SECTOR ASSESSMENT SUMMARY: NIGERIA

USAID WASH SECTOR STATUS AND TRENDS IN WATER AND DEVELOPMENT STRATEGY PRIORITY COUNTRIES

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TABLE OF CONTENTS

ACRONYMS AND ABBREVIATIONS III

EXECUTIVE SUMMARY V

1.0 INTRODUCTION 1

2.0 BACKGROUND TO THE WASH SECTOR IN NIGERIA 3

2.1 THE NIGERIAN CONTEXT 3

2.2 MEETING THE MDG TARGETS IN NIGERIA 4

2.2.1 MDG Data on Water and Sanitation 4

2.2.2 Regional Differences in Water Supply and Sanitation within Nigeria .. 6

2.2.3 Impact of Water Quality on WASH Data 7

2.2.4 Other Welfare Indicators 8

2.3 GREATEST CHALLENGES 9

3.0 SECTOR REFORM AND DECENTRAL-IZATION 11

3.1 SECTOR REFORM EFFORTS 11

3.2 DECENTRALIZATION OF WASH SERVICE DELIVERY 14

4.0 INSTITUTIONAL AND POLICY FRAME-WORKS FOR WASH SERVICE DELIVERY 17

4.1 SECTOR POLICY AND STRATEGIES 17

4.2 INSTITUTIONAL MANDATES AND SERVICE DELIVERY MODELS 18

4.3 MAIN TRENDS IN WATER AND SANITATION 20

4.3.1 Cities and Large Towns 21

4.3.2 Small Towns 23

4.3.3 Rural Water Supply and Sanitation 25

5.0 DONOR COORDINATION AND FINANCING OF THE WASH SECTOR 29

5.1 COORDINATION IN THE WASH SECTOR 30

5.2 FINANCING IN THE WASH SECTOR 32

6.0 MONITORING AND FEEDBACK 37

7.0 MANAGEMENT AND IMPLEMENTATION 39

7.1. MANAGEMENT OF DONOR-MANAGED PROJECTS 39

7.2. MANAGEMENT OF GOVERNMENT-MANAGED PROJECTS 40

8.0 MAIN FINDINGS AND CONCLUSIONS 41

LIST OF REFERENCES 45

ANNEX 1. MAJOR DONOR ACTIVITY AND FUNDING IN THE WASH SECTOR 51

ANNEX 2. PRESIDENTIAL SUMMIT ON WATER HELD AT THE STATE HOUSE, ABUJA, NIGERIA, 18–19 FEBRUARY 2013 65

COMMUNIQUE 65

ANNEX 3. EXECUTIVE SUMMARY OF THE WATER SECTOR ROADMAP, NMWR, NIGERIA (2011) 71

ACRONYMS AND ABBREVIATIONS

AFD	*Agence Française de Développement*
AFDB	African Development Bank
AMCOW	African Ministers' Council on Water
BPE	Board of Public Enterprises
CIA	Central Intelligence Agency
CLTS	Community-Led Total Sanitation
CPS	Country Partner Strategy
CSO	Civil Society Organization
CWIQS	Core Welfare Indictor Questionnaire Survey
DFID	Department for International Development (UK)
ECA	Economic Commission for Africa
ECOWAS	Economic Community of West African States
EKSWC	Ekiti State Water Corporation
EU	European Union
FCT	Federal Capital Territory
FMEnv	Federal Ministry of Environment
FMH	Federal Ministry of Health
FMA	Federal Ministry of Agriculture
FMAWR	Federal Ministry of Agriculture and Water Resources (disbanded)
FMWR	Federal Ministry of Water Resources
GSF	Global Sanitation Fund
HSBC	Hong Kong and Shanghai Banking Corporation
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IDB	Islamic Development Bank
IDS	Institute for Development Studies
JAAC	Joint Account Allocation Committee
JICA	Japanese International Cooperation Agency
JMP	Joint Monitoring Platform
KIT	Royal Dutch Tropical Institute
LGA	Local Government Authority
LSWC	Lagos State Water Corporation
MDG	Millennium Development Goal

NEWSAN	Network on Water and Sanitation
NGO	Nongovernmental Organization
NMWR	National Ministry of Water Resources
NPC	National Planning Commission
NTGSH	National Task Group for Sanitation and Hygiene
NUWSRP	National Urban Water Supply Reform Project
NWP	National Water Policy
NWRI	National Water Resources Institute
O&M	Operation and Maintenance
OBA	Output-Based Aid
ODF	Open Free Defecation
PMU	Program Management Unit
PPP	Public-Private Partnership
PSP	Privatization Support Project
RADWQ	Rapid Assessment for Drinking Water Quality
RUWASSA	Rural Water Supply and Sanitation Agency
SHAWN	Sanitation, Hygiene, and Water in Nigeria
STWSSD	Small Town Water Supply and Sanitation and Sewerage Department
SUWASA	Sustainable Urban Water and Sanitation in Africa (USAID project)
SWA	State Water Agency
SWAp	Sector-Wide Approach
UNICEF	United Nations Children Fund
USAID	United States Agency for International Development
USD	United States Dollar
VAT	Value Added Tax
WANG	WaterAid Nigeria
WASH	Water, Sanitation, and Health
WASHCOM	Water, Sanitation, and Hygiene Committee
WB	World Bank
WCA	Water Consumer Area
WES	Water and Environmental Sanitation
WHO	World Health Organization
WIMAG	Water Investment Mobilization and Application Guidelines
WSC	Water Service Company
WSMP	Water and Sanitation Monitoring Platform
WSSDCG	Water Supply and Sanitation Donor Coordination Group
WSSSRP	Water Supply, Sanitation, and Sewerage Reform Project

EXECUTIVE SUMMARY

Although Nigeria is well-endowed with oil and gas resources, the level of access to safe drinking water and sanitation services is no better than in neighboring countries. Data indicate that while there have been improvements in access to safe drinking water over the past 20 years—increasing from 49% to 61% of the population—sanitation services remain poor. The total population receiving sanitation services increased by about 6% during this 20-year period, but the percentage of people served dropped from 38% to 31% because of the ever-increasing population.

There are important regional differences in these statistics. The southern and western portions of Nigeria generally have better water and sanitation services, while many northern and eastern areas show levels far below those required to meet Millennium Development Goal (MDG) targets. Similar trends show up for water quality, although data is far less reliable for indicators of water safety.

Donor support for the water, sanitation, and hygiene (WASH) sector has been an important factor in efforts to improve the level of services provided and to make appropriate institutional changes that will provide a more stable and sustainable approach to the problems faced. Working closely together, the donor community has identified two main target areas: urban water supply and rural water and sanitation services.

The multi-lateral banks, led by the World Bank, have focused their efforts on tackling urban water supply, with somewhat less focus on urban sanitation services. There has been a recent increase in attention to the small town sector by these donors. In rural areas, the prime movers have been UNICEF and WaterAid. Several donors, including the European Union (EU) and the UK Department for International Development (DFID), channel their funds through these two agencies rather than fund separate projects. There has been a recent trend towards focusing on community-led total sanitation (CLTS) by these two donors in a concerted effort to try to improve rural sanitation conditions.

The role of national and state governments in the WASH sector in Nigeria is complex. Initially most implementation work was the responsibility of the federal government, but there has been significant decentralization over the past 20 years. For implementation purposes, the WASH sector is now a state matter with a total of 36 separate states and the Capital Territory of Abuja. In rural areas, water supply and sanitation services are delegated to the 774 Local Government Areas (LGAs). Each state has the responsibility to develop its own water policies and water laws, establish state-level water corporations, and fund both recurrent and capital expenditures. The federal government is responsible for planning, regulation, donor coordination, allocation of funds to states and LGAs, research, and training.

Total budget allocations at all levels remain inadequate to meet MDG targets. The federal government allocates money to each state on the understanding that these funds are incorporated into the annual state budget. Although there is considerable variation between states, the WASH sector typically receives about of 5% of total budget allocations. There are sometimes large differences between allocated funds and actually expended funds, with actual funds sometimes as low as 50% of the initial allocation.

Donor support has included considerable emphasis on institutional reform. The multi-lateral banks have developed a three-tier approach to their funding programs. Tier 1 states are those that have initiated reforms, including establishment of formal policies and laws, and the creation of more effective water corporations. Tier 2 states are those that are committed to introducing reform, and receive support for development of policies, laws, and institutional reform. Tier 3 states that have not yet committed to reform in the WASH sector receive little or no support.

Both UNICEF and WaterAid have focused significant effort on advocacy to encourage states and LGAs to be more responsive to the needs of their population. While UNICEF maintains a presence in all states, their programs supported by other donors are focused on a relatively limited set of states that have committed to providing proper levels of counterpart finance and services. WaterAid focuses its implementation program in a limited number of states, supported by national and state level advocacy programs.

At the national level, there have been periodic efforts to designate the WASH sector a high priority, but despite worthy pronouncements on commitment to improving water supply and sanitation conditions, the actual process of implementation remains largely inefficient. There is a shortage of sufficient skilled staff, particularly at state and LGA levels; there are few effective management systems in place so that funds are not always available or spent properly; and there is little effective monitoring and feedback.

The pace of institutional change and reform is hampered by the conditions of a typical rentier state, where oil and gas revenues mean that Nigeria is not dependent on donor aid and the accompanying advocacy process. Relatively low levels of accountability mean that financial management is weak, productivity in the government sector is low, and many projects remain incomplete. These conditions mean that improvements in the WASH sector are slow and less effective than might otherwise be the case.

New interventions in the WASH sector in Nigeria need to be very closely coordinated with the three key players—World Bank, UNICEF, and WaterAid—to ensure consistency with existing programs and that advocacy efforts are clear and consistent. Donors who have bought in to these programs are generally satisfied with the results, and have maintained long-term programs of support in the WASH sector as a consequence.

1.0 INTRODUCTION

This desk review for Nigeria was completed as part of the Water, Sanitation, and Hygiene (WASH) Sector Status and Trends assessments being conducted under USAID's Quick Response Technical Assistance Task Order of the Integrated Water and Coastal Resources Management Indefinite Quantity Contract II (Water II IQC). The desk review responds to Task 1 of the work order. (Task 2 is to conduct a WASH sustainability assessment of a mission project utilizing the Sustainability Index Tool developed by Aguaconsult under the Rotary International-USAID partnership.)

The objective of the desk review is to document current conditions in the Nigeria WASH sector to inform future USAID programming decisions. The review presents the findings of a broad landscape analysis of the WASH sector based primarily on secondary sources and addresses key aspects of the sector, including a review of the financial, institutional, environmental, technical, and social considerations. It identifies important investments in WASH by the host country government, USAID, other donors, nongovernmental organizations (NGOs), the private sector, and other stakeholders as appropriate, and identifies ongoing coordination, programming gaps, and opportunities for engagement with stakeholders for more strategic programming in each country.

The desk review follows the WASH Sector Status and Trends Assessment Framework developed as a template for the various desk reviews that will be carried out under this work order. The primary audience for this desk review is USAID/Nigeria Mission.

2.0 BACKGROUND TO THE WASH SECTOR IN NIGERIA

2.1 THE NIGERIAN CONTEXT

Understanding the WASH sector in Nigeria requires a basic comprehension of the overall political framework in which the country operates. A 2010 evaluation of the European Union's (EU) cooperation with Nigeria starts off with a brief overview of Nigeria and its economy:

> "The Nigerian context differs in several ways from that of most other cooperation countries. The Federal Republic of Nigeria is a large and complex country in 36 States and the capital, Abuja. It is one of the world's major oil exporters, yet a large part of the population live in poverty and the non-oil economy is poorly developed. Hence, Nigeria is a classical 'rentier-state' in which oil revenues are conducive to corruption and tend to reduce the dependency of the rulers on the ruled. Although Nigeria returned from military dictatorship to democracy in 1999, the political system's articulation of the non-elite population is weak as expressed in a certain 'democracy fatigue' encountered by the Evaluation Team. There is a lively civil society— which tends to see itself as the real opposition— and free quality media, yet governance problems prevail: corruption is widespread and the human rights situation is problematic. The rentier nature of the State also reduces the Government's dependency on foreign aid and sets the scene for a cooperation program filled with challenges." (European Commission, 2010)

In a rentier political economy, there is very little accountability in the implementation of programs. Funds are not always spent in a manner that will fulfill stated policies, laws, and regulations, and a system of political patronage means that there is scant regard for, and little interest in, a systematic program of improvement for impoverished people: politicians at national, state, and local level use available funds to foster agendas that strengthens their own political and economic ambitions, irrespective of annual allocation of funds by sector or individual project.

While the donor community in Nigeria is trying hard to counter the impact of a rentier state, it is limited in how far it can press for political, social, and economic reforms; all donors have experienced frustration in trying to meet development targets, and some have fallen foul of political leaders to the point that their programs have been curtailed. In extreme cases, donors have had to withdraw from certain target areas because they have fallen out of favor with politicians.

This does not mean that there is no progress in meeting development goals; government programs do provide infrastructure, health, and social services, and other activities that fall within the Millennium Development agenda. The donor programs have made inroads into providing better water and sanitation services, with significant emphasis on participation by users, concern for gender and climate change, a preoccupation with sustainability of investments, and a shifting emphasis toward rural sanitation. However, the level of spending provided by donors is not sufficient, either by itself or with Nigerian counterparts funding, to meet Millennium Development Goal (MDG) targets in the foreseeable future.

The Nigerian government does spend its own resources on domestic water, sanitation, and health (WASH) activities. But for most government programs, resources provided are inadequate, implementation is inefficient, and investments are primarily for infrastructure development with limited effort to ensure sustainability of investments. As a result, Nigeria is not on track to meet MDG targets, either in general or specifically in the WASH sector.

2.2 MEETING THE MDG TARGETS IN NIGERIA

Despite significant revenues from the oil sector, Nigeria has not made more significant progress toward meeting MDG goals than many of its more impoverished neighbors. MDG data for water supply and sanitation coverage show that Nigerian data is indistinguishable from other countries in sub-Saharan Africa. The country falls into the median category in each of three criteria: provision of safe drinking water is classified as "low"; sanitation services are ranked as "very low"; and proportion of urban dwellers living in slums is listed as "very high." A significant proportion of the population still does not have access to safe drinking water, and an even larger number of people are without access to proper sanitation

To the extent possible, given the relative lack of detailed reliable data, some overall trends in access to water and sanitation services can be identified that have helped shape the way in which donors and governments have approached the intimidating task of servicing the ever-increasing population of Nigeria (Table 1). The World Bank Water and Sanitation Program (WSP, 2012) estimates that poor sanitation costs Nigeria as much as 455 billion Naira (N) per year ($3 billion).[1]

TABLE 1. NIGERIA'S ESTIMATED POPULATION GROWTH, 1950–2011

Year	1950	1960	1970	1980	1990	2000	2006	2011
Population (millions)	33	41	52	68	91	118	140	162

The last official government census of 2006 estimated the total population to be 140 million, suggesting that growth rates are not dropping and may be increasing. The United Nations estimated the 2011 population to be 162 million, while the Central Intelligence Agency's estimate for mid-2013 is as high as 174 million.

