



Republic of Somaliland
Ministry of Mining, Energy and
Water Resources

SOMALILAND NATIONAL WATER POLICY

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PREAMBLE

The management of freshwater resources and services is of critical importance to develop health, self-reliance, good governance, peace and economic development of Somaliland. Effective water resources management is recognised as a key component of environmentally sustainable development. The development of a water policy is a critical first step in establishing the regulatory framework that will enable a rational management and utilisation of freshwater resources.

This paper is the statement of the policy that officially defines the principles, the goals and the way to develop the water sector. This is the National Water Policy which is entirely developed by the Ministry of Water and Mineral Resources, the (only) governmental entity that is entitled to regulate the entire water sector and the various actors that take a role in this sector.

This policy is the first element constituting the global regulatory framework for the water sector. These elements can be summarised as follows:

1. **The National Water Policy**, general statement of principles and guidelines to indicate the proper manners to develop the water sector and thus to conduct interventions in the sector.
2. **The National Water Strategy**, indicating objectives, priorities, detailed measures and role sharing that are set to allow the policy to be implemented.
3. **The Water Act**, establishing the legal framework to support the strategy (or translating the strategy into legal provisions and institutional arrangements), defining organisations, mandates and responsibilities, as well as procedures, obligations and interdictions in a general way.
4. **The Water Regulations**, gathering all the by-laws necessary to enforce the Water Act and allow any organisation acting against the Water Act to be taken to court.

The National Water Policy expresses the will of the government for the development of the water sector, and must be considered by any actor of the sector as the directive framework for their actions. Any action undertaken in the water sector in Somaliland must comply with this policy and the rest of the regulatory framework developed for the sector.

This policy is the vision of the Ministry of Water and Mineral Resources for the development of the water sector, and is based on general principles that are internationally recognised as well founded. Practices, approaches and strategies may periodically evolve, but the policy is the founding stone for the sector.

This policy encompasses the management of the various types of water resources, as well as the organisation of the different services for the provision of water for any type of uses.

SECTION A. CONTEXT

I. HOLISTIC APPROACH

Lack of a holistic perspective regarding water leads to a very dispersed and confused system of water management, where responsibilities are spread over various ministries, each of them having a particular stake in the water sector. Without an effective policy for the whole sector, line ministries such as that of agriculture, livestock, health, environment, can take the authority to act according to their respective objectives, with multiple differing approaches and practices, thus hampering the co-ordinated development of the sector.

The lack of global vision for the sector at national level leads to uncoordinated or even inconsistent interventions from external actors, such as International Agencies and NGOs, investing in the sector with various approaches according to their respective mandate.

Neither environmental nor socio-economic sustainability can be achieved in such a convoluted institutional and operational context.

This situation is further complicated in Somaliland by the recent and long lasting wars and civil disturbances and by the need to accommodate numerous refugees and displaced persons.

Equity and efficiency in the use of scarce water resources require co-ordination from the various actors in the different sectors. However, integrated and cross-cutting structures are notoriously difficult for governments and donors to administer. The necessary holistic perspective must be directed through a single organism that can streamline all the different approaches in an enabling framework, ensuring equity and efficiency for all types of users while developing and protecting the resource.

Until the recent past, water supply was seen as an essential social service to be provided by the government. However, such approach requires important human and financial resources from the government and results in very costly operations when users have no responsibilities for the infrastructures. The restricted national budget available, and the need for a more cost-effective service provision require a different role sharing between the government and users, as well as some new partnerships with a wide range of stakeholders.

II. WATER AS AN ECONOMIC GOOD

As traditionally stated in customary laws and Islamic texts, water can be considered as gift from Allah and thus free. But, as it has always been considered, the service to supply water is paid-for, according to the costs of producing, treating, transporting and delivering it.

Especially in countries like Somaliland where water is scarce and central to social and economic development, there is a strong demand for water, even if it must be paid-for.

This demand, as it is observed in Somaliland, is a very encouraging indicator that allows to consider that the price of water must not only take account of the production costs, but also all the necessary costs for the sustainability of the services as well as that of the resource.

III. EMERGING SELF-ORGANISED COMMUNITY GROUPS

Accompanying the recognition of water as an economic good, the increasing role of self-organised community groups is also observed in Somaliland. Numerous studies of water management systems in Somaliland show that the most efficient and sustainable management occurs when management is organised at local level, with a strong link between the ones who

operate the system, and the ones who use the water. This relationship between users and providers, whether it is a community group or a private operator, clearly sets the responsibilities of each party, and keep ambiguities in ownership of the system to a minimum.

The emergence of such local management structure is a very good sign of potential local capacity for the management of water, that must be supported and reinforced.

IV. OWNERSHIP

Before the establishment of Somaliland as an independent state, most of the infrastructure was publicly owned. Communities would not be concerned with the management of services nor operation or maintenance of the infrastructure itself. When the central government and public authority collapsed following the period of civil conflict, ownership of public infrastructure lost meaning.

