a real possibility given the high rural population in the state. Systems need to be put in place to monitor groundwater across the state, and this data needs to be fed into a proper computerized database system, and then analysed to establish characteristics and trends which would be used in planning exercises. This should be the responsibility of the Ministry of Water Resources and adequate budgets need to be established for this purpose.

Policy Statement 15:

Government shall institutionalize data gathering and information management to provide necessary data for long-term planning purposes

5.15 Planning

Proper long-term planning of water supply systems and water resources which support these systems is essential for the success of the water sector in the state. The policy proposes a demand-driven approach rather than a top-down approach, and planning therefore will also be done at the lowest possible level. It is proposed that planning will start at the WCA level. WCAs will be required to obtain licenses for water extraction from the regulatory body, and a condition of renewing a license would be that planning data has to be submitted on a prescribed basis. Planning data would flow from the WCA to the LGA, the LGA would then assemble planning data on an LGA-wide basis, and submit it to the state Ministry of Water Resources, who would then assemble the information into state-wide water supply development plans. The water supply development plans would then need to be correlated with water resources development plans.

Policy Statement 16:

- a. Water supply system planning shall be institutionalized.
- b. Planning shall start at the WCA level and work its way up to the LGA level and then to the state level. The regulatory body will enforce planning at the WCA level.
- c. Water supply planning shall be incorporated into water resources planning

5.16 Sanitation and hygiene

Sanitation and hygiene are such important issues that have to be addressed. Improved health is one of the perceived benefits of improved water supply. However, health benefits of water supply have been shown only to accrue when combined with sanitation and hygiene education – The National Rural Water Supply and Sanitation Programme Strategic Framework – in which Kano State participated in its preparation – reaffirms the fact that *“Water supply even when combined with sanitation was found not to be effective for health improvement unless accompanied by hygiene promotion and education”*³ It is therefore important that sanitation, hygiene and health education are taken as an integral part of the proposed policy.

The poor water situation and lack of sanitation facilities in Kano State has had a negative impact over the years on the personal hygiene of individuals and families, and many bad practices have now come to be accepted. It will therefore take a concerted effort and a well planned hygiene education programme to get people back on the right track. Both providers and consumers have to work together to reach the desired goal. Children are to be singled out as an important group in this regard. At home and at school, they have to hear the same message over and over again.

Policy Statement 17:

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| a. Sanitation and hygiene are integral components of improved health through better water supply and therefore is a priority of the Kano State water policy. |
| b. Value Based Water, Sanitation and Hygiene Education (VBWSHE) programmes shall be developed and delivered throughout the state to promote and educate consumers on effective sanitation and hygiene practices that lead to improved health. These programmes shall incorporate various methods and shall make women and children a priority target group. |
| c. The State Government education, health and environmental policies shall include sanitation and hygiene education as a priority |
| d. All relevant stakeholders including but not limited to stakeholders in water supply, education, health and environmental sectors shall participate in the development and delivery of VBWSHE and the promotion of sanitation and hygiene. |
| e. VBWSHE and the promotion of sanitation and hygiene shall be primarily funded by the 3 tiers of government, with contributions from other stakeholders where possible, including but not limited to communities, the private sector, NGO's and external support agencies. |
| f. VBWSHE and sanitation and hygiene promotion activities shall be monitored regularly and policies and programmes adjusted as required to achieve desired improved health benefits |

³ (NRWSSP, 2004 pp15).

5.17 Environmental protection

Environmental considerations are so important to water supply and water resources management that it cannot be overlooked. Construction and operation of water supply systems need to be carried out such that environmental impacts to surrounding areas are minimized. For example, before a new water system is constructed, an environmental impact assessment should be performed. Nigerian environmental laws and regulations will apply. Also, water resources need to be protected from pollution and contamination as stipulated in the Nigerian Standard for Drinking Water Quality. This is actually a responsibility of the Ministry in charge of the environment, but coordination is required with the water sector. Contamination of water courses is currently a real problem in Kano, and needs to be addressed with seriousness before there are severe problems with surface water and groundwater contamination.