Given the relatively low levels of coverage of improved water supply and sanitation services, Nigeria faces the daunting task of not only trying to keep up with an annual increase in population of over 2.5%, but also trying to improve services to the existing population who already have low levels of access.

2.2.1 MDG Data on Water and Sanitation

MDG data for water and sanitation service provision from 1990 onwards shows contrasting trends for provision of water supply and sanitation services.

Almost all discussions of coverage of water and sanitation services rely on the same basic data. Two parallel initiatives have been developed that assess overall levels of coverage at both national and regional level: (1) the World Health Organization/UNESCO Joint Monitoring Program (JMP), which forms part of the international effort to provide reliable and comparable standardized statistics in all countries; and (2) the national data collection efforts through the Water and Sanitation Monitoring Platform (WSMP).

[1] The fluctuating exchange rate of the Naira against the US dollar both during a year as well as between years, makes exact conversion of Naira to dollars difficult.

International organization data on Nigeria also rely heavily on government data and is quite often dated (e.g., the United Nations Food and Agriculture Organization's Aquastat information was last updated in 2005 [FAO, 2005]).

Although there are few discrepancies between JMP and WSMP data for provision of water supply, there have been historically significant differences in JMP and WSMP data regarding sanitation coverage. Much of this discrepancy is based on whether or not communal latrines are considered to have been improved: originally WSMP considered them as improved, while JMP did not. The general consensus has been reached, however, that communal latrines are not to be considered improved sanitation, and datasets are now more or less compatible. In this review, only JMP data are used, thus shared sanitation facilities are excluded from any discussion or analysis.

JMP prefers to collect its own independent data rather than rely on government-generated data, and the program in 2014 is in the process of sponsoring another detailed assessment of water supply and sanitation services through the Dutch Royal Tropical Institute (KIT).

The MDG data shown in Table 2 indicate that the overall percentage of people having improved water supply at the national level rose from 47 percent in 1990 to 61 percent by 2011 (sum of first two rows in the Total column of the table). Provision of rural water supply showed a similar trend, increasing from 29 percent to 47 percent between 1990 and 2011. However, the percentage of urban populations benefitting from improved water supply dropped from 81 percent to 75 percent over the same period.

TABLE 2. ESTIMATES OF DRINKING WATER COVERAGE IN NIGERIA

	Urban (%)		Rural (%)		Total (%)	
	1990	2011	1990	2011	1990	2011
Piped onto premises	33	7	4	1	14	4
Other improved source	48	68	25	46	33	57
Other unimproved	16	19	31	31	26	25
Surface water	3	6	40	22	27	14

Source: WHO/UNICEF JMP, 2013

This decline in the percentage of the urban population receiving improved water supply services is somewhat misleading. The total number of people benefitted has increased greatly because urban population growth rates far exceed rural growth rates. However, the burgeoning slum population in urban and peri-urban areas has benefitted far less than those people living in more developed parts of Nigeria's cities. MDG estimates (based on somewhat dated information) suggest that the slum population in Nigeria has increased from 26 million in 1990 to over 46 million in 2010. However, actual populations in informally planned urban and peri-urban areas are probably much higher, given that more than half of Nigeria's population now lives in urban areas.

The use of percentage figures hides the magnitude of progress actually made. Between 1990 and 2011, the actual urban population provided with improved water supply rose from about 26 million to 63 million, while rural populations receiving improved water supply rose from 19 million to 40 million over the same period. But the impact of population growth and urban migration meant that the investments in improved urban water supply failed to keep up with demand.

Access to improved sanitation shows a very different picture (Table 3). National-level access to improved sanitation dropped from 38 percent to 31 percent, with similar trends in both urban and rural areas (although urban areas were slightly better off, as shown in Row 1 of the table). Given that there was an increase in population in Nigeria of 70 million people during this period, the actual number of people getting improved sanitation services actually increased by 6 percent. As noted above, however, the national sanitation statistics include communal latrines and thus provide a more favorable view than the more stringent JMP data. Based on JMP data, the national coverage for sanitation is approximately 38

percent, not the 57 percent reported by the Core Welfare Indictor Questionnaire Survey (CWIQS) and WSMP.

TABLE 3. ESTIMATES OF SANITATION COVERAGE IN NIGERIA

	Urban (%)		Rural (%)		Total (%)	
	1990	2011	1990	2011	1990	2011
Improved facilities	40	33	37	28	38	31
Shared facilities	44	36	17	13	26	24
Other unimproved	10	16	12	28	12	22
Open defecation	6	15	34	31	24	23

Source: WHO/UNICEF JMP, 2013

In terms of actual populations served, the total urban population receiving improved sanitation services rose from 13 to 28 million, but this failed to keep pace with the rapid rate of urbanization. In rural areas, the population receiving improved sanitation services remained more or less steady at about 25 million, also failing to meet increased demand.

2.2.2 Regional Differences in Water Supply and Sanitation within Nigeria

Although these national figures are indicative of the overall situation in Nigeria, there are very significant spatial differences in access to both water supply and sanitation (Figure 1). There is a general deterioration in both indices from south to north within the country, with the least-served areas located in the north and northeast. Given that decentralization gives states full responsibility for provision of water and sanitation services, these variations between states have great importance for investment and intervention strategies.

Unfortunately, little systematic data is available on WASH conditions on a region-by-region basis. This is particularly unfortunate in light of the trend toward decentralization, which gives regions high degrees of autonomy in determining their WASH sector policies and programs. Aremu (2011) provides one of the few datasets that includes data from each state. Most data on state-wide conditions are derived from CWIQS material that is based on 2006 census and other Census Bureau activities (Figure 2). Nevertheless, it is clear that whatever database is used, the differences between the various states are significant.

Water Supply Coverage **Sanitation Coverage**

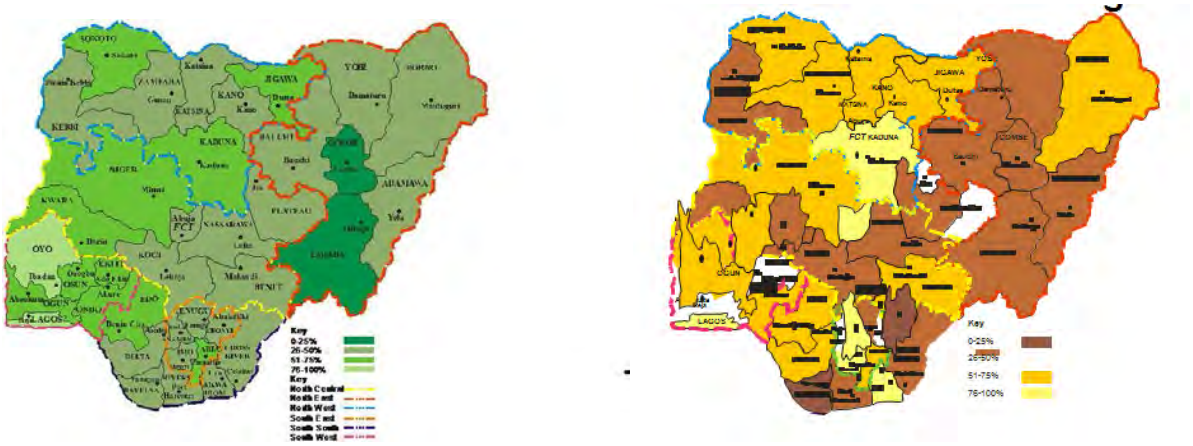


Figure 1. Water Supply and Sanitation Coverage in Nigeria, 2006 (CWIQS data, as reported by WHO/UNICEF, 2006a) *

Note: Dark green shading (left) and dark brown shading (r) indicate worst level of coverage for water supply and sanitation, respectively.

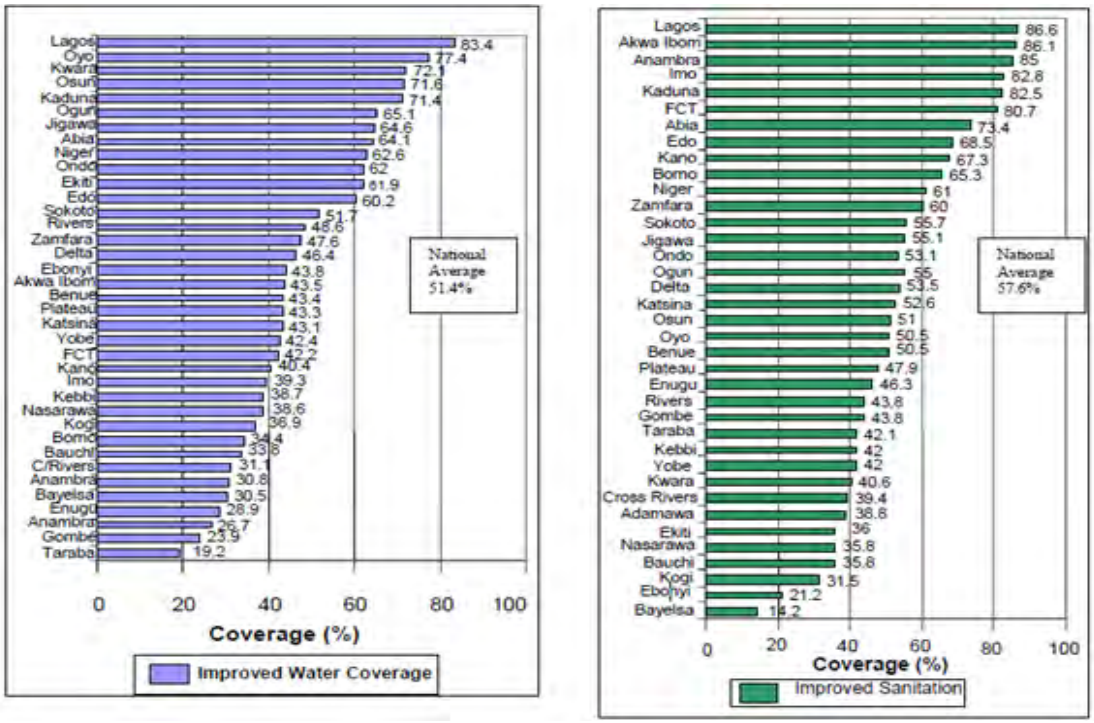


FIGURE 2. IMPROVEMENTS IN WATER AND SANITATION COVERAGE BY NIGERIAN STATE, 2006*

* CWIQS data, as reported by WHO/UNICEF, 2006a.

2.2.3 Impact of Water Quality on WASH Data

Much less accurate data are available for water quality in Nigeria than for water quality and sanitation. In 2006, UNICEF investigated water quality in five countries, including Nigeria, as part of its Rapid Assessment for Drinking Water Quality (RADWQ) program (UNICEF, 2011). RADWQ took water samples at both unimproved and improved water sources, and found that a significant number of improved water sources had water quality below World Health Organization (WHO) standards. WHO/UNICEF undertook a rapid assessment in 2004 and 2005 (Ince et al., 2010) with similar conclusions.

The RADWQ survey indicated that, on average, only 72 percent of improved water sources had water quality at or above WHO standards. If this same level of contamination applied to all improved water sources in Nigeria, then access to safe drinking water in the country would fall from 58 to 48 percent.

WaterAid reports on a 2008 survey of 174 water sources in Benue State conducted in the 2006/2007 dry season (WaterAid, n.d.b). The survey covered 132 boreholes and 42 improved dug wells (Table 4). The results mirror the RADWQ data.

TABLE 4. BENUE STATE BOREHOLES AND HAND-DUG WELLS IN 2006/2007 DRY SEASON							
	BOREHOLES			HAND-DUG WELLS			
Parameter	Range	Mean	% above WANG Limit	Range	Mean	% above WANG Limit	WANG Allowable Limit
P^H	6.05-11.74	7.58	38	6.22-9.21	6.00	52	6.5-8.5
TB FTU	1.00-292	29.14	22	4.00-247	59.77	19	5
EC mscm	1.00-2730	29.14	17	55.20-3240	117.60	35	1000
As mg/l	0.001-0.430	0.092	11	0.001-0.110	0.060	2	0.01
NO_3 mg/l	0.01-65.65	30.25	24	9.10-63	33.42	36	45
F mg/l	0.01-2.10	0.26	20	0.01-25.3	0.56	19	1.5
Cu mg/l	0.01-253	0.69	14	0.01-2.61	31.53	12	2.0
cfu/mL	1-71	0.69	50	2-75	29.0	62	10/100

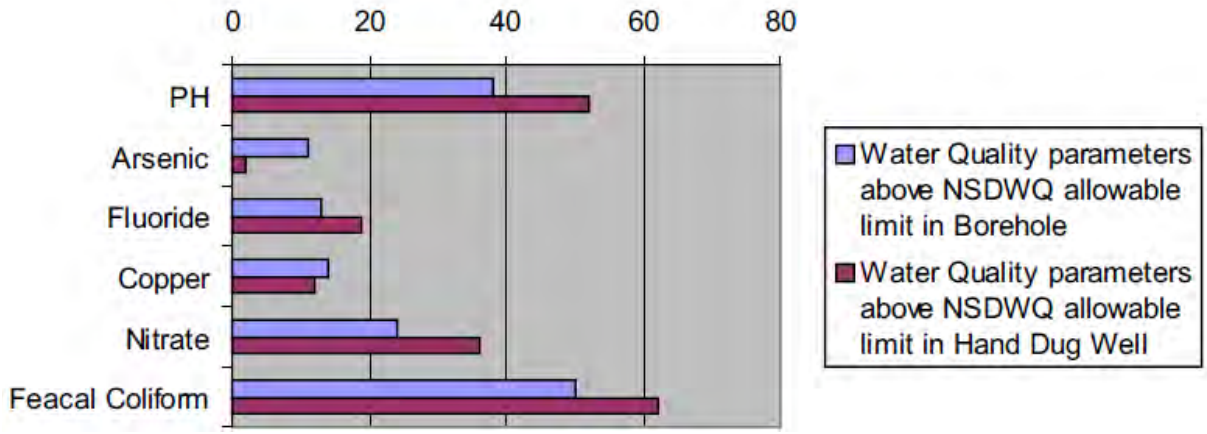


FIGURE 3. PERCENTAGE WATER POINTS IN BENUE STATE WITH WATER QUALITY PARAMETERS ABOVE THE NIGERIA STANDARD FOR DRINKING WATER QUALITY ALLOWABLE LIMITS

Fecal coliform bacteria were found in every well in the survey, indicating that ancillary management issues need to be addressed at improved water sources if acceptable water quality is to be provided. Negative impacts came from diverse causes, including livestock management, location of latrines, integrity of the pump fittings, condition of the protective slab, and inadequate drainage near the pump.