As a result, water facilities have either collapsed due to the lack of ownership or have been rehabilitated with private investment and then operated by privately organised group that now claim ownership. However, the much needed investments for expansion of services is restricted due to this unclear ownership situation.

Furthermore, absence of a clear sense of ownership is globally recognised as a key threat to sustainability of services.

V. WOMEN INVOLVEMENT

The situation is compounded by the failure to fully appreciate the role of women in the water sector, their influence over domestic water quality and use. As main users of the water service, and thus frontline stakeholders, they have a strong interest in the sustainability of the service and can play an important role in the “ownership-feeling” phenomena. Ownership, management and operation arrangements based on women’s involvement are internationally known to be more sustainable.

VI. SPECIFIC PROBLEMS

VI.1 Maintenance

The over-emphasis on non-standard products or technologies that generates costly maintenance beyond the capacity of local management structures is all too frequent. This reliance occurs in a context where local skills and resources in rural areas are generally low because the maintenance of traditional water sources required no specific formal training and little money.

VI.2 Urban/rural imbalance

While Somaliland’s population is assessed to be 60 to 70% rural, most of the financial support of the water sector is concentrated in urban water supply schemes. Although it is true that dense urban areas allow at the same time to improve access to safe water for a considerable population, and constitute choice target for the future (urbanisation is growing fast), Somaliland’s economy still highly depends on livestock breeding and agricultural production, which rely upon the availability of water in rural areas.

VI.3 Environment

The concentration and the construction of water systems in a given area can lead to attract too many people and livestock that can endanger the natural environment.

In the harsh environment of Somaliland care is to be taken not to disrupt the delicate ecological balance. In many areas, grazing takes place for only a number of months each year - as long as water sources are available. The movement of livestock away from the area provides a period for vegetation to recover. Concentration of water supply facilities in a given area may result in a huge influx of people and livestock with associated environmental degradation. Current livestock levels are already putting the long term tenure of the rangelands - and thus the livelihoods of the nomads - at a significant risk.

VII. WATER RIGHTS

Access to water sources is traditionally free in Somaliland, and water for immediate human consumption cannot be refused and should not be charged. But beyond these principles, the community settled next to a water source has customary rights on the water that, for example, is taken away in containers or used for livestock (there is a tradition in Somaliland of people paying for at least part of the cost of the provision of water services). However, these traditional water rights must be revised in the light of the new appreciation of water's scarcity and value.

A sound, equitable and environmentally sustainable water resource management requires that the rights on all the water resources of the Somaliland's territory are entrusted to the State on behalf of Somaliland's people and for the benefit of all Somalilanders and their descendants. These rights are necessary to enable the government to investigate for, control, protect, manage and regulate water for any use in Somaliland, in order to manage the resource in a sustainable way.

The Government invests the Ministry of Water and Mineral Resources with the authority via this policy and in accordance with subsequent legislation and regulation to plan for the development of and to oversee the utilisation of Somaliland's freshwater resources.

VIII. MILLENNIUM DEVELOPMENT GOALS

The current situation in Somaliland regarding water and sanitation is of particular concern, and this Policy aims at streamlining the effort of Somaliland Government, as well as the intervention of international agencies in the perspective of the Millennium Development Goals. This Policy acknowledges the need to use the principles and good practices highlighted in MDG initiative to accelerate the improvement of access to services.

IX. DROUGHT MITIGATION

The harsh environment of Somaliland is compounded by the frequent occurrence of drought that tend to be more and more frequent. Therefore response to drought is part of the Ministry's strategy, and requires co-ordination with the other organisations relating to drought mitigation, such as the National Emergency Relief And Disaster organisation (NERAD).

The drought mitigation guidelines will be provided in the "Operational Strategy Guidelines for Emergency Response to Water Shortages in Somaliland". These guidelines will be prepared in collaboration with the NERAD.

SECTION B. POLICY OBJECTIVES AND PRINCIPLES

I. OBJECTIVES OF THE WATER POLICY

Main goal of the water sector development: to improve availability and access to water in a sustainable and equitable way for all different types of uses, in a manner that is environmentally safe.

This main goal relies on several objectives:

I.1 Availability

Objective: to increase availability of water by developing the surface and ground water resources.

I.2 Accessibility

Objective: to co-ordinate water infrastructure initiatives to optimise access.

I.3 Sustainability

Objective: to set standard management models (or practices) improving gender equity, community mobilisation, and private sector appropriate participation.

I.4 Equitability

Objective: to set priorities of use and rules for sharing the resource.

I.5 Environmental safety

Objective: to develop an integrated water resource management.