Policy Statement 18:
Because water is inextricably linked with the environment, water services will be managed to minimize any adverse environmental impacts. Conversely, drinking water sources must be protected from pollution and contamination as stipulated by the Nigerian Standard for Drinking Water Quality. Water sources will be protected from degradation by polluting effluents from any source including industrial and agricultural developments, on-site sanitation facilities and other quarters. Monitoring procedures will be put into place by relevant stakeholders and effective remedies prescribed for breaches of regulations

6.0 Institutional Structure

The institutional structure to support the new policy shall be designed within the Implementation Strategy and Action Plan for the implementation of this policy. The structure will represent a profound change from the current institutional structure. It shall divide the sector into rural, semi-urban and urban. In each sub-sector, the basic building block of the institutional structure shall consist of the WCA, the WSP and the water consumers. In the case of rural, there may be hundreds of WCAs and WSPs. For semi-urban there may be a minimum of one WCA and WSP in each regional scheme, but likely more as time goes on. For the Greater Kano area, there could be one WCA with several WSP's, but there could also be multiple WCAs, each with its own WSPs representing consumers in various areas. The Water Supply Agency (WSA) could be present in each sub-sector. This could be three separate agencies or could be one agency with separate divisions in each sub-sector.

Extensive capacity building at all levels will be required to implement change and effect improvements in the water sector. The roles and responsibilities that each of the organizations and bodies that are proposed in the structure are described below. Because these roles and responsibilities are new to the sector, assistance will be required to guide each organizational unit through the learning and growth process. It is hoped that external support agencies will play a major role in assisting with capacity building.

6.1 The Water Consumer

Water consumers in rural, semi-urban or urban areas will appoint or elect a committee (the Water Consumer's Association or WCA) to act on their behalf and represent their water supply interests. Consumers will pay for water service either through flat monthly fee or based on usage through a tariff. This will include O&M, replacement and WCA administrative costs.

6.2 Water Consumers' Association (WCA)

Proposed functions and features of the WCAs are as follows:

- a. WCAs are autonomous bodies that will be appointed or elected by the community, and charged with the management of the water systems in the areas they represent (on behalf of the consumer). In rural and semi-urban areas, WCAs shall also own the assets.
- b. The WCA will be accountable to the consumer and will have status as a legal entity.
- c. The WCA is conceptually the same in rural, semi-urban and urban areas, but organization of WCA gets more complex as the size of the system increases.
 - o Rural – there will be one WCA per village. This is the simplest form of a WCA.
 - o Semi-Urban – WCA represents all consumers using the system. For a regional scheme covering 2 or 3 LGAs, there needs to be representation on the WCA from each LGA.
 - o Urban (Greater Kano area) – WCA needs to have representation from all 8 LGAs that are covered by the system.
 - o WCAs for larger systems may also have some representatives on their board from government to enhance coordination and cooperation with government, but not in the position of Chairman
- d. WCAs will be created with assistance from LGA following standardized guidelines
- e. WCAs do not necessarily need water system operational and management expertise (at least initially – this will grow with time) but do need to have administrative and executive management capabilities. WCAs will rely heavily on the LGAs and state water supply agency to assist them initially until these capabilities are developed within the WCAs over time.
- f. WCA may just be a board or may also have staff. The WCA is also free to hire staff directly to carry out some of its system operational functions, rather than hiring a WCA.
- g. WCAs should have proper representation from women and where possible from youth
- h. WCAs will be required to obtain rights for water extraction (a license) from the regulatory body that will be established

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- i To construct new systems or rehabilitate existing systems, the WCA will apply to the LGA for capital funding from government programmes (LGA level, state and national level)
 - j. Decision making and ultimate responsibility for community water supply remains with the WCA and not the LGA or WSA. ⁴
 - k. WCA in rural and semi-urban areas will collect funds from communities for a small capital cost contribution where this is necessary to participate in government programmes. This will consist of a cash or in-kind contribution in rural and semi-urban areas, likely collected before a new system is built or an existing system is rehabilitated. For large urban areas, capital contribution shall be built into the tariff.
 - l. The WCA will propose the tariff using standardized methodologies issued by the regulatory body and this will finally be reviewed and approved by regulatory body. It is proposed that tariffs or rates charged will include system O&M, the cost of eventual replacement of the system and WCA running costs, which may include salaries, overheads and administrative costs. The WCA is accountable to the consumer for these costs, as they will directly impact on the consumers cost of water service.
 - m. In rural systems, the WCA may choose to operate and maintain systems and collect revenue from consumers themselves – this is most likely where they have handpumps – or the WCA may choose to contract out system O&M and revenue collection to a local water service provider if they have a more complex system comprising motorized boreholes.
 - n. For semi-urban and urban systems where the systems are more complex, professional management will be required, and the WCA will contract out system O&M and revenue collection to a water service provider (WSP). There may be several WSP's providing services on a particular system. There are several different options for contracting of services and concessioning is one option that may be considered.
 - o. It is proposed that water system assets in rural and small towns be transferred to the WCA, because this will instill a sense of ownership will serve to enhance sustainability.
 - p. The WCA will be required to maintain system inventories and also prepare future development plans on a regular basis. This will be done in conjunction with LGA and WSA.