From this one survey, WaterAid concluded that 5 percent of water sources presented a high sanitary risk, 75 percent presented a medium sanitary risk, and 15 percent a low sanitary risk.

Yet, despite these rather dire warnings, the literature on water quality is really sparse, and there seems to be a complete preoccupation with provision of improved water sources, thereby meeting MDG targets, rather than providing improved water sources with safe drinking water.

2.2.4 Other Welfare Indicators

CWIQS and MDG data for other social indicators parallel those for water and sanitation services. The 2006 data for access to electricity, ownership of personal computers, ownership of mobile phones, primary school enrollment, primary school completion rate, and access to health facilities show similar trends, with the northern and eastern portions of the country showing poorer welfare conditions (Eboh and Igbokwe, 2006).

These data indicate that the shortfall in WASH sector goals is part of a larger systemic failure in Nigeria to make appropriate investments in programs that will effectively meet MDG targets. This reflects directly on the rentier state conditions rather than being something inherent within the WASH sector alone.

Official data on demographic and health conditions are gathered about once every five years through the National Population Commission (NPC), with support from the EU and USAID. The most recent survey was launched in 2013 with results available as of June 2014 (NPC, 2014).

2.3 GREATEST CHALLENGES

Based on the picture provided above, the single greatest challenge facing Nigeria is to simultaneously provide services to the large unserved populations and meet the increased demand from continued population growth. The already high level of national population growth combined with even greater rates of urban growth have placed existing infrastructure under increased pressure, and increased the demand for more and better infrastructure.

However, it is not merely a question of providing more resources: Nigeria is comparatively well off and relies much less on donor funding than other countries in the region due to the oil and natural gas sector. It requires a change in the way in which government in Nigeria, at all levels, goes about doing business. This requires fundamental reform in the way institutions function so that they will become more accountable financially, economically, and socially. This will be a daunting task because of the deeply rooted nature of the rentier state, and it is unrealistic to expect the WASH sector to be able to develop outside of the current way in which resources are allocated and used.

With support from donors over the years, changes have occurred: substantial decentralization in place, new laws and regulations at federal and state levels developed, and a national Transformation Agenda established that tries to define new policies for Nigeria and provide a blueprint to turn policy into action. However, many of these changes remain fragile and there has been little fundamental change in the way in which Nigeria goes about doing business.

Because donor funds only make up a small percentage of the budget in the WASH sector (about 20 percent of allocations are donors funds), there are limited opportunities to force meaningful changes on the national and state governments in Nigeria.

3.0 SECTOR REFORM AND DECENTRALIZATION

3.1 SECTOR REFORM EFFORTS

Challenges of the Centralized Services Model in Nigeria. Nigeria has seen slow change in the WASH sector, from a highly centralized, top-down administrative system to a more decentralized model where financing and decision-making are closer to the beneficiaries of water and sanitation services. These changes have been the result of a combination of internal pressures to develop a governance system that can cope with the large distances and ever-increasing populations, and external pressures from donors to try to implement governance models that have seen success elsewhere. In some cases, particularly where the World Bank has been involved, disbursements to central and state governments have been directly linked to reform milestones. An evaluation by the International Bank for Reconstruction and Development (IBRD)/World Bank in 2010 describes the changing approach to support for the WASH sector in Nigeria between 1998 and 2007 (IBRD/World Bank, 2010).

The centralized, administrative model works comparatively well for urban water supply, particularly when the rate of urbanization is relatively low. Provision of a piped network of treated drinking water and the accompanying operation and maintenance (O&M) and billing services is something that is comparatively well-suited to a centralized government responsible for negotiating capital investments and utilizing the skills of a relatively small cadre of trained technicians and managers. By the 1960s, most large cities in Nigeria had a piped water network that serviced much of the urban population; MDG data indicate that urban water supply coverage at that time was as high as 80 percent. Thereafter, however, urban water supply has been unable to meet increasing demand from urbanization, and older systems have deteriorated due to poor maintenance. As a result, there is a large role for the informal private sector in providing drinking water through tankers, often filled with untreated water drawn from local wells or surface sources, packaged water in bottles and sachets, and neighborhood wells and standpipes. This makes the actual cost of water much higher than from piped water provided by utilities.

The inflexibility of centralized services is a major reason why Nigeria has not been able to keep up with the needs of rapidly growing urban centers; the percentage of people serviced by urban water supply dropped from 81 percent to 75 percent between 1990 and 2011. A significant factor in this reduced coverage is the difficulty that centralized agencies face in transitioning from the comparatively easy technical tasks of design and construction of water supply systems using external financing to the more complex and management intensive tasks of O&M, management, and internal cost recovery.

By contrast, the centralized service model does not work particularly well for urban sanitation service provision. In part this is because sanitation services, particularly networked sewerage systems, traditionally are installed after urban development, which provides centralized bureaucracies with significant managerial and financing problems. Sewerage service financing is far less simple to implement than metering of a piped water supply, and most urban utilities in Nigeria did not develop improved sanitation systems to any great extent. This is reflected in the relatively low rates of sanitation

services (at about 33 percent in 2011) compared with provision of water supply (about 75 percent in 2011).

Private sewerage disposal services exist for those who have septic pits and can afford to pay, but a high percentage of urban waste is disposed of in open drains.

The centralized service provision model is poorly suited to provision of rural services for both water supply and sanitation. Not only are target audiences more dispersed, making it much more difficult to reach large numbers of people, the technological requirements are different: traditional approaches that work reasonably well in urban areas do not have much relevance for rural area service provision.

Government-level Reforms. The recent reforms are characterized by two main thrusts: a gradual change in roles and responsibilities that focus policy making and regulation at higher levels; and a transfer of implementation, operation, maintenance, and some financing to lower levels in the system.

Thus, at the national level, there has been a gradual consolidation of policy making and regulation into a few key ministries, the most important of which are the Federal Ministry of Water Resources (FMWR), the Federal Ministry of Health (FMH), and the Federal Ministry of Environment (FMEnv). These three ministries have the overall responsibility for defining policy and regulation within the WASH sector, supported by a wide range of other government ministries, agencies, and departments that include such diverse bodies as the ministries of Agriculture, Finance, Housing and Urban Development, Education, Women Affairs, and Social Development; the National Planning Commission; and the National Environmental Standards and Regulations Enforcement Agency.

The FMWR (originally independent, then merged with Agriculture in 2007 [to form the Federal Ministry of Agriculture and Water Resources, or FMAWR], and split again in 2011) has overall responsibility for coordinating the activities of national organizations that have interest in the WASH sector, as well as policy development and monitoring and evaluation (M&E). It undertakes specific activities in the WASH sector largely through the Department of Water Resources and Water Quality that oversees the activities of the rural water and sanitation division. These activities include community mobilization, hygiene education, sanitation development, rural water supply, and M&E. The FMWR also includes the National Water Resources Institute (NWRI) that is responsible for training, research, and information management. The FMWR produced the first comprehensive National Water Policy in 2006. In the same year the National Task Group for Sanitation (NTGS) developed the draft National Water Supply and Sanitation Policy (Agberemi, Salihu, and Eligire, 2009). With support from the Japanese International Cooperation Agency (JICA), the government produced the first National Water Resources Master Plan in 1995, and subsequently updated it in 2014.

Following the change of presidency in 2011, the FMAWR was split into its two original components, so that the majority of water-related programs and policies flowed through the FMWR. However, there are still some roles for the Federal Ministry of Agriculture (FMA) related to irrigation and associated water supply in rural areas. The Federal Ministry of Health provides policy and regulation in the fields of drinking water quality and addresses concerns related to water-related diseases and other health risks. The FMEnv also has important responsibilities in the WASH sector, including water pollution and environmental sanitation.

These national developments, which are consistent with the roles and responsibilities of other national ministries and agencies, dictate policy and regulations to state organizations. The degree of autonomy in state organizations varies considerably. In smaller states with little external assistance, the state organizations are weak and largely follow national guidance to the extent possible given limited resources. Larger states, and those included in donor-driven reform efforts, are generally more autonomous both in terms of policy and their overall approach to provision of water and sanitation services.

WASH Urban Sector Reforms and Donor Involvement. Reform within the WASH sector has in the past largely been focused on the urban sector. The two major multilateral donors to Nigeria, the World Bank and the African Development Bank (AfDB), have cooperated in attempting to bring about some degree of privatization in the management of urban utilities. A series of initiatives has been developed that aim primarily at trying to restore water delivery capacity to utilities in major cities through a combination of loans for capital expenditure for repair and upgrading of existing infrastructure, and preparing the way for private sector participation in management of water supply systems (AfDB, 2012; AfDB, 2014; World Bank, 2011; World Bank, 2014).

The first major bank-supported efforts at reform in the water sector came in the form of the Privatization Support Project (PSP, 2001–2009). The main sector issues addressed by PSP were: (a) poor performance of public enterprises that dominated major sectors of the economy and were a drag on economic growth, productivity, and investment, and in the case of core infrastructure, resulted in extremely poor service provision across the areas of power, transport, and telecommunications; (b) inadequate sector policy and regulatory frameworks, which impeded competition and discouraged private entry and private investment; (c) excessive bureaucratic controls and government intervention; and (d) weak political will and institutional capacity to implement reform.

PSP included a water sector component related specifically to Lagos State Water Corporation (LSWC). However, this component faced very severe problems:

> "In Lagos State, access to piped potable water was limited to less than 30 percent of the population. The water utility, Lagos State Water Corporation (LSWC), had chronic lack of maintenance and insufficient financial resources for emergency repairs" (World Bank, 2011b).

Indeed, the problem of merely sustaining the water supply infrastructure was so severe that much of the financing was aimed at developing emergency action plans identified as essential to support LSWC prior to the introduction of a private sector participation solution. The overall vision of a self-sustaining private company operating and maintaining the water supply system using revenue from water tariffs proved unrealistic, particularly when the government deliberately kept water tariffs very low for socio-political reasons.

An agreement was reached with the Federal Ministry of Finance for the PSP component supporting LSWC to be closed, effective December 31, 2006, and that ongoing work with LSWC be supported under the Second National Urban Water Project (NUWSRP 2, see below). In addition, some funds were transferred to support improved water supply in the Federal Capital Territory.

In 2004, the World Bank approved the first International Development Association (IDA)-funded National Urban Water Sector Reform Project (NUWSRP 1) in Kaduna, Ogun, and Enugu states for US$120 million (followed by an additional financing of $80 million in 2010). In 2005, it approved NUWSRP 2 in Lagos and Cross River states ($200 million, with an additional financing of $120 million approved in May 2012). The AfDB is preparing support to three states (Rivers, Oyo, and Taraba states) while the European Commission is assisting the States of Cross River, Anambra, Osun, Kano, Jigawa, and Yobe in their water sector reform, with limited investment on water supply infrastructure rehabilitation and expansion (European Commission, 2010). The *Agence Française de Développement* (AFD) is in the process of assisting Cross Rivers and Lagos states through the cofinancing of the IDA-funded NUWSRP 2, and the United States Agency for International Development (USAID) is providing institutional and reform support to Bauchi, Rivers, and Ebonyi states through the Sustainable Urban Water and Sanitation in Africa (SUWASA) project.

The Third National Urban Water Sector Reform Project (NUWSRP 3) builds on the lessons learned from previous water sector reform projects at the at federal and state level, by increasing support on institutional reforms in selected states, introducing performance incentives, and supporting benchmarking

to allow the federal government to better target support resources. Much of the focus of NUWSRP 3 is to address sectoral issues related to overall governance of the water utility sector because, despite large investments in selected urban utilities, the basic structure of a centralized service delivery model with limited performance incentives has not met changed expectations of the donors involved.

On the federal level, the project's Urban Water Reform component will establish an urban water and sanitation investment program and scale up performance monitoring of the urban water and sanitation sub-sector, which will directly benefit the FMWR as they will be able to lead the sector more effectively. Indirectly, urban residents in all states will benefit from improved performance of water utilities.

The FMWR is responsible for coordinating sector developments. Coordination of donors has been weak and ad hoc; however, the Water Sector Reform and PPP Unit established within FMWR in 2012 took an active part in the preparations of NUWSRP and coordinated related interventions planned by the World Bank, AFD, and USAID.

Activities in this component include development of NUWSRP, including national and state investment plans, targeted financing mechanisms, preparation of feasible/bankable projects, strengthening and scaling up sub-sector performance monitoring, and capacity building of FMWR in such areas as overall water sector coordination mechanisms, WASH public expenditure review, and accounting standards for water boards; and support for vulnerable groups including gender mainstreaming.

3.2 DECENTRALIZATION OF WASH SERVICE DELIVERY

The moves toward decentralization in Nigeria commenced reasonably early in the development process. At the time of independence in 1960 there was little decentralization, and the country was divided into three regions (Western, Eastern, and Northern). In 1963 this number increased by one with the creation of the Mid-West region. In 1967, the foundation for current federal government structure was established with the creation of 12 states, each with its own government. For various political and social reasons, the number of states gradually increased; by 1996 the current total of 36 states plus the Federal Capital Territory (FCT) of Abuja had been established.

As a result of high levels of dissatisfaction at the level of services being provided, the military government established a third layer of governance. Three hundred and one LGAs were established in 1976 to provide a range of services at local levels; by 2003 the total number of LGAs had increased to 774 to accommodate pressures for greater local-level representation and control over resources.

Reform of the WASH sector paralleled these governance initiatives at national level, but with the inevitable time lag required to allow both national- and state-level authorities to define and clarify their actual functions. Table 5 provides the key dates for reform of the WASH sector, and demonstrates that it was only during the 1970s that water boards and/or corporations were established at the state level.

TABLE 5. KEY DATES IN THE REFORM OF THE WASH SECTOR IN NIGERIA

YEAR	EVENT
Early Twentieth Century	Public water supply commences in a few towns managed by the lowest administrative level. Amongst the early beneficiaries are Lagos, Calabar, Kano, Ibadan, Abeokuta, Ijebu Ode (Ogun State), and Enugu. Schemes maintained with revenue from water sales with virtually no operational subvention from government.
1950s	Financial and technical responsibilities for developing new water schemes assumed by regional governments.
1966	First water corporation formed in the Western Region in 1966 to take over assets and liabilities, and existing staff. Staff of Water Division, Ministry of Works transferred to new corporation.
1970s	Formation of water corporations spreads to all 36 states and the Federal Capital Territory, with water boards/corporations or public utilities managing their water

TABLE 5. KEY DATES IN THE REFORM OF THE WASH SECTOR IN NIGERIA	
YEAR	EVENT
	supply.
1979+	Agricultural Development Programs rolled out in many states with rural water supply components as a means of improving the lives of farmers.
1976	Federal Ministry of Water Resources and 11 River Basin Development Authorities (RBDAs) created. RBDAs to provide bulk water for irrigation, drinking water supply, among others.
1993	Water Decree 101, the principle legislation governing the utilization and pollution control of the water resources.
2000–2006	Preparation of key policy and strategy documents, guidelines, model laws including: National Water and Sanitation Policy (2000), National Water Policy (2004), National Water Sanitation Policy (2006), National Water Resources Strategy (2006), Draft National Water Bill, Water Investment Mobilization and Application Guideline (WIMAG).