II. PRINCIPLES

Different kind of missions and activities are necessary to progress toward these objectives, but the Policy also promotes cross-cutting principles that may serve one or several of the previous objectives. These principles also provide general guidance for any actor when preparing its intervention:

1. **Equitable use of water:** the water resources must be developed and managed in a way that reduces the risk of conflict among the different types of users. In case of shortage, essential uses must be prioritised.
2. **Environmental sustainability:** the development of water resources and the use of the water, as well as the expected side effects of this use, must not constitute a danger for the environment, and must be managed in a way that preserves or improves the environment left for the future generations.
3. **Local management:** the operation, maintenance and management of water infrastructure is more sustainable when organised at local level, with a strong relationship between users and operator.
4. **Private sector participation:** water is considered as an economic good, and the provision of water services on a commercial basis has proved to be more sustainable in many situations, as it ensures a better cost recovery. For that reason, contracting with private sector for the management of urban water supply is encouraged.

5. **Gender approach:** the strong relationship between users and operator requires a good and equitable representation of all users. Women are primary users for water supply services, and their involvement in user representation or directly in the management structure, is to be encouraged.
6. **Demand-driven approach:** in order to improve infrastructure sustainability, projects must be planned according to the demand, which ensures that users have a strong interest in the sustainability of the service.
7. **Supervision is central, action is local:** the central government has the responsibility to supervise the sector through the regulatory framework established, while local levels have to be accountable for their actions and ensure that relevant information is directed to the central level.
8. **Decentralisation:** planning, implementation and management are done at local level, in order to better take into account the local context, demand and capacities. Related decisions can be taken at local level, with information, guidelines and authorisation provided by central level.
9. **Cost recovery:** the price for water service paid by users must cover the costs of a sound operation and a complete maintenance so that local and frequent expenditures can be funded by local regular incomes. The price of water service must also take into account, where feasible, the cost of renewal for short lifetime assets.

SECTION C. WATER SECTOR PRIORITIES

I. FRAMEWORK

The first priority of this policy is to establish a framework that enables the Ministry of Water and Mineral Resources to co-ordinate the involvement of the various actor in the water sector.

This framework is defined (enacted) by the following documents:

1. the present National Water Policy, setting the overall goal and the direction to follow for the development of the sector,
2. the National Water Strategy, establishing the role sharing and actions to be taken for each actor of the sector,
3. the Water Act, defining the judicial legal framework of the sector,
4. the related water regulations, enabling the implementation of the water act through the necessary by-laws.

This policy framework covers the following aspects:

- a. arrangements for gathering of relevant information, for the preparation of guidelines and the definition of standards applicable to the development of the Sector;
- b. a system to provide information, guidelines and standards to any organisation that undertakes any initiative in the Sector (consists of a “Water Development Guidebook”, a directory of standards, and a centralised water resource database);
- c. in order to better co-ordinate and plan current and future initiatives a system to collect information from all past, current and projected initiatives in the Sector (consists of a “project statement”, certification file and handing-over documentation);
- d. a system to enable delegation of the provision of water services to local structures such as community-based organisations or private operators (consists of standard delegation contracts and standard operational statutes for Water User Groups);
- e. a capacity building programme to assist each actor to develop the new skills needed for its role;
- f. a financial system of fees and taxes to complete the national budget in order to finance the interventions of the Ministry.

II. WATER SUPPLY FOR DOMESTIC USE

Water for human consumption is a priority in Somaliland. Given that groundwater is the safest resource that can be used for human consumption, the policy is to focus on groundwater resources for the development of water supply for human consumption. This will be achieved through different technologies including boreholes and shallow or deep wells.

The implementation of such water supply systems will be guided by the following policy principles:

- That the construction or rehabilitation of boreholes and wells shall be authorised by the Ministry of Water and Mineral Resources.
- That management (operation, maintenance, cost recovery) of water supply facilities must be delegated to:

- a. community-based organisations that can be user associations or water user groups as defined earlier (civil society representatives, with no lucrative goal) in rural areas,
- b. or private management with public oversight in urban areas where and when feasible.

The second priority regarding water supply for domestic use is to ensure that the water is safe for human consumption. Water quality standards are set by the Ministry of Water and Mineral Resources (note: according to the requirements of Ministry of Health, as provided for in the national water strategy), and must be respected by any actor that operates and manage a water facility primarily destined for human consumption.

All the water supply facilities must enter into this formal framework, including pre-existing infrastructures, private infrastructure and industrial infrastructure for beverages and food.

III. SURFACE WATER

Surface water is a complementary resource that can help reduce the pressure on groundwater resources. The lower level of quality of this resource makes it more suitable for non-domestic applications , such as:

- Livestock watering,
- Agriculture irrigation,
- House cleaning,
- Industrial production (except for drinking purposes),
- Sanitation.