6.3 Water Service Provider (WSP)

Water service providers (WSPs) will be hired by WCAs to operate their water systems. Functions and features of WSP's are as follows:

⁴ The LGAs and WSA shall provide the right information and training to the WCA to be able to make informed selection of appropriate and affordable water supply technical options. The WSA shall assist the WCAs in rural and small towns with appropriate designs of technical options,, determination of construction and operational costs, detailed engineering designs and construction supervision of the WCA's selected option and setting up of O & M contracts.

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- a. WSP's are private individuals and companies who supply goods and services that the WCAs require.
 - b. Government owned organizations like RUWASSA or KnSWB can be WSPs, but they will have to be reconstituted to run as an independent, commercially viable operations and compete on an equal footing with private sector companies, i.e. they cannot unfairly compete through subsidies. However, it is envisioned that some initial subsidies will be required to enable them to get to a competitive position but this needs to be carefully planned without exposing the private WSP to serious risks.
 - c. WSPs will provide expertise to the WCAs to operate, maintain and manage the water supply systems as required.
 - d. WSPs will be paid a fee for providing a service, based on their contract with the WCA, and the WSP is therefore accountable to the WCA and is also accountable to the consumer.
 - e. Ideally, WSP's will be from the local area to enhance accountability to the WCA and the consumer and to maximize economic benefits to the local area.
 - f. A WSP's operations could range from one person maintaining a rural borehole to a large international water company running the entire Greater Kano system, or anything in between. Concessioning is an option for contracting to a WSP, but there are other options like management and lease contracts.
 - g. There may be several WSPs providing services vertically and horizontally on larger systems like the Greater Kano system. Vertically one WSP could be responsible for running a treatment plant, another could be involved with distribution, while another could be involved in revenue collection and customer service. Horizontally there could be different WSPs operating in different geographical areas of a system.
 - h. WSPs require knowledge and expertise in water system operation and management
 - i. Contractors and suppliers are also considered as WSP's.
 - j. WSP's will compete against each other in the same market, based on price, expertise and quality of service delivery.
 - k. Private borehole operators can also be WSPs, but they will operate under a contractual arrangement with the WCA rather than selling directly to consumers or resellers without regulation as is happening now. They can also apply for capital funds for expansion or new projects through the WCA
 - l. WSPs will be encouraged to hire women, particularly where interaction with female customers is required
 - m. WSPs will be required to obtain a permit from the regulatory body to operate in the sector. This will enable a level of quality control of service providers.

6.4. Water Supply Regulatory Authority (WRA)

The Federal Ministry of Water Resources has already developed a draft National Guideline for Regulating Water Supply in Nigeria which included a Model Water Supply Services Regulatory Law (WSSRL). This model law can be adapted to suit peculiarities of Kano State to establish its own Water Regulatory Commission (WRC) that will provide oversight of the industry. Functions and features of the WRC are as follows:

- a. Independent body established by law, with Board comprising of experts, civil society, state government, WCA and the private sector.
- b. Funded by licensing fees, tariff surcharges in urban and semi-urban areas, and government grants⁵
- c. Issues licenses to WCAs to extract water and permits to WSPs, contractors and suppliers to operate in the water sector
- d. Establishes and enforces regulations and standards for water supply in the state (in consultation with State Ministries responsible for Water Resources, Health and Environment) but can delegate enforcement to other bodies (would delegate most enforcement issues to the WSA)
- e. Establishes consistent tariff methodology to be used by WCAs and reviews and approves tariffs of WCAs but does not set tariffs.
- f. Review and approval of contracts between WCAs and WSPs
- g. Adjudication of disputes between stakeholders in the sector (WCAs, WSPs, WSAs and consumers)