As a result of these political changes at the national level, the overall vision is a three-tier structure of the WASH sector, with different roles for federal, state, and LGA levels.

The 11 RBDAs[2] created in 1976 are charged with the development, operation, and management of reservoirs for the supply of bulk water for water supply, amongst other uses, in their areas of jurisdiction, including water for irrigation and domestic water supply, improvement of navigation, hydroelectric power generation, recreation facilities, and fisheries projects.

The State Water Agencies (SWAs) are responsible mainly for urban, semi-urban, and rural water supplies. In some states, separate agencies exist for rural water supplies and urban and semi-urban water supplies. State governments all have some form of state ministry or authority responsible for development of their own WASH programs. These include water resources, public works, and public utilities. Many states have established Rural Water Supply and Sanitation Agencies (RUWASSAs) that have direct responsibility for water supply, sanitation, hygiene, mobilization, and M&E, although they are notoriously understaffed to fulfill their mandate.

The LGAs are responsible for the provision of potable water to rural communities in their areas of jurisdiction. However, because of the lack of funds and the gross shortage of manpower, this function has not been effectively carried out in some local government areas of the country. WASH services are frequently lumped under “Community Services.”

Given the size and diversity of Nigeria’s population, devolution of authority and responsibility for most aspects of government from the center to states is a necessary and inevitable strategy. However, devolution brings with it the likelihood of considerable divergence of approaches, policies, strategies, and implementation among the different states, and Nigeria’s experience within the WASH sector is no exception.

In recognizing this diversity between states, the federal government has adopted a policy of identifying candidate States for different interventions in collaboration with donors and implementing agencies: Tier I states that have already introduced reforms; Tier II states that are in the process of establishing the basis for reforms; and Tier III states that have yet to embark on a reform program.

[2] The RBDAs are the Sokoto-Rima Basin, Sokoto; Hadejia-Jema’are Basin, Kano; the Lake Chad Basin, Maiduguri; the Upper Benue Basin, Yola; the Lower Benue Basin, Makurdi; and the Cross River Basin, Calabar. Others are the Anambra-Imo Basin, Owerri; the Niger Basin, Ilorin; the Niger Delta Basin, Port Harcourt; the Benin-Owena Basin, Benin City; and the Oshun-Ogun Basin, Abeokuta.

This approach has the advantage of enabling donors to come in and co-finance specific elements of the World Bank programs. A good example of this for the WASH sector comes from USAID's Sustainable Urban Water and Sanitation in Africa (SUWASA) program in Nigeria where fives states (Ebonyi, Ekiti, Rivers, Katsina, and Borno) were selected as candidates for SUWASA on the basis of FMWR's assessment of readiness for reform in the urban water supply sector following the successful start to SUWASA activities in Bauchi State.

While all states by and large are moving in the same overall direction under the guidance of the federal government, the exact route chosen (as well as the actual amount of progress) is highly variable. An immediate implication of this situation is that any intervention program requires careful investigation on a state-by-state basis of current conditions and opportunities. SUWASA did undertake exactly this type of comparative study in the five candidate states as a precursor to design of intervention programs in each of the five states, and ended up working in two additional states: Rivers and Ebonyi.

4.0 INSTITUTIONAL AND POLICY FRAME-WORKS FOR WASH SERVICE DELIVERY

4.1 SECTOR POLICY AND STRATEGIES

Any discussion of sector policies and strategies in Nigeria must clearly distinguish between those introduced at the federal level and those applying to individual states. National policies and strategies guide states in the formulation of their own laws and policies, but there is still room for considerable local variation from one state to another. State water and sanitation laws are slowly coming into being; a few have full water and sanitation laws, and it seems that all states are moving gradually in this direction. The extent to which they are actually enforced is a different issue.

At the federal level, the three main documents affecting the WASH sector are the National Water Policy (NWP) of 2004, the National Water Resources Policy of 2006, and the Strategy for Scaling Up Rural Sanitation and Hygiene to Meet MDGs 2007. There is significant overlap between these documents.

The NWP lays out the principles to be adopted in all aspects of water management:

1. All water is a national asset, the use of which shall be subject to national control;
2. The management objective shall be to achieve optimum, long-term, environmentally sustainable social and economic benefit for society;
3. There shall be no ownership of water but only a right for its use, and abstraction fees for raw water shall be charged for its commercial use;
4. Planning and management of Nigeria's water resources shall take place within a framework that facilitates awareness and participation among all users at all levels and in such a manner as to enable all users to have equitable access;
5. The operational management of water resources and services shall be decentralized to the lowest practicable level and shall seek to harmonize human and environmental requirements; and
6. Pollution protection measures shall be based on both regulatory and market-based approaches to waste management, applying the "polluter pays" principle. Water quality management options shall include the use of economic incentives and penalties to reduce pollution.

These principles, which closely follow the Dublin Principles of 1992, do not by themselves represent any binding commitment on behalf of the federal government or the constituent states. As such, the NWP remains a guiding document to be used both at federal and state levels to formulate water laws covering all aspects of water use. It has been anticipated that the NWP would be followed by a water resources bill

that would put teeth into the policy. An early draft of the National Water Law has subsequently been revised as the National Water Resources Bill, which is more likely to pass because of increased national commitment at the highest level.

This increased commitment to proper regulation and management of the overall water sector came about following the election of President Goodluck Jonathan in 2011. As part of his efforts to revitalize the Nigerian economy, President Jonathan launched the Transformation Agenda that included the wholesale reorganization of the national cabinet and the visioning of projects, programs, and key priority policies, from 2011 to 2015, coordinated by the NPC. It was then that the FMAWR was split into two ministries, and the Federal Ministry of Water Resources (FMWR) was created—reflecting the view that water merited its own ministry.

These changes have renewed opportunities for structured dialogue at the national level that will result in a more integrated set of policies toward the WASH sector. As evidence of political commitment at the highest level, the Presidential Summit on Water was held for two days in February 2013. The more than 7000 summit participants included ministers, all of the State governors, national and international NGO representatives, government officials, members of industry and the private sector, and foreign dignitaries. The event resulted in a final Communiqué (see Annex 2).

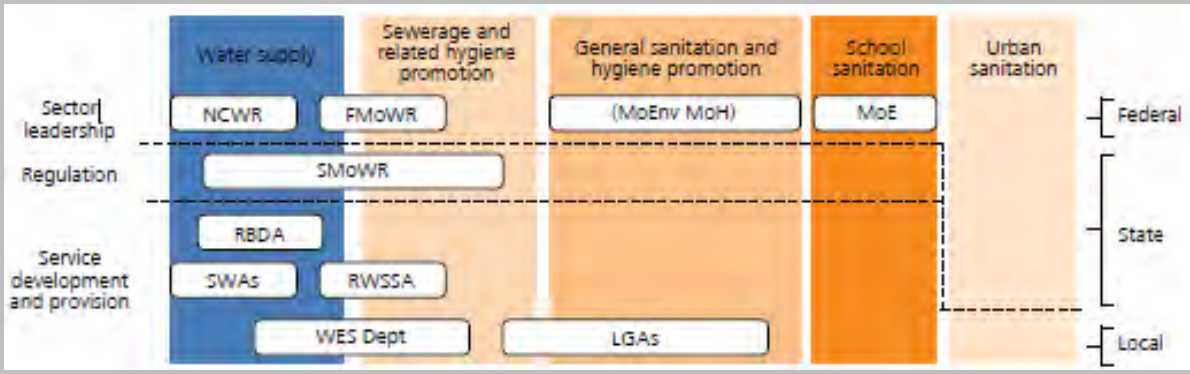
Although the summit addressed most of the critical issues affecting the water sector in Nigeria, and involved the participation of a wide range of different interests, the Communiqué illustrates just how far Nigeria still has to go to achieve a coordinated approach to the WASH sector. This includes not only the need for a National Water Resources Bill that has been languishing for almost a decade, but also concurrence on issues such as financing of the sector, the roles of government versus those of the private sector, the roles of donor agencies, and adoption of appropriate strategies to meet the pressing demand for water and sanitation services throughout the country. Although the summit is a step in the right direction for Nigeria, there is still a long journey ahead.

Given the lack of coherent and consistent national policy, it is hardly surprising to find that state-level policies show a similar lack of coherence and consistency. A few states have progressed to the point of passing their own water laws, but most states and the FCT still lack such legislation. For the rest, the sector is controlled by a combination of water corporations (public sector parastatals), state ministers, and government officials who are all under the overall authority of state governors. As indicated earlier, a separate investigation would be required to gain an understanding of what is going on each state, because relatively little information is available in the public domain. Even though there may be high-level guiding documents or policies, the old adage that they are more honored in the breach than in the observance seems largely to hold true for laws, policies, and regulations in the WASH sector.

4.2 INSTITUTIONAL MANDATES AND SERVICE DELIVERY MODELS

As indicated above, each state has its own mandate to provide WASH services (Figure 4) with the proviso that they be as consistent as possible with national laws, policies, and mandates. Because many issues remain unresolved at the national level, as clearly indicated in the summit Communiqué, states are not given guidance to help them formulate their own policies.

FIGURE 4. INSTITUTIONAL ROLES AND RELATIONSHIPS IN THE WATER SUPPLY AND SANITATION SECTOR



National Council on Water Resources (NCWR): The highest water resources policy formulating body, chaired by the Federal Minister of Water Resources, including representatives from the Federal Ministry of the Environment and all State Government Commissioners for Water Resources.

Federal Ministry of Water Resources (FMoWR): Has overall responsibility for the management of water resources and is the custodian and implementer of the National Water Policy and water-related sanitation. Functions relating to WSS are carried out through the Directorate of Water Supply and Quality Control (WS&QC, not shown).

Other ministries: The Ministry of the Environment (MOEnv) is largely responsible for urban sanitation, mostly sewerage. At the state level, State Ministries of Environment oversee environmental sanitation. The Ministry of Health (MOH) and Ministry of Education (MOE) have roles in formulating community sanitation and hygiene, and school hygiene programs, respectively.

National Water Resources Institute (NWRI): Provides training and education, data collection, and dissemination services in the field of water resources development (not shown).

River Basin Development Authorities/Boards (RBDAs): Charged with the development, operation, and management of reservoirs within their catchment area and provide bulk water supply for water utilities and for irrigation. In the past, some RBDAs provided borehole water to communities.

State Ministries responsible for Water Resources (SMoWRs): Responsible for drinking water supply at the state level. In some states, these ministries have been engaged in actual implementation of projects contrary to the policy intentions to keep ministries to policy, regulation, and monitoring.

State Water Agencies or Boards (SWAs): Responsible mainly for urban and semi-urban water supply. In many states, separate agencies exist for rural water supply.

Rural Water Supply and Sanitation Agencies (RWSSAs): Provision of potable water to rural communities and improving sanitation and hygiene (latrine construction, hygiene education). Intended roles are facilitation and support to LGAs to implement WSS programs.

Water and Environmental Sanitation Departments (WES Departments): Established within local governments to oversee the delivery of water and sanitation services, and provide support to communities in the facilities' management, sanitation promotion, and hygiene education.

International and local NGOs: Most NGOs work at the level of the state and local governments. The most visible in water and sanitation is WaterAid, which has partnered with some states/local governments to build capacity of the WES departments and to deliver water, sanitation, and hygiene to rural communities (not shown).

Local Government Areas (LGAs): There are 774 LGAs. These are responsible for the establishment, operation, and maintenance of rural water supply schemes and sanitation facilities.

Water and Environmental Sanitation Committees (WESCOMS): Responsible for the management of water and sanitation activities in the LGAs.

Private sector: There are three categories of involvement: (a) construction and drilling works; (b) supplying goods and services; and (c) water service provision. In many states there are a number of small-scale water and sanitation services providers (not shown).

Source: WSP, 2011

Given that water service delivery is a state function in Nigeria, and in accordance with national requirements, all state governments have created SWAs—water boards and water corporations—to manage and operate systems for water service delivery in all urban and semi-urban areas. The Nigerian

Water Policy indicates that water should be regarded as an economic good as well as a social service and encourages the autonomy of SWAs.

Ekiti State is one of the more advanced examples of current efforts to rationalize the mandates, responsibilities, and authority of different organizations in the WASH sector in a Nigerian state. In many respects, it represents the overall direction in which Nigeria would like to see the water sector moving: clearer identification of appropriate institutions for operation, management, planning, and financing; clearer description of each organization's roles and responsibilities; devolution of power to the lowest possible level; and movement toward self-financing to the extent possible—for operation and maintenance, if not for capital investment (Ekiti State, 2013).

It was only in 2013 that Ekiti State passed a new Water and Sanitation Law that specified the responsibilities of different organizations within the WASH sector. (Rivers State has also published its Water Sector Development Law [Rivers State, 2012].) The law clearly distinguishes between three different target groups: urban areas, small towns, and rural areas.

The law states that Ekiti State Water Corporation (EKSWC) will retain responsibility for urban water supply provision in large towns and cities, with the understanding that urban areas will be divided into constituent Water Consumer Areas (WCAs) for operating and maintaining water supply, sanitation management, and tariff payment. Water supply, sanitation, and hygiene management in small towns will be serviced by its Small Town Water Supply and Sanitation and Sewerage Department. In each small town a Water Consumers Association will own, manage, and maintain the infrastructure, although the state and LGAs will continue to be responsible for new construction, rehabilitation, and upgrading projects.

In rural areas, water supply, sanitation, and hygiene will be serviced by the Rural Water Supply and Sanitation Agency (RUWASSA), the LGA WASH Committee, and WASHCOMs at the community level that ultimately will own, operate, and maintain water and sanitation infrastructure.

The state will also have a Water Supply Regulation Authority and an Inter-Ministerial Committee on Water Resources Management with representatives from all concerned agencies, including Public Works, Environment, Agriculture, MDG Goals, and Women's Affairs; EKSWC; EK-RUWASSA; and LGAs.