Ponds, dams, ballehs and berkads are the main technologies in use for harnessing surface water. The key policy principles for development and utilisation of surface water resources were as follows:

- The promotion of the construction and rehabilitation of ballehs and berkads by other actors than government agencies.
- The co-ordination at central level of the planning of such infrastructure to avoid concentration and risk of conflicts.
- The utilisation of such water for domestic purposes must be guided by safe public health practices (treatment, transportation, preservation) to limit the risk of waterborne diseases.

IV. CAPACITY BUILDING

The operational implementation of the desired framework requires a significant reinforcement of the capacity of various actors, both at local and national level. In this respect, the priorities are:

- To train local management structures on operation and maintenance for their facility and financial management as well as in hygiene and sanitation promotion.
- To inform municipalities about their responsibilities regarding water supply.
- To reinforce the capacity within the Ministry of Water and Mineral Resources to better address their supervision role.

SECTION D. POWERS AND RESPONSIBILITIES OF THE MINISTRY OF WATER AND MINERAL RESOURCES

I. MANDATE

The Government holding in trust and responsible for the management of Somaliland's water resources for the benefit of its current citizens and their descendants via this Policy delegates its authorities and responsibilities to manage and regulate the water sector to the Ministry of Water and Mineral Resources.

I.1 Responsibilities

The responsibilities of the Ministry of Water and Mineral Resources, according to its mandate to manage the water sector, are listed below:

- to organise the water sector (developing a regulatory framework) in order to improve the efficiency of all the actors and to preserve the interest of the general public (arbitration, measures of public interest);
- to manage (i.e. to better know, develop and protect) the national water resources for the benefit of all Somalilanders and their descendants;
- to ensure the provision of water supply for domestic use as a public service.

I.2 Authorities

To that end, the Ministry of Water and Mineral Resources has authority to:

- define the National Water Policy, which must be followed by all actors in the sector,
- plan, or approve the planning of investments to be made in the sector,
- regulate the exploitation of water resources by abstraction permitting and tax levying,
- set the principles of a national tariff policy for water supply,
- arbitrate and act as a regulator for disputes that may occur between actors of the sector.

II. PLANNING

In order to manage the water resources in an integrated manner, and to optimise the response to the demand for water at a national level, the Ministry of Water and Mineral Resources has the responsibility to co-ordinate at national level the planning of any infrastructure mobilising water beyond subsistence levels through permitting.

II.1 Infrastructure proposed at national level

When the construction or the rehabilitation of infrastructure is proposed at national level, for example through national budget or by International Agencies or NGO that submit a programme at national level, the planning function is the responsibility of the Ministry of Water and Mineral Resources. In such cases, the Ministry has authority to negotiate with the concerned International Agencies or NGO in order to define the location and type of infrastructure to be constructed, in a manner that both:

- optimises the financial resources available according to the demand;
- optimises the use of water resources in an environmentally and socially sustainable way.

Therefore, the Ministry of Water and Mineral Resources has authority to review an Environmental Impact Assessment Report that is prepared under applicable Law for the development of infrastructure related to water use. The Ministry analyses the various regional and municipal or district development plans to see how to plan the proposed infrastructure so as to contribute to the realisation of these plans, or to harmonise the proposed infrastructure with these plans.

II.2 Infrastructure proposed at local level

According to decentralisation principles, in the case of projects that originate from municipal or regional level initiatives or that are proposed by International Agencies, NGOs or private investors but for a given place and type of infrastructure, the responsibility of planning is delegated to the local level, with the same authorities. Therefore the local level (i.e. the district or municipal level, then the regional level) has the responsibility to include the proposed infrastructure in its development plan in a consistent manner. The central level has authority to approve or reject the proposed plan.

III. INVESTMENT AND OWNERSHIP OF ASSETS

III.1 Public investment

Lack of clear ownership generally results in insufficient maintenance and investment in the infrastructure. Ownership is associated with the responsibility to ensure the sustainability of the service, which implies to:

1. properly organise the operation and the maintenance (possibly through delegation),
2. finance progressive renewal of the infrastructure according to the expected lifetime of the different parts,
3. Plan and fund extensions according to the demand.

The Ministry of Water and Mineral Resources is responsible for the public investment to be made according to the national level planning, while local level authorities are responsible for the public investment planned at local level. However, when the investment is made, and the infrastructure completed, ownership of the assets is allocated according to the following principles:

- the ownership of primary strategic infrastructure in which significant public interest is retained to the central level of the Ministry, (centralised ownership)
- Secondary infrastructure, for which a sufficient capacity is ensured at local level, is vested to a local owning entity (decentralised ownership).

Ownership includes the responsibility to organise the renewal of the concerned infrastructure, which means that secondary infrastructure must be renewed with local budget, preferably supported by provisions or savings achieved through water sales (or service pricing).

III.2 Owning entity: central ministry or Local Water Authority

Centralised ownership is entrusted to the Ministry of Water and Mineral Resources.

Decentralised ownership requires the creation of an “owning authority” at local level, which will be thereafter called “Local Water Authority”, whether it is created at municipal, district or village level.