6.5. Local Government Authorities (LGAs)

The local government's principal role will be as a facilitator and supporter and coordinator between the WCAs and government. It will become a first call for WCAs seeking information and advice about all aspects of water supply development. It will also support and promote the development of WCAs especially in communities where the association is non-existent or very weak. Specifically, this will include:

- a. Knowledge of state and federal programmes and disseminates this information to the communities and WCAs
- b. Assists communities to create WCAs and coordinates with other LGAs in the area
- c. Is the link between the WCA and the WSA and external support agencies involved in water in the LGA
- d. Contributes to financing capital projects (rehabilitation of existing and construction of new systems) but does not implement them

⁵ The implementation strategy and action plan for the policy may have to initially set the funding of the Regulatory body entirely by government grants. The grants should gradually be removed and replaced by funds from licensing fees, tariff surcharges as the urban and semi-urban water supply systems become more financially viable.

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- e. May choose to subsidize WCAs but be directly involved in operation and maintenance of the systems.
 - f. Is a facilitator of process and creates the enabling environment for success at the LGA level
 - g. Maintains LGA information database, does LGA-wide planning and develops LGA-wide programs
 - h. Monitoring and evaluation of project implementation
 - i. Coordinates LGA-wide water resource management issues with water supply development plans
 - j. Coordination with State ministries like Ministry of Water Resources, Environment, Health, etc.

Many LGAs currently carry out their water related functions through the LGA department of works. In line with the National Rural Water Supply Programme Strategic Framework, a separate Water and Sanitation Department should be set up within each LGA to carry out the above functions.

6.6. State Water Supply Agencies (WSA)

A new government entity called the Water Supply Agency (WSA) shall be created. The primary role of the WSA will be to provide technical expertise to the sector and to disseminate knowledge and build capacity in the sector. This is required, because the WCAs and the LGAs will both have limited technical capacity – at least at the initial stages of the new policy. In essence the WSA will enable the WCAs and LGAs to have access to water supply expertise that they could not afford to have in-house and otherwise would not be able to have. Other roles will be to facilitate compliance with standards in the industry and monitor and co-ordinate sector wide activities. Specific features and functions of the WSA are:

- a. Independent body, established by law, with Board appointed by Government
- b. Acts as a consultant and advisor to the WCA and LGAs but does not implement projects.
- c. Will assist WCAs to getting organized and to manage their water supply systems
- d. Provides assistance on technical issues like engineering studies, construction supervision, planning, budgeting, O&M issues, contracting to WSPs, etc.
- e. Not involved O & M of systems except for advising and transferring knowledge to the WCAs.
- f. Is a centre of knowledge for the water supply sector in the state, and transfers this knowledge to WCAs and the LGAs
- g. Supports development of the private sector in the water business in the state
- h. Prepares state-wide water supply inventory and development plans with input from the LGAs and forwards this to the Ministry of Water Resources

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- i. Is the link between the WCA and LGA and the State Ministry of Water Resources
 - j. Monitors and evaluates project implementation
 - k. Coordinates with LGAs on all water supply issues
 - l. Ensures that standards and regulations are followed (regulatory commission will delegate most enforcement activities to WSA)
 - m. Funded by government, but may eventually also be able to charge a fee to WCAs for services provided

Initial⁶ staffing for the WSA (or WSAs) would come from the senior ranks of the KnSWB and RUWASSA with a focus on engineering, planning and management and not on operations. It is envisaged that the construction and operational sides of RUWASSA and KnSWB would be spun-off and restructured into a separate government owned company (or companies) that would operate as WSPs in the rural, urban and semi-urban sub-sectors. The new operational company (or companies) may initially be subsidized to get them to a competitive position, but the subsidies would need to be phased out over time and these units would have to compete against private sector companies in the same market on an equal footing.

6.7 State Ministry of Water Resources (SMWR)

The State Government, through the State Ministry of Water Resources shall have several key roles in the proposed organizational structure as indicated below.