The city of Ado-Ekiti is an example of the difficulties that parastatals (in this case, the EKSWC) face in delivering water to its customers in a cost-neutral manner. Government intervention kept water rates and charges low for political reasons, under the assumption that the majority of the population would not accept higher charges. As a consequence, accrued revenue from operations could only cover a fraction of recurrent expenditure. The implication of this is that the EKSWC is a state-owned enterprise that has to comply with social objectives, without getting the means to do so (Olajuyigbe, 2010). It should be noted that EKSWC operation is largely guided by the pre-existing Corporation Enabling Edict of 1997 that does not take into account any of the new service-oriented ideas of the past decade.

4.3 MAIN TRENDS IN WATER AND SANITATION

Nigeria has seen a gradual evolution of policies and approaches toward the water and sanitation sector that closely mirrors the evolution of donor strategies in the rest of Africa. Other than the size of large urban areas, there is nothing Nigeria-specific to the needs and solutions of the sector.

In line with the overall Country Partner Strategy, relatively few major donors are involved in the WASH sector in Nigeria, but it is clear that they have significant impact on the development of overall policies and approaches. In large measure, various groups of donors have selected specific WASH sub-sectors for their main programs, so it is simpler to look at the trends in the WASH sector by individual sub-sectors than by donor.

4.3.1 Cities and Large Towns

The distinction in Nigeria between a cities and large towns on the one hand and small towns on the other is not strictly related to population (WaterAid/BPD, 2010), although large towns are generally in excess of 20,000 people. The typical characteristic of cities and large towns in Nigeria is the presence of a dedicated agency or corporation that is responsible for water supply and sanitation. In contrast, small towns rely on state agencies and municipalities to provide these services. However, each state has its own definition.

The main support for water supply in cities and large towns has come from the multilateral banks: the World Bank, the African Development Bank, and more recently, the Islamic Development Bank (IsDB). From time to time, bilateral donors have contributed to these bank-led projects through cofinancing, normally as individual add-on projects.

The World Bank has been in the forefront of these initiatives as part of its overall program to move Nigeria toward first partial and then full privatization of the utility sector, with increasing reliance on cost-recovery to cover recurrent costs.

Privatization Support Project. The first type of intervention, through the Privatization Support Project from 2001 to 2009, aimed to transform state enterprises for power, telecommunications, and Lagos Water Supply through the Board of Public Enterprises. This $225 million project included $114 million from the World Bank, $16 million from USAID, and $11 million from DFID, with the balance made up through counterpart funding and contributions from the Nigerian government.

However, because the issues in the water supply sector are different from the power and telecommunications sectors, the major banks have subsequently developed standalone water supply projects. Part of the reason for this separation is because water supply in most cities and large towns is plagued by run-down and inadequate infrastructure that requires major capital investment to restore lost capacity. Lost capacity means lost connections and a commensurate loss in the potential revenue stream from water tariffs. But it is also true that water supply is treated as a social issue by federal and state governments. They wish to keep water tariffs as low as possible for social and political reasons, and this further weakens the concept of cost recovery as a viable means of financing recurrent costs. Recovery rates are estimated to be as low as 1–3 percent of actual operating costs of water supply organizations in major cities and towns, and it is unlikely they can ever reach a level of self-sustainability.

Estimates of non-revenue water are given for a few locations in Nigeria: Zaria cannot account for 60 percent of water in the system, before interventions Lagos reported losses of up to 96 percent while Enugu has losses estimated at 75 percent (USAID, 2013a). The Enugu case exemplifies the situation wherein most cities and large towns simply do not know how much water is in the system or where it goes. Whatever the precise figures, non-revenue losses are very substantial and make commercialization of water utilities extremely difficult.

The fact that water supply is a state responsibility further complicates matters. While the multilateral banks only work in a limited number of states, they are trying to establish financial and institutional models that will be applicable to other states. However, states have overall responsibility for not only revised or new water laws but also for the nature and structure of the water corporations or water boards. This means that even if general models existed, they would have to be tailored to meets the needs and requirements of individual states. There are significant variations between different state ministries of Water Resources, Environment, Health, etc., and between water corporations or water boards in different states. Each version of each model would need to be passed by the state government and meet the approval of that state's governor.

Loans and grants from the major multilateral banks are made to the federal government, which then disburses funds to state level. Each state's financial management plan must include its own mix of state

ministries, water corporations or boards, and other allied institutions. This complicates the flow of financial resources and its oversight.

NUWSRP 3. Shifting away from straight privatization to a more mixed approach, the World Bank, supported by AfDB, IsDB, JICA, and DFID, focused on a more reform-oriented program that included a whole range of legal, policy, and efficiency reforms to help large water utilities adopt a more commercial approach to their undertakings. This approach has now reached its third phase, the $400 million National Urban Water Sector Reform Project (NUWSRP3).

The banks have been instrumental in putting pressure on both federal and state governments to develop an institutional framework suitable for a more commercial orientation of the water supply sector. Indeed, the banks have insisted on reforms as a precursor to release of funds, but this may have resulted in states that have adopted water laws or water board regulations without effective understanding and buy-in of the state authorities.

NUWSRP 3 defines different levels of accomplishment of reforms goals. The project adopted the three-tier approach referenced earlier in the selection of participating states in order to maximize impact, encourage performance-based competition among states, promote transparency, and provide a common platform to access funds from other donors. Tier 1 states are defined as states in the process of reform: they have developed the appropriate legal and policy instruments and made changes to the institutions responsible for water supply. Tier 2 states are those moving towards reform, developing policies and laws and programs for institutional reform. Tier 3 states have not yet embarked on this process to any significant extent.

NUWSRP3 has three components. The first component includes the rehabilitation and expansion of water production and distribution facilities in three states (Ekiti, Bauchi, and Rivers, with possible extension to other Tier 1 states) for which $250 million has been budgeted. Tier 1 state activities include technical assistance to support consolidations of water sector institutional and regulatory reform, including:

- Establishment and elaboration of respective legal and regulatory frameworks and entities;
- Capacity building of sector staff;
- Institutional reforms;
- Technical and legal studies, and tariff and demand studies, including serving vulnerable populations such as the poor;
- Rehabilitation and/or replacement of aging and poorly maintained pipes and collectors;
- Improved and extended services to the potential customers;
- Restoration of capacity of water intake facilities and treatment plants, and storage capacity, etc.; and
- Installation and provision of equipment and facilities that will permit a more technical management of the water system, including managing water quantity (e.g., bulk and micro-meters, billing and accounting systems, GIS and geo-referencing software, equipment, and appliances, and including customer management and office space) and water quality (e.g., water quality laboratories, equipment, chemicals, and associated facilities).

The second component of NUWRSP 3, valued at $55 million, is preparation for Tier 2 candidate states to enable them to join the overall reform program. These include Kano, Gombe, Benue, Jigawa, Ondo, Abia, Bayelsa, Anambra, and Plateau states, as well as the Abuja FCT. Support would include establishment of water policy and law, customer enumeration (cadaster), improvements to revenue billing and collection, tariff reform, regulatory reform, improved financial management, reduction of non-revenue water

including metering, implementation of limited emergency works to maintain minimum service standards, strategic training of the SWA staff, and development of urban water supply master plans.

The third component of NUWSRP 3 will implement institutional reform, capacity building, and project management at the federal level and will be finance with a budget of $15 million.

NUWSRP reforms have been slow and only partially effective. In the three target states for NUWRSP 3, new water laws have been formulated and sit on the statute books, but in many respects they are not followed in reality. Most important decisions, particularly those related to financial matters, are made in the governor's office rather than independently by water boards or corporations. There are reports, not substantiated, that revenue from water utilities has gone to state treasuries rather than remaining in corporations for paying for O&M as envisaged in the regulations.

Although improved sanitation is a goal of NUWSRP, most of the focus is on water supply. The several central sewerage systems that exist in Nigeria are so old and geographically limited in extent that they no longer provide an effective service for the ever-increasing urban population. Rather than ignoring sanitation altogether, limited sanitation-related activities have been included, as exemplified by the AfDB program in Port Harcourt:

> "On-site public sanitation (separated by gender) at selected markets is selected because there are no central sewerage network in the built up areas and its development requires detailed studies and designs, which are unavailable. The project includes development of a comprehensive sanitation master plan, detailed feasibility studies and designs, pilot sewerage scheme, and resource mobilization for scale-up.
>
> Solid waste management and drainage systems were considered. Due to high costs (non-availability of funds), these components were not retained. Solid waste and drainage measures related to protection of the well fields in Rumoula were however retained." (AfDB, 2014)

While water supply services is primarily in the hands of the water supply utility (SWC), sanitation services are more complicated. As noted earlier, the MOE and MOH are also included in the list of institutions responsible for sanitation services, as are the water service companies (WSCs) within each designated zone of a city of large town. This leads to decreased accountability unless all institutions are fully committed to the sanitation program.

Overall, the multilateral bank-funded programs have had some impact in the target states, cities, and large towns, although it has not always resulted in meeting overall project objectives.

4.3.2 Small Towns

Small town water supply and sanitation programs are intended to be managed through the SWA Small Town Water Supply and Sanitation Departments (or equivalent), in conjunction with constituent LGAs with the full involvement of water users through a WSC. Given the size of small towns, only one WSC is anticipated to be required in each small town. It is this institutional setting that distinguishes small towns from large towns and cities included in NUWSRP 3, and places them closer to rural water supply and sanitation programs. In this respect, small towns and emerging peri-urban areas have been somewhat neglected as compared to purely urban and purely rural programs.

Provision of water supply and sanitation in small towns has received somewhat less attention from major donors, if for no other reason than the fact that dealing with cities and large towns has taken the full attention and resources of major donors within NUWSRP. Also, the smaller size of these secondary urban centers means it is even less likely that the privatization model that includes self-financing through water tariff collection is feasible. Many small towns rely heavily on a combination of private water tankers,

sales of packaged water, supply from local wells, and use of any available surface water sources. A focus of most small town programs is to try to rationalize these various water sources and involve both LGAs and the private sector in a more regulated program that ensures fairer pricing and maintains water quality standards.

In NUWSRP 3, several small towns have been identified in Rivers, Ekiti, and Bauchi states as pilot programs for these interventions. This parallels similar work undertaken by WaterAid in 12 small towns in its target states (Jigawa, Plateau, Bauchi, Enugu, Ekiti, and Benue). Following the World Bank preparation mission in October 2012 and the Concept Review for this project, a $30 million-dollar sub-component of NUWSRP3 is being implemented to test output-based aid (OBA) mechanisms for improving service delivery and coverage in small towns and potentially peri-urban areas.

The technical assistance aims to determine the technical and contractual feasibility of using OBA as a mechanism for delivering sustainable services in selected states. The project design includes technical parameters such as household connections vs. stand post and water source groundwater vs. surface, and contractual issues such as output-verification system, size of transaction, oversight mechanisms, and potential role for water users associations and local NGOs, as well as assessing the potential interest from local private operators. This is the first OBA water project to be undertaken in Nigeria, and the model contrasts significantly with the more traditional funding provided to large urban utilities through the bulk of NUWSRP 3.

A particular difficulty in the small town programs is the institutional capacity for both the SWA (or its subsidiary STWSS Department) and the LGAs themselves. LGAs seldom have adequate manpower and financial resources, and are reluctant or unable to meet counterpart contributions to these programs. Given that the reform approach requires buy-in and participation at local level, this represents a significant constraint on the viability of independent small town programs.

Water Supply and Sanitation Sector Reform Program (WSSSRP). Similar difficulties have been faced by the EU-funded WSSSRP that has been ongoing since 2004. The program implementation framework consists of the following components:

- A federal-level program consisting of officials of the federal government and the Program Management Unit (PMU) responsible for running and coordinating the program implementation at both the federal and the state levels, and developing appropriate policies, regulations, and guidelines for a more cost-effective, participatory, and transparent WASH sector.
- A state-level program in each of the six focal states (Abia, Cross River, Gombe, Kebbi, Osun, and Plateau) responsible for implementing the program's activities at the state level, with a specific focus on small towns and urban areas.

The 2012 evaluation at the end of the first phase indicates that most of the 67 water supply systems in small towns remain uncompleted; none of the six states received the promised contribution of federal funds, thus forcing states to use their own resources to help meet project objectives; and there was minimal accountability within the project to ensure proper outcomes from investments. This is not to say that no progress was made toward improved water supply and sanitation in the small town program, but the gains were at a high cost, of dubious sustainability, and not accompanied by significant reform within the WASH sector to make it more independent both politically and financially.

Support to Reforming Institutions Program (SRIP). The EC-funded SRIP, undertaken in parallel with WSSSRP, was implemented in the same six states and the same local governments to support the emergence of a well-managed and transparent state administration. It was intended that these measures would help enable WSSSRP to apply these improved public expenditure instruments and generate increased transparency to minimize misuse of public funds within state institutions responsible for the WASH sector.

WSSSRP II. Despite the mixed performance of WSSSRP, a second phase was agreed upon in 2012 for approximately €94 million in the six EU focal states of Anambra, Cross River, Jigawa, Kano, Osun, and Yobe, of which the EU provides approximately €80 million. The project aims to consolidate the achievements of the first phase of the WSSSRP with a view to addressing the remaining fundamental weakness of the Nigerian water and sanitation sector, which is lack of or inadequate legal and institutional framework at both the federal and state levels. WSSSRP II intends to sustain the improvements on water governance made under the first phase of the project in the FMWR and in the six focal states through the provision of technical assistance and capacity development to ministries and agencies responsible for water resources and water and sanitation services delivery at the federal level and in the states. The project also implements the construction and rehabilitation of water and sanitation facilities in the six states as a contribution for Nigeria to achieve water and health-related MDGs.

4.3.3 Rural Water Supply and Sanitation

Many different programs have been undertaken in rural areas to improve water and sanitation services. Initially, these programs were focused on infrastructure development, including response to drought-affected areas in the Sahel region. The Draft Strategic Framework for the National Rural Water Supply and Sanitation Program (FMWR, 2004) with participation from states, local governments, UNICEF, the World Bank, and the EC, lists projects that had been undertaken through 2000 by a variety of different agencies. The most significant of these include

- National Borehole Program
- Department of Food, Roads, and Rural Infrastructure Rural Water and Sanitation (RUWATSAN) Program
- FGN/UNICEF WES Program
- United Nations Development Programme-World Bank RUSAFIYA Project
- National Water Rehabilitation Program.

The performance of these various programs was mixed. While helping to improve rural conditions within the WASH sector, the overall impact was not as good as hoped for. Government buy-in and participation was limited, infrastructure development was not sustainable due to poor O&M, cost recovery was inconsistent and not normally sufficient to meet expenditure requirements, and there was limited coordination among different government agencies as well as among donors. Village organizations generally responded well to most of these programs because they perceived water supply as a major priority. In many cases, local communities formed water and sanitation or other committees aimed at improving O&M and financial self-sufficiency. However, due to the lack of effective follow-up support from both government and donor programs, many initial gains were not sustained. Mendie reports on efforts to establish village level hygiene promoters to support sanitation acceptance (Mendie and Ogbureke, 2009).