III.3 Private investment

Water systems that are entirely funded by private investors remain private assets, even if they provide water supply services for use by the general public. The private investors have the responsibility to renew the infrastructure to ensure the sustainability of the service.

Water supply for domestic use is a public service, even if provided by a private entity and the Ministry of Water and Mineral Resources is entitled to take actions to safeguard the sustainability of this service in the interest of the general public. Therefore, if the sustainability of the service is threatened by the lack of renewal provisions achieved by the private investors, the Ministry can negotiate with the latter to take over the ownership of the infrastructure through the payment of the residual value of the assets. This allows the infrastructure to be managed as a public facility, as detailed further.

IV. SUPERVISION OF WATER PROJECTS

Under its mandate to assure the public service of water supply, the Ministry of Water and Mineral Resources has the responsibility to ensure that any intervention (public or private) for the purpose of providing water service for use by the general public conforms to the standards and specifications set by the Ministry. These specifications relate to technical prescriptions as well as managerial, environmental and social aspects. Therefore, the Ministry, through its central or regional offices, has authority to perform the necessary inspections in order to certify or reject works for water supply services. This Certification relieves the constructor from its responsibility and turns it to the Ministry.

The same applies to water infrastructure (public or private) destined to provide services for other purposes (agriculture, livestock, industry) and which abstraction will require the use of equipment. Under its mandate to ensure sound management of water resources, the Ministry has authority to certify infrastructure against particular specifications set by the Ministry according to the final purpose of the water.

The responsibility to certify water infrastructure is entrusted to the Water Department of the Ministry of Water and Mineral Resources. Any organisation implementing a water infrastructure project must obtain this Certification prior to commissioning the facility. This includes projects implemented by the Government through the Water Development Agency.

V. MONITORING OF OPERATION AND MAINTENANCE

The responsibilities of the Ministry of Water and Mineral Resources regarding operation and maintenance are to:

- enable sound management practices through the delegation of operation and maintenance,
- to facilitate the contracting between Local Water Authorities and local management structures,
- to provide technical advice when requested,
- to facilitate the procurement of spare parts or technical maintenance services.

VI. REGIONAL OFFICES

The Regional Water Co-ordinators and their staff are professionally responsible and under the guidance of the Ministry of Water & Mineral Resources. 'Professionally responsible' means that these Regional Water Co-ordinators implement and follow the guidelines and standards established by the Ministry for the development and management of water resources. These

Regional Co-ordinators and their staff locally perform the responsibilities of the Ministry in their regions.

Their responsibilities include:

- providing secondary assistance for local water authorities to contract with local management structures;
- providing primary technical assistance to local management structures for the operation and maintenance;
- to facilitate the procurement of spare parts or technical maintenance services,
- performing necessary technical inspections of facilities;
- issuing certification for water interventions;
- collecting relevant data on the facilities and their use of the water resources in the region to report to the central level;
- Providing technical guidance to local planning authorities to support them in the preparation of their development plan.

SECTION E. WATER SECTOR ACTORS

I. CENTRAL MINISTRIES

The Ministry of Water and Mineral Resources establishes the National Water Strategy. This strategy document is then submitted for approval to the Council of Ministers to ensure consensus and approval from all the ministries.

The Ministry of Water and Mineral Resources also prepares and periodically updates the National Water Development Plan according to a decentralised planning process, and submits it to the Ministry of Planning and Co-operation for consolidation with the national development plan.

II. LINE MINISTRIES

The following ministries have an important stake in the water sector as their individual mandates depend on the availability of significant quantities of water resources. While the Ministry of Water and Mineral Resources holds responsibilities for water resources management and in the development of water services for all purposes, the line ministries have a key in the sector as principal stakeholders. Therefore their collaboration is essential to the planning process by providing the necessary data for assessing the strategic resource demand for particular users, in terms of:

- location of the supply points,
- particular specifications for the facilities (design of distribution points)
- needed quantity (volumes in cubic meters per day, peak flows in cubic meter per hour),
- required quality standards (to be approved, enforced and monitored by the Ministry of Water and Mineral Resources)

II.1 *Health and Labour*

Water for human consumption is a crucial stake in the water sector for the Ministry of Health and Labour. They will provide scientific guidance to the Ministry of Water and Mineral Resources in order to set the appropriate standards of water delivery services for domestic use in terms of bacteriological and physio-chemical quality and average per capita quantity.

However, the demand assessment for human consumption water (i.e. water supply for domestic use) in terms of location, design and planning is not performed by the Ministry of Health and Labour.

In addition, the Ministry of Health and Labour collaborates with the Ministry of Water and Mineral Resources in the development and implementation of public awareness campaigns focused on water and sanitation practices for improved health.