- a. Finances capital project (rehabilitation of existing and construction of new systems) but does not implement them
- b. Does not support O&M of systems
- c. Is a facilitator of the process and creates the enabling environment for success at the state level
- d. Maintains state-wide information data base, does state-wide planning and develops state-wide policies and programmes
- e. Develops state-wide technical standards for the industry in conjunction with the WSA and the WRC.
- f. Is the link to the Federal Government and external agencies involved in water supply in the state (e.g. DFID)
- g. Is a centre of knowledge of the water sector and disseminates this information
- h. Supports the private sector
- i. Monitoring and evaluation

⁶ The organizational structure may show the WSA separately in each sub-sector, rural, semi-urban and urban. This could be one WSA with three separate divisions or could be three separate entities. One state-wide WSA with three divisions would be preferred, but some federal programmes, for example the National Rural Water Supply and Sanitation Programme, clearly indicate that the state must have a separate rural water supply agency to participate in the programme. The choice of one WSA or three WSAs does not affect the proposed policy or the proposed institutional structure, but is a decision that the government will have to make before implementing the policy

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- j. Coordinates state-wide water resources issues with water supply development plans
 - k. Coordination with other state ministries
 - l. Coordination with, oversight and funding of WSA

6.8 Federal Ministry of Water Resources (FMWR)

The Federal Government, through the Federal Ministry of Water Resources, has a similar role to the State Government, but at the federal level

- a. Highest level of planning and water sector expertise
- b. Finances capital project (rehabilitation of existing and construction of new systems) but does not implement them
- c. Does not support O&M of systems
- d. Is a facilitator of the process and creates the enabling environment for success at the federal level
- e. Maintains national information data base, does national planning and develops national policies and programmes
- f. Is the link to external support agencies
- g. Is a centre of knowledge of the water sector and disseminates this information to lower levels
- h. Monitoring and evaluation
- i. Establishes through the Standards Organisation of Nigeria (SON) the national standards for the sector
- j. Coordinates national water resources issues with water supply development plans
- k. Coordination with other federal ministries

6.9 Change Management Office

The new water policy and its associated institutional structure represent profound changes from the current situation. The magnitude of these changes is such that they will not happen on their own simply by adopting a new water policy for the state. The changes will have to be constantly driven forward for several years in order to come to fruition. It is therefore proposed to establish a separate Change Management Office within the State Ministry of Water Resources to achieve this objective. The Change Management Office will be headed by a Change Manager who will take the leading role in driving the process of change and improvement forward. The Governor would appoint someone with the necessary qualifications to take on the role of Change Manager, and this will need to be someone with exception character, skills, experience, and respect in the community who is dedicated to seeing these changes through. The Change Manager would need to be supported by a handful of qualified staff. The Change Management Office will work closely will all entities in the

organizational structure to ensure a smooth transition from the present situation to a new, vibrant and effective water sector in the state.⁷

6.10 Societal Re-orientation Unit

To make the sweeping changes that are proposed in the policy and the institutional structure, it will be necessary to re-orient consumers about the changes that are taking place. Kano State already has a Directorate of Societal Re-Orientation in place, and it is proposed that they will work hand-in-hand with the Change Management Office to re-orient the population about water supply issues. The Directorate of Societal Re-Orientation will have the following purposes:

- To inform people of new government water policies and the long term direction of the sector. They will re-orient water consumers that water is an economic good that needs to be paid for based on level of service provided, that people cannot expect government to provide them with water for free and that communities will need to manage their own water supplies
- Re-orientation of personnel in all government bodies involved in water supply to instill attitudes of continuous improvement, implementation of best practices, work ethic, transparency and accountability
- Advocacy at the political level to discourage politicians from making promises concerning water supply that are contrary to the policies (i.e. don't use water as a political tool)
- Advocacy directed at the private sector to inform them of the opportunities that are available in the water sector and to rise to the challenges of participating in the delivery of safe and reliable water supply in a cost effective manner with due regard to "Corporate Social Responsibility".

7.0 Legislative Implications

New legislation would be required to implement the institutional changes proposed

- To create the Water Regulatory Commission
- To create the Water Supply Agency or Agencies
- To reform the Kano State Water Board and RUWASSA

It is envisaged that rather than doing this by passing separate pieces of legislation an omnibus Act be introduced to make the required changes in a single swoop.

The proposed law would be divided into seven parts relating to preliminary issues, administration and responsibilities, management of the water sector, transitional provisions, public awareness, enforcement and miscellaneous provisions. It is also envisaged for purposes of clarity that the law should contain three schedules. The first schedule would categorise Kano State into 3 Categories: Urban, Semi-Urban and Rural. Schedule two would contain procedural regulations for the Governing body of WRC, while schedule three would contain procedural regulations for the Governing body of WSA.