Donors responded to this relatively disappointing situation by aiming to develop jointly with the government a more consistent and rational approach. The 2004 draft strategy does attempt to map out a sector-wide approach (SWAp) to WASH in Nigeria but, like many others high-level documents, it is not always followed.

The draft also listed a set of ongoing or new projects in 2004 that all needed to conform to the guidelines laid out in the draft. This list includes a set of government programs and those being primarily implemented by international and national NGOs and civil society organizations (CSOs).

The draft strategy expected that all existing donor-funded programs would be required to be streamlined within this national rural water supply and sanitation program framework, and that the strategy would also form the basis for the negotiations, development, and design of all other future donor programs and projects in the country.

Current Donor Involvement in Rural Water Supply and Sanitation. At present, the two major donors in the rural water supply and sanitation sector are UNICEF and WaterAid.[3] They are important for two reasons:

1. They have maintained their WASH programs for many years (UNICEF started in 1982 and WaterAid in 1995), so that they have developed a deep understanding of the needs and implementation issues associated with efforts to meet MDGs, and they have gained respect of all actors within the WASH sector; and

2. They have not been afraid to mix implementation at field level with advocacy at federal, state, and LGA levels so that the financial and political actions of government meet the needs of the rural poor.

Both UNICEF and WaterAid have developed multi-year programs in conjunction with the federal government that allows them to implement activities that are fully consistent with the draft strategy for water and sanitation, and that have the following overall characteristics:

- Maximum stakeholder participation in the design, implementation, operation, and maintenance of water and sanitation facilities. This includes establishment of community-level WASHCOMs in target LGAs and WCAs in target small towns that not only approve new interventions but also are responsible for collection of water fees from users for subsequent use in maintenance and repair of facilities.

- Support for development of detailed implementation guidelines and best practice models that provide states, LGAs, and partner CSOs to implement a sustainable model of intervention. This is supported by ongoing training programs that help improve the capacity of LGAs to adopt the same principles in other target locations.

- Continued advocacy at the state level to ensure that the proper enabling environment for participatory and self-sustaining water and sanitation facilities is developed and applied, including state-level policy support, assistance in preparing new laws and regulations, training of officials, establishment of effective monitoring capacity, and financial and administrative capacity building.

- Strong advocacy at the national level, including support for drafting the National Water Resources Bill, working with the NWRI, MDG office, National Task Group on Sanitation, FMWR and other key ministries to help harmonize national water and sanitation strategies, support for the launching of the National Water Sector Roadmap in 2012 (see Executive Summary in Annex 3), and support for the Presidential Summit held in Abuja in 2013 (see Annex 2).

Both UNICEF and WaterAid are fully committed to this multi-level approach that combines implementation and advocacy, even if it means that implementation progress is slower than it might otherwise have been. They recognize that while meeting ambitious goals of water supply and sanitation in rural areas and small towns is critical in trying to meet MDG targets, these gains are unlikely to be

[3] UNICEF and WaterAid are the primary sources of detailed conditions in the WASH sector in Nigeria. The references at the end of the text cite many of the key texts used.

sustained without the proper support of a committed and focused set of institutions within the water sector.

The other major donors in the rural and small town sector are collaborating to ensure that the messages and modes of implementation are consistent with the overall approach outlined above. Some donors rely directly on either UNICEF or WaterAid to act on their behalf. DFID helps UNICEF through the Sanitation, Hygiene, and Water in Nigeria (SHAWN) program, and the EU supports UNICEF through the WSSSRP (DFID, 2013a; DFID, 2013b; UNICEF Nigeria, n.d.; Nicolau and Mertens, 2008). This support ensures that UNICEF can increase its program and targets, and maintain a strong and consistent approach with multiple sources of funds. WaterAid receives money from DFID and has recently obtained two large tranches of funding: $6.3 million from the Bill and Melinda Gates Foundation for rural sanitation; and part of the $100 million for improved water and sanitation in six Asian and African countries from HSBC for water supply and sanitation work.

In the past few years, both UNICEF and WaterAid have greatly increased their programs in community-led total sanitation (CLTS) and the achievement of open defecation free (ODF) conditions (Burton, 2007; Kar and Pasteur, 2005). They do this through a combination of direct intervention and, where possible, through national NGOs and CSOs. However, there are limited numbers of local organizations with the capacity to meet both UNICEF and DFID standards for project implementation (IDS, 2014).

CLTS marks a significant departure from the more traditional approach to investing in subsidized latrines, and allows for a comprehensive package of community involvement, concern for gender and disadvantaged groups such as the handicapped, and attention to environmental impacts and impacts of climate change.

Sanitation marketing in Nigeria is still very weak. WaterAid promoted the establishment of sanitation marketing centers, but by 2009 this had not been very successful. Sanitation marketing remains an incipient set of activities but is not yet mainstreamed into all rural sanitation programs.

Currently, UNICEF is supporting sanitation and hygiene activities in all the states to some extent, while WaterAid is doing the same in Benue, Ekiti, Jigawa, Bauchi, Enugu, and Plateau states. The EU-assisted WSSSRP is being implemented in Osun, Yobe, Cross River, Anambra, and Jigawa States. DFID is also implementing the Sanitation and Hygiene Program in Bauchi, Benue, Katsina, and Jigawa states in collaboration with UNICEF.

The most significant new source of donor funding in the sector is the AfDB-funded $51 million Rural Water Supply and Sanitation Program. The program's goal is to increase access to safe water supply and sustainable sanitation, thereby contributing to the achievement of the national target of 90 percent by 2015 and 100 percent by 2020 that will help achieve the country Poverty Reduction Strategy Plan (2008 to 2015).

JICA is another player in the rural water supply sector. Their primary focus is on providing grants-in-aid for new boreholes and pumps, and repair and rehabilitation of existing wells. Although their program is somewhat different in format and focus from the main thrusts of UNICEF and WaterAid, JICA plays an active role in donor coordination meetings and in dealings with government.

Unlike many other countries in the region, the private NGO sector (with the exception of WaterAid) is rather weak, both in implementation and in advocacy.

> "Civil society participation in the sector is limited by the weak capacity of CSOs to engage more strategically in the sector and by the limited commitment of government to ensure participation in the sector's governance. National NGOs are few and of limited capacity although some international NGOs notably WaterAid and Concern Universal operate in the sector. There are some instances of local NGOs and CSOs operating at the LGA level. A National Civil Society

> Network on Water and Sanitation (NEWSAN) has been in existence since 2004, but its strategic engagement with sector issues remains relatively weak." (GSF, 2011)

NEWSAN, funded in part by WaterAid and DFID, is intended to be the national umbrella organization for private sector organizations in Nigeria, modeled after the Coalition of NGOs in Water and Sanitation (CONIWAS) in Ghana. In the current WaterAid strategy, NEWSAN is mentioned only as an organization, along with Media Network, that needs institutional strengthening to make it effective as an advocacy organization.

There are many small NGOs active in providing water supply and, to a much lesser extent, sanitation, but their impact is dwarfed by the major donors. Further, they do not have a strong role in advocacy, so their impact is largely restricted to their specific interventions. One private NGO program is worth noting: the Tulsi Chanrai Foundation has established a relationship with UNICEF to work on installation of new hand pumps for water supply, rehabilitation of existing wells, and involvement of private sector organizations to provide drilling, repair and maintenance services.

5.0 DONOR COORDINATION AND FINANCING OF THE WASH SECTOR

Unlike many other African countries, Nigeria has a relative small group of agencies and countries involved in donor coordination across all sectors. These agencies collaborate with the Federal Government of Nigeria through the Country Partner Strategy (CPS) mechanism. The four CPS partners—the World Bank, DFID, USAID, and AfDB—account for 80 percent of Nigeria's development assistance. A second Country Partnership Strategy (CPS II) was signed in April 2014. Details of individual contributions from partner countries under CPS II are not yet available.

In broad terms, CPS II is expected to follow the overall development plan for Nigeria, as expressed in the Vision20:2020 program. The previous administration had declared the intention to pursue the vision of placing Nigeria among the 20 largest economies in the world by 2020 and the current administration is committed to attaining this vision, with each different sector contributing to the overall plan (Federal Planning Commission, 2009).

Donors remain highly concerned about the slow rate of progress toward achievement of MDG goals, not just in the WASH sector but across the board for welfare programs. The four key donors are all committed to providing funding for WASH programs in Nigeria and have negotiated a coordination strategy with the federal government that helps to prioritize the target groups and the target areas that will receive priority funding.

The selection of target states poses a dilemma for donors. There is always concern to direct aid toward those who need it most, but there is also a desire to select locations for aid programs that show some degree of willingness to support donor programs. This support is not just a matter of counterpart funding but also involves helping to create the proper enabling environment that will lead to structural change in the way the WASH sector is organized, financed and managed.

Of the basket of key donors, only UNICEF has a program that covers all states in Nigeria, but that involvement is at a low level in most states. The focus in the non-priority states remains largely in provision of water supplies and support for health services, with the understanding that the funding to these states may be supplemented by emergency funds for humanitarian reasons. This country-wide coverage is expensive, and the UNICEF program in Nigeria receives the largest single allocation to any country from UNICEF unrestricted funds ($52.7 million from UNICEF Regular Funds in 2012).

All the other major donors have prioritized their support for the WASH sector, guiding their funds to those locations where they feel they will have the largest long-term impact (Table 6; see also Annex 1 for a list of major donor activity and funding in the WASH sector). UNICEF is part of this prioritization

program, particularly where it is funding more innovative programs such as CLTS, and where more restricted funding from other donors is involved (for example, DFID and the EU channel a lot of their funds into UNICEF programs to take advantage of UNICEF's long-term presence and experience in Nigeria). This prioritization process requires significant donor coordination.

TABLE 6. DONOR-SUPPORTED NIGERIAN REGIONS

DONOR	World Bank, AfDB, IsDB	USAID (SUWASA, Rural Water and Sanitation)	EU	DFID (SHAWN) through UNICEF	WaterAid
Regions Supported	**Tier I** Lagos, Rivers (AfDB) Bauchi, Ekiti Kaduna (AfDB, IsDB) **Tier II** Kano, Gombe, Benue, Jigawa, Ondo, Abia, Plateau, Anambra, Bayelsa	Bauchi Ebonyi Rivers Kano Sokoto	Anambra Cross Ebony Jigawa Kano Osun Yobu	Bauchi Benue Jigawa Kaduna Katsina Zamfara	Bauchi Benue Ekiti Enugu Jigawa Plateau

5.1 COORDINATION IN THE WASH SECTOR

Donor activities in the water sector are coordinated through the Water Supply and Sanitation Donor Coordination Group (WSSDCG), which has been set up with a Secretariat at the FMWR, headed by an Assistant Director. The main donor participants in this group are the World Bank, DFID, EU, UNICEF, AfDB, Water Aid, and JICA.

In the recent appraisal report by AfDB for the Urban Water Sector Reform and Port Harcourt Water Supply and Sanitation Project, the authors state:

> "On national level, the Federal Ministry of Water Resources (FMWR) is responsible for coordinating sector developments. Coordination of donors has been weak and ad hoc, however, the Water Sector Reform and PPP Unit established within FMWR in 2012 took an active part in the preparations of this project and coordinated related interventions planned by the WB, AFD and USAID. The project will support the establishment of coordination mechanisms to facilitate FMWR taking a more visible lead. Coordination amongst donors is informal; however, a Water, Sanitation and Hygiene (WASH) donor thematic working group is in the process of being established. Based on the leadership demonstrated by [the AfDB office in Nigeria] in supporting Government in the development of the national Infrastructure Development Action Plan, and with the addition of a WSS expert in [the AfDB office in Nigeria], the Bank is expected to take a more active role in sector coordination. In Rivers State, donors are effectively coordinated by the Ministry of Water Resources and Rural Development." (AfDB 2014, p.3)

Decentralization has certainly made donor coordination a more complicated process. Although loans are made through the federal government, the beneficiaries are both federal and state level organizations. The NUWSRP 3 program has included money for strengthening federal-level reform and support, just like the AfDB Port Harcourt project, but the bulk of the actual programming is at the state level.

National WASH Coalition. The FMWR established the National Task Group on Sanitation and Health (NTGSH), the acting national WASH coalition, in 2007. The NTGSH brings together ministries and government agencies, as well as NGOs, donors, and representatives of civil society and the media.

The task group concentrates on advocacy, policy and strategy development, guidance and capacity building, and research, sanitation and hygiene promotion. The NTGSH coordinates, plans, and develops sector policies on sanitation and hygiene, and then then implements, monitors, and evaluates them. From 2010, the coalition has focused on strengthening decentralized coordination of all sanitation work at state and local government levels.

Policy development and advocacy by the NTGSH has included:

- Organization of political dialogue to engage political parties on the national sanitation and water agenda;
- Input to the sanitation component of the National Poverty Reduction Strategy document. This revealed gaps in the area of sanitation which the coalition addressed;
- A workshop (arranged by NTGSH NGO members) for the National Assembly House Committee on Water Resources to raise awareness of the national situation in drinking water access and sanitation coverage;
- Production of a National Strategy for Scaling-up Rural Sanitation and Hygiene, to begin development of a harmonized sanitation policy tool and mainstreaming school hygiene promotion; and
- Dissemination of Implementation Guidelines for Sanitation and minimum standards on sanitation and hygiene in schools.

Capacity building has involved conducting a national and a zonal workshop on CLTS, and a trainer's program for facilitators.

Research, sanitation, and hygiene promotion work by the NTGSH has covered:

- A sensitization workshop to help strengthen sanitation coordinating mechanisms in Benue and Cross River states; and
- Participation in a WaterAid-sponsored three-country study on sustainability and equity aspects of CLTS. This included field visits with observation, interviews, and community mapping with the aim of assessing the WaterAid program's effectiveness in fighting open defecation.

Despite these efforts, donor coordination remains problematic. At the Presidential Summit on Water in 2013, there were yet again calls for improved donor coordination:

> "It is imperative to adopt a viable instrument which can be used to attract funding, administer, and improve coordination of actors within the sector." (FMWR, 2013b)

Part of the problem lies with differing agendas among donors, part with caution over joint formulation of programs among donors, and part with the nature of the relationships with federal and state governments that may or may not provide consistent support for donor programs, either financially or in terms of the nature of activities.

It is certainly gratifying to see that the president has taken a personal interest in the WASH sector, and it speaks highly of the efficacy of advocacy efforts of both UNICEF and WaterAid. But it remains unclear just how much real political commitment exists to improve water supply and sanitation conditions, particularly at state and LGA levels.