II.2 *Livestock*

Water for livestock is a determining factor for the grazing routes and settlement patterns of nomads and therefore the planning of infrastructure for such purposes impacts priorities for land management and environment protection at both local and national level. The Ministry of Livestock is responsible to co-ordinate with the Ministry of Water and Mineral Resources in order to assess the demand for livestock water needs, in a way that allows local governance to plan infrastructure and central level (MWMR) to approve or amend such plans to mitigate against possible land utilisation conflicts as well as negative environmental impacts.

II.3 Agriculture

Water is a major factor for agricultural production, and the availability of water determines the potentiality of agricultural use of a given land parcel. Water resource development is therefore strongly linked with land management.

The Ministry of Agriculture is responsible to co-ordinate with the Ministry of Water and Mineral Resources in order to assess the water demand for agricultural uses, in a way that allows local governance to plan infrastructure and central level (MWMR) to approve or amend such plans to mitigate negative environmental impacts.

II.4 Pastoral Development and Environment

The Ministry of Pastoral Development and Environment is responsible to provide technical guidance for Environmental Impact Assessment required by the Ministry of Water and Mineral Resources and will provide them with Environment Impact Assessment reports for all water development projects that require permitting.

II.5 Water Policy Committee

An inter-ministerial Committee is created to initiate the needed co-ordination to support the process of developing the Water Act and then monitor the implementation of the National Water Policy. Particularly, the Water Policy Committee enables line ministries to have their say in the water sector restructuring, as regards their respective stakes.

III. INTERNATIONAL AGENCIES

International Agencies/NGOs when operating in the water sector (including both groundwater and surface water initiatives) must, after registering with the Ministry of Foreign Affairs and the Ministry of National Planning, contact the Ministry of Water & Mineral Resources.

This contact is provided to enable:

- the International Agencies/NGO to acknowledge the National Water Policy, the National Water Strategy, the Water Act and relevant regulations,
- the Ministry of Water and Mineral Resources to provide the International Agencies/NGO with contextual baseline data for the concerned area,
- both the International Agencies/NGO and the Ministry of Water and Mineral Resources to establish which information on the project should be given to the concerned planning authority (local level or central level) in order to enable it to assess the consistency of the proposed intervention with existing water development plan.

It is the responsibility of these International Agencies/NGOs to follow the guidance established in this Policy and other internal ministerial policies that may have impact on their intervention.

IV. WES (WATER, ENVIRONMENT AND SANITATION) GROUP

This group is composed of funding agencies active in the water sector and Ministry of Water and Mineral Resources and is jointly chaired by the Minister and a representative of the international development community. The WES group will continue to be the prime group for the sharing of information of ongoing and planned operational activities in order to facilitate the co-ordination of development activities in the water sector. In addition, this group can be called upon by the Minister to assist in the drafting of guidelines and operating standards as needed. Once such guidelines/standards are developed, they are to be submitted for review and approval to the inter-ministerial Water Steering Committee.

V. LOCAL WATER AUTHORITIES

V.1 Decentralised administration

The rationale behind the introduction of the decentralised management policy is to enable the beneficiaries to respond better to their water sector priorities and to be more innovative in approaches and management arrangements.

In line with the Constitution of Somaliland, the following responsibilities are decentralised:

- planning of interventions in response to expressed demand,
- supervision of service provision,
- ownership of public assets (secondary infrastructure),
- operation and maintenance of the facility,
- and financial management of the service,

However responsibility for co-ordination will be retained maintained at the national level for policy formulation and monitoring in order to ensure sound water resources management.

V.2 Delegation of the service provision

Once a public water infrastructure is certified, the Ministry of Water and Mineral Resources hands over the ownership of secondary infrastructure to a Local Water Authority (defined in *Owning entity: central ministry or Local Water Authority*, page 11).

This Local Water Authority is then entrusted with the responsibility for public water supply services in their respective area. It must delegate the management of these services to a local management entity (see *Local Management Structures*, page 16).

The formal delegation agreement between the Local Water Authority and the Local Management Structure is called “Operating Contract”. It will define the contractual obligations of both parties, and particularly the provisions for renewal of the assets and transfer arrangements for privately funded investments.

Furthermore, the Government recognises the right of any set of individuals or households to form a Water User Group that would collectively plan and manage water supply systems in their area under supervision of the Ministry. They may collect revenue from persons using the water supply system accordingly to the tariff policy stated further.

