

# PSAWEN

PUNTLAND STATE AGENCY FOR WATER, ENERGY & NATURAL RESOURCE

# WATER SECTOR MANAGEMENT DECENTRALIZATION GUIDLINE

(SDM)



(Local Community Led Process)

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## **BACKGROUND**

UN Joint Programme on Local Governance and Decentralized Service Delivery (JPLG) Phase II is a 5 year Programme of ILO, UNCDF, UNDP, UN-HABITAT and UNICEF. The Programme is aligned to the national development frameworks and UN programming framework UNSAS 2010 – 2015 outcome that local governance contributes to peace and equitable priority service delivery in selected locations.

Overall objective: Local governance contributes to peace, development and equitable service delivery

Outcome 1: Policy and legal frameworks are improved to enable local governments to deliver equitable services.

Outcome 2: Local government capacity for equitable service delivery is improved.

Outcome 3: Local governments are accountable and responsive to community priorities in providing equitable and sustainable services and promoting local economic development.

From that perspective, to achieve the outcomes of the mentioned 1,2 and 3, the later units of this decentralization guideline will be guided, to achieve the goal.

## **ABBREVIATIONS**

HR	Human Resource Management
LG	Local government
PSAWEN	Puntland State Agency for Water, Energy and Natural Resources
MoU	Memorandum of understanding
PPP	Public Private Partnership
WIMS	Water Information Management System
UN-JPLG	United Nation Joint Program for Local Government Development
SDM	Service Delivery Model

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# Water Management Decentralization Guidelines

## Step 1: Consultation Stage

### PSAWEN Decentralization Dialogue

PSAWEN management should discuss internally, how best can be established a PPP company, to empower the local authority and local community for them to have active role for the water management in their district, to increase the accessibility of water, and the quality of service delivery.

Within this dialogue, a significant number of issue will be tentatively discovered, and a task force team will be formulated, to look at deeply, to remove or mitigate the possibility of risk before the intervention.

It is very significant that the team will review all lessons learnt from the previous decentralized districts, the challenges faced, and the recommended actions in the previous studies.

### Local government Consultations (LG)

Local government of the selected district and PSAWEN jointly share experiences, and discuss the best techniques can be employed, to speed the decentralization initiatives.

At this stage, it is the local authority responsibility to mobilize its communities, and persuade the concept of the decentralization, for them to keep updated, particularly the district business community should understand the new approach from business perspective to be motivated.

Community should be approached, because they will play a key role for the establishment of Public private Partnership for water service delivery institutions.

### Village mapping

This will be a jointly site visits to gather with local authority and PSAWEN, to know how many villages under the selected district are eligible to have a PPP companies, during the assessment, a number of locations will selected by considering many factors including population wise, the available water infrastructure, and financial capacity of local community.

## Private sector capacity assessment

With the support of the local authority, PSAWEN does business community capacities assessment by knowing their capacities of having capital investment, knowledge, skill, to make sure the system reflects the community structures for that particular location, to avoid the dominations of one strong business group, this will create a stable business environment , and long lasting water service delivery institution, which fits the program goal of delivering the service with the engagement of the local community and authority.

After the assessment has been completed, the number of business community that will have the required skills, knowledge, and capital will be tentatively identified, and this study will feed the decision makers, when establishing PPP companies.

## Donor engagement

Water authority should come up with a very detailed decentralization program, and it should be covered, activities and as well budget, for the smoothly implementation of the decentralization process.

The donor will play the role of investment, technical support, and any other needed.

## Step 2: Mobilization Capital Shares

### Preparation of Public & Private Shares (Capital or Asset)

Public Private Partnership approach, is to share financial resource, responsibilities, rewards, risk, and any other common interest that will create an enable environment, for this reason, the central government will come up with its share, and the same for the private sector.

## Step 3: PPP agreement & MoU

### PSAWEN/ Local government MoU

Memorandum of understanding will clearly defined, the role and responsibilities for both local authority and PSAWEN, and both parties' senior management officials will be approved, to formulate the legal baseline.

## PPP Agreement development

Trilateral PPP agreement will be developed, PSAWEN, Local authority and PPP Company will co-sign, all roles and responsibilities of stakeholders will be clearly defined in details.

## Step 4: PPP Company Establishment & legal framework

### Selection of Private sector members

Central government and local government will jointly organize a business community, for them to be mobilized, and persuade the concept of public private partnership institution, and its benefits to the community in terms of service delivery.

After the mobilization, a number of the business community will be selected to be part of the public private partnership process, and their allocated share should be in place with in jointly determined deadline.

### Establishment of PPP Company

Since the private sector has been organized and ready to participate of the new initiatives, the PPP agreement should be signed by PSAWEN, LG and Private Sector, to create an enabling environment, where by all stakeholders are collaborative towards the realization of the service delivery objectives.

### Institutional Building

Institutional building is one of the key aspects of having a functional PPP system in the districts, office should be set up by providing the necessary equipment of office furniture.

The supply chain, HR, financial management policies respectively should be developed which is relevant and suitable to the particular context, to harmonize the smoothly running company's day to day operations to achieve the predetermined decentralization goal, note all decentralization guidelines and regulations should refer to Puntland decentralization policy.

## Step 5: Water system investment & Supervision

### Water system investment

The system investment will be done as per the clauses of the trilateral PPP agreement, and the central government (PSAWEN) and Local government should take the lead, to advocate for funding opportunities for where ever possible.

All the investment should be registered in to public asset register in accordance with Puntland Water Act.

### Water system installation

When setting the water infrastructures, and water supply networks in all districts, a professional of civil and water engineers should develop the designs, with

collaborations local government, PSAWEN and any other organizations those may contribute technically.

Water network plans should fit to the district town plans, to avoid future wastages, and lessons learnt from the previous PPP projects should be employed, for the intention of not facing recurrent challenges.

## Supervision and Monitoring

PSAWEN and Local government will close monitor and supervise the whole system technically, to make sure the achievability of the water service deliver to community up to the grass root level, to promote peace, equity, transparence, accessibility, and quality water service.

### Step 6: Capacity Building

#### Operations & Maintenance Training program

The borehole operators and plumbers will trained through operation and maintenance manuals set by PSAWEN, for them know “how” to do the job properly without damaging the company asset.

#### Financial Management

The finance and procurement departments will take through a training program, to have a competent employee with good integrity, those may understand the financial packages, to manage resources in a cost effective means, to maximize the company profit, and the maximization of public interest of delivering the service to largest percentage of the district as possible.

#### Water Bills Management

Billing department will trained through WIMS system, the billing officer to be in a better position of managing the billing system accurately, basically, they will learn how to generate bills, reports, activates, data manipulations and other.

#### Human Resource Management

The human resource department will go through a training program for them to get the practical knowledge of recruitment, employee contract management, record management, confidentiality handling, staff welfare, leave management and payroll management.