⁷ It is suggested that the qualification, role and responsibility of the change manager as well as the role and composition of the Management Change Office will be included in the Strategic Plan of the Policy

7.1 Proposed structure of the Law

Part 1: Preliminary issues

The objectives of the law would be the starting point. There would be a section to repeal the Kano State Water Board Law 1991 and the Kano State Rural Water Supply and Sanitation Agency Law 1997.

A section would also be included that would mention the name of the new law and its date of coming into force. The scope of the application of the law would also be mentioned.

Part 2: Administration and responsibilities

Sections included in this part would provide for the creation of the new bodies and the dissolution of the old ones. The functions, structure of the relevant organisations and composition of the governing bodies would be stated here. Provisions would also be made for the appointment, tenure, remuneration and functions of the governing body and management of each body. These provisions must clearly distinguish between the governing bodies and management. This information would be divided into separate sections relating only to the body in question. The areas of responsibility of each body must also be clearly spelt out to avoid overlapping or ambiguity.

Where necessary, provisions would similarly be made for the appointment, tenure and remuneration of officers.

Financial provisions relating to how each body will be funded; accounting obligations; and powers of each organisation relating to entering into contracts etc would also be spelled out.

Part 3: Management of the Water Sector

Guiding principles of water sector management should be included here; this will contain key points of the new policy. These principles would serve as a guide for all activities and decisions taken to implement and enforce water supply and sanitation policies, laws and regulations in Kano State and shall apply to all stakeholders.

The law should contain mandatory provisions for stakeholders to meet periodically to review events, strategy and policy. The State Government through the State Ministry of Water Resources would be given the responsibility of coordinating this activity. Stakeholders would also be required to come up with mandatory Master Plans.

This part would also contain clear provisions on the licensing and registration process of the WCAs by the WRC. It is also proposed that law should contain provisions for consumers who want to drill boreholes for non-commercial use to be licensed by the WRC. The WRC would be empowered to vet and approve all agreements between WCAs and WSPs. The WRC would also be empowered to make regulations pursuant to the law.

A few sections would be devoted in detail to the WCAs, concerning elections, appointments, mandatory WCA constitutional provisions, composition of WCAs and their mode of operation and decision-making. These sections would also provide for the establishment of WCA standing committees where appropriate.

Part 4: Transitional provisions

Provisions would be inserted here to enable the Change Manager to oversee the process of merging parts of the Water Board with parts of RUWASSA to form the Kano State Water Supply Agency. Further provisions relating to the creation of three separate divisions within this agency (Urban -Greater Kano Area, Semi-Urban and Rural) and where necessary other provisions relating to the creation of independent self-sustaining WSPs evolving from RUWASSA and the Water Board would be included.

Part 5: Public information and awareness

A part of the law will contain sections devoted to public enlightenment. This task would essentially be that of the WSA working hand –in-hand with the LGAs.

Part 6: Sanitation enforcement

Provisions would be included in this part relating to sanitation enforcement, hygiene and the prevention of water-borne diseases. The body responsible for enforcing these provisions would be specified.

The mandatory obligations of all stakeholders to sanitation will be spelt out here. Specific offences would be outlined here and the sanctions attached to those offences would be clearly stated. The specific inspectorate, quality control and enforcement powers of the Kano State WSA would also be mentioned in this part.

Other water sector related offences not necessarily related to sanitation would also be mentioned in this part and the sanctions that attach to the offences would be stated clearly.

Part 7: Miscellaneous provisions

The Interpretation clause and any other issue of a general nature, not covered by the above parts would be inserted here.

7.2 Schedules

Schedule one will distinguish between Greater Kano, Semi-Urban and Rural for the purposes of the law. Preferably this schedule will contain a list of villages and towns classified into one of the three categories above.

Schedule two will contain procedural regulations for the Governing body of WRC, while Schedule three will contain procedural regulations for the Governing body of WSA

7.3. Highlights

7.3.1. Repeal of existing laws; The process of amending the Water Board Law and the RUWASSA Law and bringing them into harmony with the new policy would be a very complicated task fraught with the likelihood of introducing more conflicts and overlaps. It is thought that the proposed Kano State WSA can operate effectively by acquiring some of the facilities and staff of both RUWASSA and the Water Board. This being the case the need for separate laws becomes even less relevant. One must consider that the Water Board and RUWASSA laws are respectively 14 and 8

years old. Both laws were edicts promulgated by Military Governments and reflected the thinking of the time. Having one law also means all the actors in the water sector are operating within one legal framework. Thus, the smooth inception of the new water policy would require the repeal of the Water Board and RUWASSA Law and the coming into force of a new all encompassing Water Law for Kano State.