VI. LOCAL MANAGEMENT STRUCTURES

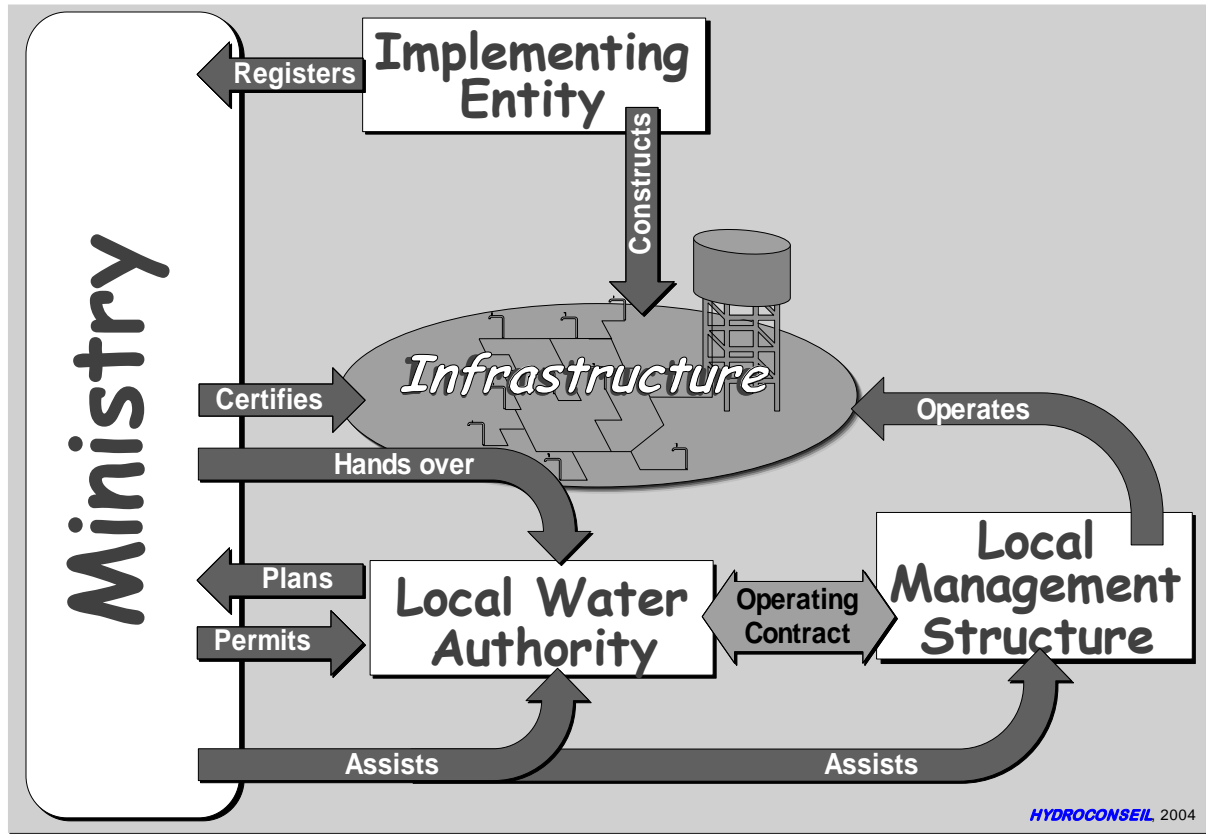
Local Management Structures can be:

- a non-profit organisation (community-based organisation such as user association, agricultural co-operative, self-organised community group, etc.)
- an autonomous self-accounting public water agency (in contract with the Local Water Authority),
- a private operator (single worker or small private enterprise or larger-scale private company).

The Local Management Structure takes over the responsibility of the management of the water supply services (operation and maintenance of the facility, cost recovery accordingly to the tariff policy) through the Operating Contract signed with the Local Water Authority. Their tasks and responsibilities are defined in the Operating Contract, and may vary from one place to another, according to the service demanded and the type of facility.

The executive officers of the Local Management Structures are professionally and technically responsible to the Ministry of Water and Mineral Resources in regards to the monitoring and protection of freshwater resources that these water systems depend upon. To that end, they will report relevant information to the Ministry of Water and Mineral Resources or its regional offices.

Figure 1: main actors of the sector



SECTION F. TARIFF POLICY

I. THE GOALS OF THE TARIFF POLICY

The goals of the tariff policy shall be based on the following core principles:

- **Equity**, requires that water is paid by users according to their consumption, where it can be measured. The rationale is to promote payment of water according to demanded consumption and at specific level of service.
- **Pro-Poor Policy** (or health support or public service principles) requires a baseline water supply for basic health and sanitation purpose at the most affordable price. The policy is to define at national level a “social block tariff”: a minimum amount of water per connection per month paid by users at marginal production cost (cost without profit).
- **Limitation of abusive uses of water** is achieved through demand management by imposing price restrictions on consumptions exceeding the social block amount.. The tariff policy is to implement increasing block tariffs, whereby each extra cubic meter consumed beyond the social block allowance is priced at a higher rate.
- **Other competing uses of water** (agriculture, livestock, industry, etc.) have different tariff levels, however apart from the pro-poor aspects the previously stated principles still apply.