The unwillingness of both national and state governments to make good on promises of counterpart funding for donor-supported projects (not just in the WASH sector) not only undermines the actual implementation of those projects, but also impacts negatively on the interest and enthusiasm of state and LGA WASH practitioners.

The extent to which these efforts to establish state and national water laws take into account traditional water laws and practices remains unclear (Kuruk, 2004).

5.2 FINANCING IN THE WASH SECTOR

The three tiers of government—federal, state, and local—should participate in water and sanitation investments. The situation, however, is that local governments often do not have the resources to do so, and the federal and state governments provide only limited funding. Thus, most public WASH investments in Nigeria are financed by donors.

The federal government controls most of the flow of finances in Nigeria. The vast majority of revenues (over 70 percent in 2011) comes from the oil and gas sector, with lesser amounts from VAT (20 percent) and other revenues (about 10 percent). Allocations are made at the national level to one of three target audiences: 13 percent goes to derivation (special funding for those states that generate oil and gas revenues), the Federation Account, and the VAT pool. Both the Federation Account and the VAT pool share their revenues between the federal government, state governments, and LGAs.

In 2011, for example, the Federation Account was split as follows: 52.68 percent to federal government, 26.72 percent to state governments, and 20.60 percent to LGAs. The VAT pool was split 15 percent to the federal government, 50 percent to state governments, and 35 percent to LGAs. There is little devolution of control over finances; even though VAT is collected locally, it is allocated at the federal level.

The state and LGA joint account is administered by the Joint Account Allocation Committee (JAAC), which determines what goes to each local government. Typically, states have joint projects with the LGAs and deduct funds for such projects through JAAC. The balance of their allocations from the federation account, which is usually only enough to pay salaries and manage administration costs, is then transferred to the LGAs. Consequently, the LGAs have a challenge financing social services (WaterAid, n.d.a).

Despite this apparently simple formula for revenue division between federal government, states and LGAs, budgeting and expenditures are not closely linked to the financing mechanism. The Global Sanitation Fund (GSF) elaborates on this:

> "In 2006 the FMAWR launched a strategic partnership approach known as WIMAG framework (Water Investment Mobilization and Application Guidelines) which is intended to provide a single mechanism by which funding for capital projects can be made available for the rural, small towns, and urban areas water and sanitation services in the sector. The WIMAG framework makes provision for funding of both hard and software components of water supply and sanitation services. The WIMAG MoU is a voluntary agreement between the federal and state governments, under which the federal government makes a conditional commitment to make funding available, on a co-funding basis, to projects in the state, where agreed conditions are met. In return, the State Government is responsible for implementing sector reform as a catalyst for improved service delivery. However, the financing mechanism described above has not delivered any tangible results in the sector since it has not been operationalized among the three tiers of government. Consequently budgeting and expenditure at all tiers in the WASH sector is done without considering commitments in the financing mechanism." (GSF, 2011)

The overall expenditures in the WASH sector are shown in Table 7 for two periods: 2002–2008, and 2012–2013. Although the basis for calculating these figures is unclear, two things stand out:

1. There was a decline in the percentage of expenditure allocated for WASH activities from 2002 to 2008, but there has been a slight rebound subsequently.

2. The overall expenditure on WASH remains well below the minimum required to meet MDG targets, with a clear shortfall in all years for which data are presented.

TABLE 7. THE NIGERIAN GOVERNMENT'S PLANNED EXPENDITURE IN WASH SECTOR, 2002–2013 (IN MILLIONS OF US$)

	2002	2003	2004	2005	2006	2007	2008	2012	2013 (proposed)
Federal	80.02	52.54	46.47	71.01	70.08	76.27	57.86	—	—
State	19.42	19.27	29.92	33.71	40.19	46.3	42.7	—	—
Local	4.23	11.3	11.65	14.87	18.89	21.91	21.02	—	—
Total (Consolidated WASH)	103.68	83.11	88.04	119.6	129.23	144.48	121.58	500	750
% Growth Rate of Consolidated WASH	8.46	-19.84	5.93	35.85	8.05	19.54	-14.82	—	—
% of Consolidated WASH to Total Consolidated Expenditure	6.53	4.28	3.89	4.26	1.96	1.03	1.29	1.5	2.3
Required for WASH MDG Achievement	—	—	—	—	189.87	191.82	173.82	2500	2500
Shortfall to MDG WASH projection	—	—	—	—	60.64	47.34	52.17	2000	1850

Note: Data for 2002-2008 are from Amakom (2009); data for 2012 and 2013 are from NEWSAN (2013). It is unclear if the basis for the two datasets is the same.

The 36 states and the FCT annually approve budgets for water supply and (to a very limited extent) sanitation. However, budgeted funds are never released in full and on time. This also explains why so many water projects are not completed and the completed ones not functional. Table 8 shows that for the 2000–2007 period, the percentage of the state budget allocated to water supply in selected states ranged from 4.83 percent in Cross River State to 9.99 percent in Kogi State. Similarly, the percentage average budget to sanitation in relation to the annual budget for the period of 2000–2007 ranged from 0.72 percent for Kogi State to 3.07 percent for Jigawa State (UNICEF Nigeria, 2011).

TABLE 8. SUMMARY OF TOTAL ANNUAL BUDGETS, ALLOCATION, AND ACTUAL DISBURSEMENT TO WATER AND SANITATION BY SELECTED STATES, 2000–2007

	Water Supply						Sanitation				
State	Total annual budget (2000-2007) [million N]	Total annual budget on water supply (2000-2007) [million N]	Total actual disburse-ment on water supply (2000-2007) [million N]	Actual disburse-ment as percentage of budget (2000-2007)	Percent Average Budget to water supply as percentage of total budget 2000-2007)	Average Effective Expendi-ture on water supply (2000-2007 average)	Annual budget on sanitation (2000-2007) [million N]	Actual disburse-ment on sanitation (2000-2007) [million N]	Percent average actual disburse-ment to sanitation budget (2000-2007)	% Average budget on sanitation to annual budget (2000-2007)	% Average effective expendi-ture on sanitation (2000-2007)
(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**	**(l)**
Adamawa	190,705	12,891	7,441	57.73	6.76	3.90	1,501	1,183	78.78	0.79	0.62
Gombe	183,331	17,956	6,419	35.75	9.79	3.50	2,855	731	25.62	1.56	0.40
Jigawa	134,874	9,351	6,120	65.45	6.93	4.54	4,144	1,890	45.62	3.07	1.40
Katsina	143,218	9,776	5,486	56.12	6.83	3.83	2,257	1,579	69.97	1.58	1.10
Kogi	222,909	22,276	2,850	12.80	9.99	1.28	1,613	293	18.14	0.72	0.13
Kwara	198,831	10,780	3,892	36.11	5.42	1.96	2,309	480	20.78	1.16	0.24
Enugu	148,243	11,696	2,644	22.61	7.89	1.78	4,356	277	6.37	2.94	0.19
Cross River	239,827	11,572	10,852	93.78	4.83	4.53	3,990	1,960	49.12	1.66	0.82

UNICEF Nigeria, 2011

Although the 1999 Constitution of Nigeria stipulates that water supply and sanitation are the responsibilities of LGAs, the reality in all 36 states is that LGAs appear not to pay enough attention to this responsibility. The Sector Investment Profile Study on water supply and sanitation between 2000 and 2007, conducted by the Nigeria Water and Sanitation Monitoring Platform (WSMP), shows that in the eight states studied, the total budget of the 28 LGAs covered was about N102.415 billion. Out of this amount, N2.855 billion (2.78 percent) was allocated to water supply, out of which N1.50 billion was released. The released amount was 52.7 percent of what was budgeted and 1.5 percent of the entire budget appropriation. The gross budget on sanitation was N1.66 billion, while the released fund was N2.597 billion (156 percent of the budgeted amount and 2.54 percent of the total budget appropriation for sanitation) (WSMP, 2008).

There is a significant funding gap in the sector. The Federal Government of Nigeria estimates $2.5 billion annual investment is needed to meet the MDG target, of which only $550 million is being met by the Government and approximately $100 million from development partners through loans and grants (DFID 2013a).

EXAMPLE OF A STATE BUDGET – EKITI STATE 2014

Based on information from the Ekiti State official website, the proposed budget for 2014 is N103 billion (about $660 million) with roughly 50% earmarked for recurrent costs and 50% for capital expenditure. Of the N52 billion for capital expenditure, the Ekiti State Water Corporation is allocated N3.3 billion ($21 million)

Out of the sum, N1billion is earmarked for the Ero Dam Water Supply project, N500 million for the purchase of water treatment chemicals, N350, million for Small Town Water Supply and Sanitation and World Bank Water Project counterpart fund. A sum of N150 million is earmarked for completion of water projects, N180 million for booster station, and the Rural Water Sanitation and Hygiene Agency will receive the government's attention in the sum of N50 million.

It should be noted that actual revenue in 2013 was only 71% of what was estimated, and 2013 expenditures were only 61% of the budgeted amount.

6.0 MONITORING AND FEEDBACK

As indicated earlier, much of the M&E of WASH sector activities lies with two bodies: the JMP of WHO and UNICEF, and the government-run WSMP. In addition, but only once every ten years as part of the national census, the government conducts the Core Welfare Indicator Questionnaire Survey (CWIQS) that samples many welfare indicators including water and sanitation. The next census is planned for 2016, so CWIQS data are rather out of date.

For all intents and purposes, the WHO/UNICEF efforts are considered the most reliable, and have been the basis for donor planning of support to the WASH sector. JMP surveys are conducted frequently (approximately once every two years), and one is currently underway in 2014.

The major donors are meticulous about project M&E, and they provide specific funds for such purposes. It is the data from these donor-funded projects that provide almost all of the concrete information on progress, not just within projects, but also at the national level to meet MDG targets. While individual projects are tracked by joint actions of donors and counterpart agencies, the results are frequently restricted to that specific project. Support for more sector-wide monitoring is hampered by low levels of funding and weak political support.

WSMP, intended to be the main vehicle for monitoring of progress in the water and sanitation sector, lacked a proper institutional home, falling in cracks between UNICEF (who wanted to see it as a genuine government-led effort), the Nigerian government (who wanted UNICEF to fund it), and individuals looking for permanent positions with appropriate benefits rather than temporary positions (Odhiambo, 2010). Despite efforts to improve the situation, WSMP remains a weak and rather ineffective monitoring body.

The 2013 UNICEF Nigeria Annual Report states that only seven of the 36 states have signed up to be part of the national M&E program in the WASH sector and are willing to adhere to procedures, norms, and procedures. Six states are enrolled in the national program on Nigeria Standards for Drinking Water Quality, although another 12 are due to sign up shortly (UNICEF Nigeria, 2013).

7.0 MANAGEMENT AND IMPLEMENTATION

In addressing issues of management and implementation of WASH projects, a very clear distinction needs to be made between donor-supported and -implemented projects, and those funded internally by federal ministries, state governments, and LGAs.

7.1. MANAGEMENT OF DONOR-FUNDED PROJECTS

Donors have been generally transparent about their experiences in project implementation, and make public their evaluations of their own projects and their overall performance in the sector.

Most donors operate on the principle of cost-sharing from three main sources: the donor funds themselves, the counterpart contributions from government, and beneficiary contributions in cash and kind. All donors in Nigeria have complained that counterpart funding is uncertain, and often subject to somewhat capricious decision-making by a state governor. Most donors will not provide money directly to government agencies, so that their own management requirements are high. While this increases their overhead costs, it means that the funds over which they have full control can be reasonably well accounted for.

There is some irony that many donors, having experienced frustrations in the past, end up designing yet more complicated projects that increase their own internal management requirements. The DFID proposal for participation in the SHAWN II program accepts that the overall project structure is more complicated that for SHAWN I, but the additional management requirements are attainable. Indeed, the entire document is an excellent example of the depth of project appraisal, financial and management risk analysis, and comparison of different operational models required (DFID, 2013a).

In both UNICEF and WaterAid projects, specific efforts have been made to upgrade the internal management capacity of counterpart government agencies, particularly at the state and LGA levels, and implementation of specific monitoring programs. While the capacity of local institutions remains very weak, both UNICEF and WaterAid feel there have been improvements, even if they are not fully sustainable under current government funding practices.

One major advantage of consolidating donor efforts into the joint UNICEF and WaterAid thrusts for rural water supply and sanitation is that there is a consistent set of overall policies and objectives. A good example of this is in the increasing focus on CLTS and the achievement of ODF conditions that are now in the forefront of the sanitation components of both programs (Marinovich, 2010).

The two donors have shown their capacity to transfer experiences from programs in other countries and introduce them into the Nigerian context. Similarly, there is great emphasis placed on cost-recovery, at least to the extent possible in poor rural communities and small towns, on transparent management structures that involve both women and men, linkage to education and behavior change mechanisms involving both adults and schoolchildren, and community monitoring of the success of ODF status.

Both UNICEF and WaterAid accept they are still in the early stages of comprehensive CLTS programs, and that it is still early to determine whether the initial gains will lead to sustainable improvements in

sanitation conditions over wide areas. However, both donors are convinced that this is the most promising approach to improving Nigeria's progress toward attaining MDG goals. The KIT assessment for the JMP scheduled for 2014 will help determine the overall impact of these programs (KIT, 2014).

7.2. MANAGEMENT OF GOVERNMENT-FUNDED PROJECTS

Government agencies and civil authorities have been largely opaque on the actual implementation of internally funded activities: it is almost impossible to find concrete evidence of how much is allocated and actually spent on development projects (in and outside the WASH sector). Just because money is allocated does not mean it was actually provided, or that it was spent on the activities initially proposed.

The overall lack of accountability of government programs is directly linked to the use of funds to meet political objectives rather than social ones. Government funds are effectively at the disposal of the state governors, and they are more concerned with making the incumbent office bearers re-electable than with pursuing a specific agenda (again, this is not specific to the WASH sector). Many projects apparently remain uncompleted, most focus is toward infrastructure development, and there appears to be very limited concern for longer-term sustainability.

The lack of information on government-managed projects makes it hard to come to specific conclusions about their overall impact, the extent to which they conform to current policies and practices, and the efficacy of the regulatory agencies charged with enforcement of rules and regulations. Anecdotal evidence implies there is little effective oversight and that the level of longer-term sustainability of programs is lower than that of donor-managed projects, but without specific field observations these conclusions remain unsubstantiated.

8.0 MAIN FINDINGS AND CONCLUSIONS

The WASH sector in Nigeria remains at disappointing levels. Although the actual number of people served with improved water supply and sanitation services is increasing, it is not fast enough to keep pace with population growth. As a result, Nigerian data on fulfillment of MDG targets continues to decline. As urban growth expands faster than overall population growth in Nigeria, the issues in urban areas remain extremely difficult: the multilateral lending focus in Nigeria has been on water supply and reform of water utilities in larger cities, while urban sanitation levels lag well behind.