7.3.2. Objectives: The objective of the law is to provide a legal basis for the involvement of all stakeholders and for the sustainable management of water supply and sanitation in Kano State. The law is also meant to harmonise the efforts of the three tiers of Government, the various agencies working in the water sector and the private sector.

7.3.3. Role of State Government: The Law would ensure that the State Government's role moves from being a water service provider to that of creating the right enabling environment and giving the required technical support.

7.3.4. Local Government; Local Government's role would move from its current legally ambiguous role in relation to water supply to technical support and coordination for the WCAs. Where appropriate the LGAs could subsidize capital expenditure and O&M costs of projects.

7.3.5. Water Consumers' Association; The law would empower the communities through the WCAs to be part of the decision making process, it is envisaged that wells, boreholes and water systems would formally be handed over to these communities for the WCA to maintain. The WCA would be empowered by the law to engage WSPs to supply water to their communities and also dispense with their services if not satisfied with their performance.

As the WCAs will be able to own property and enter into contracts and would need to run bank accounts, some sort of corporate legal personality⁸ must be created for them at minimum cost. It is proposed that the new law would provide for a registration process that can be coordinated at the Local Government level but will have the effect of State registration. This could be done by the local Government acting as a collection center and sending registration documents to Kano (or any other convenient location) for subsequent endorsement by the State authorities responsible for registering associations. The law will have to provide for effective coordination between WRC, the State and Local Government in respect of the registration process, as registration through the State would not automatically mean licensing by the WRC.

7.3.6. Water Regulatory Commission; The WRC would be an independent regulatory body, whose Governing Board would be made up of various stakeholders including the private sector and Government. The WRC shall have the power to make regulations, in accordance with the law. The law would allow WRC to issue licences and approve but not set tariffs. .

7.3.7. Water Supply Agency; The main functions of the agency will be technical support and enforcement. The agency will have three divisions: Urban (Greater Kano i.e. radius of 30km from emir's palace); Semi-Urban (population above 5000 people); and Rural (less than 5000 people).

⁸ Item 32 Part 1 of the 2nd Schedule to the 1999 Constitution gives powers to a State House of Assembly to confer corporate status on bodies. Also see the case of *S.S. Ejikeme & 3Ors V. N.J. Amaechi & 5Ors* (1998) 5Nigeria Weekly Law Reports (Part 542) 456

7.3.8. RUWASSA and Water Board; Would be submerged by the new law and their boards dissolved. The new organizations that would emerge would be the WSA and one or more government owned self-sustaining WSPs

7.3.9. Change Management Office: The new law would provide for a Change Manager to be appointed by the Executive Governor of Kano State as soon as recommendations are accepted in principle, as he/she will be the main driver of the process. The Change Manager's tenure should be protected by the proposed legislation to avoid undue politicization of the post. The Change Manager should have a tenure of less than 5 years in the first instance and if necessary a further 5 years after the initial period. The Governor would still be able to remove the Change Manager where the Change Manager was not performing his functions creditably. The Governor would also make the final decision as to when the envisioned changes were complete or had reached an appreciable stage and consequently that the Office of the Change Manager was not necessary.

8.0. Way Forward

Drafting of water supply policy is only a first step in the process of achieving overall reforms of the water supply sector in Kano State. The following actions need to be taken for implementation of the policy to commence.

- i) Adoption of the policy by the State Government. This may involve the following stages:
 - o Kano State Ministry of Water Resources submit the draft policy to the Ministry of Justice for comment
 - o The State Ministry of Water Resources prepares a memo to the State Executive Council for consideration and approval
 - o The approved policy should be submitted to the Ministry of Justice in order to prepare the draft laws (as recommended by the policy) for submission to the State House of Assembly
- ii) New draft legislation for the proposed policy and institutional changes should be sent to the State House of Assembly
- iii) Development of a detailed implementation strategy and time bound action plan
- iv) Commence implementation of the action plan