II. THE DIFFERENT COSTS OF WATER

II.1 The cost for managing the resource

Because of the scarcity of water resources in Somaliland and the relatively high demand for water, the economic value of water is considerable. In order to limit the possible abuses and the pressure on the resource, at least for groundwater, abstraction of water from any aquifer is subject to abstraction fees. These fees will both:

1. enable the Ministry to directly finance activities related to the water resource management;
2. limit exploitation of aquifers beyond their natural capabilities.

For the purpose of the latter, the fee burden is set according to volumes abstracted. In other words, the percentage of the fees per cubic meter increases progressively with the volume pumped.

The concept of fee burden will be applied as a tool for water resource management, in accordance to the vulnerability of the concerned aquifer, and the fees will be periodically adjusted to match the necessary trade-off between demand and resource preservation.

II.2 The cost for the sustainability of the service

There is a good understanding in Somaliland that production and operation costs for the water service must be paid by the users. But financing only the operation of the facility is not sufficient to cover the normal deterioration of the infrastructure. The sustainability of the service requires that the revenues from the water sales must at least cover:

1. daily operation costs,
2. common maintenance expenditures,
3. casual repair expenses,
4. renewal costs for short and mid lifetime assets.

This implies:

- that the price of water must be set according to each infrastructure's costs, varying from one place to another,
- local and common expenditures must be financed by local and common revenue (water sales) not depend upon an unreliable centralised fund-flow system,
- that the necessary amortisement is calculated for every renewable part of the infrastructure, such as pumps, generators, solar panels, raising, main line, etc.
- that the management structure applies sound amortisation practices, securing money according to a time plan based on the expected lifetime of each renewable part.

II.3 The cost of developing the service

Access to safe water must be developed in Somaliland, and the water sector must be able to either attract investment or generate the necessary funds to develop and extend infrastructure. To that end, the price of water must include a sufficient return on investment for the operator to be interested in extending the service coverage or the owning authority to be able to fund infrastructure extension.

SECTION G. REVENUE-GENERATING SYSTEM

On top of the national budget for the basic functioning of the Ministry of Water and Mineral Resource, there is a need to finance specific interventions of the Ministry. Most of these interventions relate to services and assistance directly provided to actors of the water sector in support of the core functions of the Ministry. The principle set in this Policy are as follows:

- specific and casual interventions are paid-for by the beneficiary according to a fixed price framework set out in the National water Strategy,
- general and continuous missions are funded by permitting rights and levies based on the production volumes of metered systems.

In this regard the first type of interventions include, but do not restrict to:

- intervention certifications,
- site inspection,
- technical guidance to planning authorities for preparation of their water development plan,
- assistance to owning authority for the contracting of an operator,
- technical assistance to local management structures for operation and maintenance,

The second type of interventions include, but do not restrict to:

- regulation (arbitration) and supervision of operating contracts,
- water quality monitoring,
- water resource data collection and management,
- standards and guidelines development.

The decentralisation of a significant part of these missions is supported by the decentralisation of the payments for the interventions of the first type.

SECTION H. POLICY IMPLEMENTATION

I. POLICY IMPLEMENTATION AND MONITORING

The implementation of this policy will be followed up by the Water Policy Committee, that will monitor the following process:

- this policy will be approved by the Somaliland Cabinet
- the practical arrangements and provisions will be defined in the National Water Strategy,
- this strategy, after consultation with line ministries and other stakeholders, will also be submitted for approval to the Cabinet,
- then, a Water Act will be drafted in order to set judicial and legal provisions for the implementation of the strategy and give it a legal status,
- necessary regulations will be developed to enforce the Water Act.

Moreover, the further implementation of the Policy will be monitored by the Water Policy Committee.

The implementation of this Policy requires a strong political commitment, and must be championed by all the political leaders who are entrusted with improving the livelihood of the people of Somaliland.

II. OUTSOURCING

The implementation of this Policy implies substantial changes in the roles and responsibilities of various actors and especially the Ministry of Water and Mineral Resources. These changes require new competencies and resources.

Some core missions of the Ministry must be carried out within the Ministry, and thus requiring development of internal capacities and adjustments to the Ministry's internal structure. These core missions are:

1. guideline development,
2. definition of standards,
3. planning co-ordination,
4. monitoring,

Other functions may require skills or resources which are not available within the Ministry. These functions should be outsourced as needed, in order to mobilise the most competent actors, and to reduce the capacity building needs of the Ministry, in order to allow for a rapid implementation of the Policy.

1. The main non-core functions are as follows:
2. design of infrastructure,
3. construction,
4. management of services,
5. mobilisation of communities for hygiene.

III. DECENTRALISATION

This Policy highly rely on decentralisation approaches that are encouraged by the Constitution and enacted in the Regions and Districts Law. However, the practical application of decentralisation principles may take time, and in specific instances, may not be feasible in the current context. Therefore, the decentralisation principles mentioned in this Policy will apply where feasible, or accompanied by the necessary capacity building support if available.