Reform has been occurring in the WASH sector in Nigeria, but it has been very slow and relies in large measure on push from donors linked to specific project interventions: national-level reforms have required a great deal of advocacy and constant nagging by the key donors (World Bank, UNICEF, and WaterAid). The Nigerian institutions within the WASH sector have allowed themselves to be drawn along this path but the depth of commitment remains rather weak. While Nigeria makes all the right statements in national and international forums that deal with WASH-related issues, the process for transforming these statements into concrete policies, laws, and regulations remains slow and uncertain. Nigeria supports the Africa Water Vision but is still moving slowly toward the goals and targets described in the documentation (ECA, 2012).

The lack of strong national commitment is mirrored by a weak institutional environment. In addition to the poor record of financial management within Nigerian institutions and an ingrained propensity for rent-seeking at all levels of government and in the private sector, most institutions operate at the behest of high-level political figures. This results in institutions with frequent overstaffing with not enough training, very limited accountability for performance, weak monitoring and feedback systems, and a general lack of purpose and motivation. This is typical of a rentier state where funds flow downwards from the national capital with very limited local revenue generation; institutions have little or no stake in keeping their potential clients happy.

It is to be expected that the most visionary people have come at the federal level. The creation of 36 states, each of which has its own mandate for providing services in the WASH sector, has worked against establishment of a common vision other than a broad national view. While states have to work within the overall national framework of policy and regulation, they each have to develop their own laws and regulations, and then implement them. While there is a national vision, there is much more limited vision at state level and almost none at LGA level.

This lack of a coherent pathway to accomplishing better conditions in the WASH sector in Nigeria is made much more difficult by the way in which financial resources are allocated and managed. Because almost all government revenue originates from oil and gas revenues at the national level, and is then allocated to individual states and LGAs, there is very limited accountability for use of funds. Allocations made in national and state budgets are rarely adhered to, so that funds for the WASH sector at all levels of government and for individual projects are always uncertain.

- ***Summary assessment of the role of external aid and the balance between larger programs and NGO activities and their relative scale vis-à-vis the current challenges and actions of government***

The largest donor organizations in the sector (World Bank, AfDB, IsDB, UNICEF, WaterAid, DFID, and JICA) spend something in the order of $100 million per year combined. Government spending is several times higher, with at least $550 million allocated in the most recent annual budget. However, the government figures include a great deal of non-development and establishment costs, as well as large water sector projects such as dams and irrigation schemes. The exact amounts allocated and actually spent on water supply and sanitation are not readily available.

Despite being out-resourced by government, innovation in the WASH sector in Nigeria has come almost exclusively from the donor community. As a result of their overall commitment to Nigeria over 20 or more years, UNICEF and WaterAid have established themselves as the leaders of innovation, policy development, and implementation strategies in Nigeria's rural and small town WASH sector. The World Bank has been the leader for urban programs, including efforts to reform water and sanitation utilities in cities and large towns.

However, the sheer size of the problems in the WASH sector means that donors simply cannot meet all of the requirements. For the most part, they work in states selected through discussion with national leadership and, within those states, a selection of the 774 separate LGAs. This means that reforms are themselves focused on these key states, leaving much of the country to rely on program designed and developed through the relatively weaker government sector.

- ***Key challenges for service delivery – where are the main gaps and where could USAID provide the most added value?***

In contemplating what activities might be suitable for USAID support, three main factors will likely guide the decision-making process: program size, opportunities in different sub-sectors, and degree of autonomy of USAID programming.

Program Size. The amount of money that USAID is willing to invest will determine the degree to which the Agency can influence political and institutional change within Nigeria. Between them, the multilateral programs of the development banks, UNICEF and WaterAid (both of which receive substantial buy-ins from other donors as a way of keeping program consistency and simplifying management, in addition to contributing their own funds) account for the majority of the $100 million contributed annually to Nigeria's WASH sector. The U.S. Government already supports all of these organizations with unrestricted fund support, and participates in international discussions about progress in the WASH sector. It is highly unlikely that USAID can fund a program big enough to influence policy independently, and it would be counterproductive to try to do so.

This means that USAID needs to identify specific opportunities that are fully consistent with other donors' approaches, and fit in with the overall vision that has already been developed at national level.

Opportunities in different sub-sectors. There are three sub-sectors within the WASH sector in Nigeria that could be the target of USAID investment: urban (cities and large towns) water supply, urban sanitation, and rural water and sanitation programs that are managed at the LGA level and thus include small towns.

- **Urban Water Supply.** The size of cities and large towns in Nigeria more or less dictate that interventions concerned with water supply require large programs. Historically, urban water supply has been the focus of the multi-lateral banks, notably the World Bank, the African Development Bank and, more recently, the Islamic Development Bank. These institutions are the only ones large enough to address the problems in the major urban centers in Nigeria, although progress may have been mixed and degree of sustainability of urban water supply systems is only moderately satisfactory. The

multi-lateral banks have stressed the need for sustainable reforms within the WASH sector, at both national and state levels, and generally only fund programs in states that have adopted reforms (Tier 1 states) and those that show willingness to embark on a reform program (Tier 2 states).

Nevertheless, there are opportunities for some degree of buy-in to parts of these programs that allow smaller donors to play important roles. USAID's SUWASA program has provided an example of how the buy-in can work, helping target states to develop their laws and regulations concerning utilities. These actions have been undertaken in close collaboration with the World Bank so that there is no concern that different donors may provide different messages to federal and state governments and their associated public utilities.

One potential drawback of buy-in programs is that there is limited identity for the smaller participants. Even where donors have contributed to part of a World Bank program, either thematically such as DFID in the PSP, or geographically, as in JICA funding for Jos City water supply, the overall program is still closely associated with the major donor. Despite these reservations, there is merit in continuing to follow the SUWASA approach as long as funding is sufficient and sufficiently long in duration to help the program mature.

- **Urban Sanitation.** This sub-sector has received the least attention from donors, but it may be the most complex and challenging. Few cities and large towns have any functioning sewerage system, and disposal of waste using trucks is poorly organized and involves little or no treatment of that waste. But the sheer scale of the problem makes it largely unattractive for USAID types of investment. The Bill and Melinda Gates Foundation supported a detailed assessment of fecal sludge management in three cities (Abuja, Ibadan, and Yenagoa), and the report concludes that a commercially viable model for fecal sludge management is feasible, although any implementation would be very difficult (Sridhar et al., 2011)

- **Rural Water Supply and Sanitation.** Donor participation in this sub-sector is dominated by UNICEF and WaterAid who work closely together in implementation and advocacy. Any interventions by USAID need to be closely linked to the ongoing work of those organizations and their counterparts at state and LGA levels.

  At one level, USAID can play a similar role to other bilateral donors (e.g., the EU and private sector donors) by buying in to part of the existing programs. EU, DFID, and other bilateral organizations and several philanthropic organizations (e.g., Gates Foundation and HSBC) are buying into one or more UNICEF and WaterAid programs. In turn, UNICEF and WaterAid work with NGOs to implement those programs, either directly or through NGO networks.

  Buy-ins require that the donor involved plays little role in actual implementation: DFID specifically chose this approach for SHAWN II so that they could use well-established UNICEF and WaterAid on-the-ground management without having to supervise their own staff or hire and supervise a private subcontractor.

  USAID could contemplate two types of buy-in: a geographical buy-in that extends existing programs into new states or new LGAs that are not covered by those existing programs; or USAID could consider a thematic buy-in, whereby it identifies, in collaboration with the primary implementing partner, certain discrete needs that can be independently programmed but that fall into the umbrella program.

  Either type of buy-in requires careful discussion with the implementing partners, not just in terms of the technical issues involved but also as to how USAID financial and other reporting can be accommodated within the program structure of the primary implementing partner. These structures are already defined for both UNICEF and WaterAid in their memoranda of understanding with the federal government in Abuja.

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ANNEX 1. MAJOR DONOR ACTIVITY AND FUNDING IN THE WASH SECTOR

Development Partner	UNICEF
Total Investment (Since 2010)	Approximately $500 million in all programs in WASH sector from 2009–2017
Investment Strategy or Overarching Guidelines	UNICEF in collaboration with government partners and other stakeholders is involved in the implementation of rural water supply and sanitation with the primary objective of supporting the provision of improved water sources and sanitation facilities in schools and rural communities. http://www.unicef.org/nigeria/2013-PL7-Nigeria_CPD-final_approved-English.pdf
Role in Sector-Wide Approach	UNICEF is active in the donor coordination mechanism.
Financing mechanisms	Regular resources, donor buy-in programs

Project Name	Implementation Period	Investment Value	Implementing Partner(s)	Location
Overall program funds (child survival)	2014–2017	$284 million		All States
	Project Description			
	The WASH subcomponent aims to increase access to and use of improved water sources, sanitation facilities, and hygiene practices, particularly among vulnerable communities. UNICEF will support evidence-based advocacy to leverage resources and strengthen institutional capacities and systems for integrated WASH program management. The program will promote low-cost community-based approaches including CLTS, climate change adaptation, village-level operation and maintenance of handpumps, and greater engagement of women. Technologies and social media networks will be harnessed to improve accountability and accelerate coverage. UNICEF will foster greater intersectoral collaboration including mechanisms to ensure child-friendly and gender-friendly WASH in schools and primary health institutions.			
	Sustainability			
	UNICEF is a major promoter of sustainability using several approaches. These include creation and strengthening of village-level O&M committees, SWAp development in different states, support for approved WASH policies by states, support for RUWASSA at state level, support for national M&E programs, support for improved drinking water quality monitoring, support for the Joint Monitoring Platform for M&E, and support for national policy and advocacy toward improved water management			

Project Name	Implementation Period	Investment Value	Implementing Partner(s)	Location
Overall program funds (child survival)	2009–2013	$200 million		All states
	Project Description			
	UNICEF contributed to an additional 4.8 million people gaining access to improved water sources; 0.9 million people gaining access to sanitation, mostly in underserved rural areas; 1.1 million pupils gaining access to WASH facilities in over 1,150 schools; and hygiene awareness campaigns reaching over 60 million people. Nigeria was certified free of *dracunculiasis* in 2012. UNICEF effectively promoted CLTS as a strategy to accelerate sanitation coverage. It has expanded to over 2,500 communities, against a target of 2,000.			
	Sustainability			
	UNICEF is a major promoter of sustainability using several approaches. These include creation and strengthening of village-level O&M committees, SWAp development in different states, support for approved WASH policies by states, support for RUWASSA at state level, support for national M&E programs, support for improved drinking water quality monitoring, support for the Joint Monitoring Platform for M&E, and support for national policy and advocacy toward improved water management			

Development Partner	WaterAid
Total Investment (Since 2010)	12 million GBP core funds, plus $20 million from HSBC through 2020
Investment Strategy or Overarching Guidelines	WaterAid in Nigeria developed its first strategy in 1995 with an initial concentration on delivering WASH services to rural communities. By 2006, the organization had doubled its focal states from three to six states and its implementing partners from a mere two LGAs to 22. In 2006, the second Country Strategy Paper (CSP) was adopted. This was reviewed during the 2007 Mid-Year Review process to include and deepen some key program principles such as equity and inclusion, sustainability, modelling, and rights-based approaches into our programming. Over the 2006–2011 strategy period, WaterAid in Nigeria has contributed its quota to improving the access of the poor and marginalized to safe water and improved sanitation and hygiene in the communities and states that it works in. Link to WASH strategy: http://www.wateraid.org/~/media/Publications/annual-reports-and-strategies/WaterAid-nigeria-country-strategy-2010-2015.pdf
Role in Sector Wide Approach	WaterAid is active in the donor coordination mechanism.
Financing mechanisms	Regular resources, donor buy-in programs

Project Name	Implementation Period	Investment Value	Implementing Partner(s)	Location
Country Program	2010–2015	GBP 11.1–16.6 million (lower figure is essential for WaterAid program, higher is desirable level of funding. $5m/year from HSBC)	State and local governments, NGOs, LGAs	Jigawa, Bauchi, Plateau, Ekiti, Enugu, Benue
	Project Description			
	1. Improved access to safe water and improved sanitation and hygiene services (up to 0.6 million people for water, 0.9 million for sanitation, and 0.6 million for improved community engagement). 2. Support to government and service providers in six states to build strong and sustainable institutions. 3. Advocacy at national and state levels.			
	Sustainability			
	WaterAid is a major promoter of sustainability using several approaches. These include creation and strengthening of village-level O&M committees, SWAp development in different states, support for approved WASH policies by states, support for RUWASSA at state level, support for national M&E programs, support for improved drinking water quality monitoring, support for the Joint Monitoring Platform for M&E, and support for national policy and advocacy toward improved water management			

Development Partner	World Bank
Total Investment (Since 2004)	$920 million for NUWRSP
Investment Strategy or Overarching Guidelines	The project is aligned with the World Bank Group objectives of reducing extreme poverty and boosting shared prosperity. Lack of access to improved water supply and sanitation services imposes huge costs on society, especially for the poor. The project will support poor-inclusive sector reform by working with state governments to include appropriate pro-poor policies in their water sector development strategies to ensure access to services to the poor. Furthermore, the project will contribute to improving Nigeria's progress toward meeting its MDG with respect to access to improved water supply service. Link to WASH strategy: http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/04/03/000442464_20140403110117/Rendered/INDEX/PAD3960P123513010Box385166B00OUO090.txt
Role in Sector Wide Approach	World Bank is active in the donor coordination mechanism.
Financing mechanisms	Bilateral lending to the federal government on behalf of target states.

Project Name	Implementation Period	Investment Value	Implementing Partner(s)	Location
National Urban Water Supply Reform Project (NUWRSP)	Phase 1 2004–ongoing	$200 million		Kaduna, Ogun, Enugu
	Phase II 2005–ongoing	$320 million		Lagos, Cross River
	Phase III 2013-ongoing	$400 million		Bauchi, Ekiti, Rivers
	Project Description			
	The World Bank projects and associated co-financing by other banks and donors all have the same objectives: • Improved water supply and sanitation services to urban residents through investment in infrastructure (dams, piped connections, sewerage, standpipes, etc.) • Making water companies and corporations financially viable with pro-poor strategies and involvement of public-private partnerships. • Improved hygiene, sanitation, and environmental protection through training, public awareness, and implementation of proper programs. • Support to the federal government for urban water reform, with particular focus on performance assessment procedures for use by states and water corporations			
	Sustainability			
	The World Bank only supports states that have implemented water laws and policies (Tier 1 states), or are in the process of doing so (Tier 2 states). This is to ensure that investments by the bank (and also of co-financing partners such as AfDB, USAID, AFD, and IsDB) are only made when the appropriate enabling environment is in place.			

Development Partner	African Development Bank
Total Investment (Since 2010)	$400 million
Investment Strategy or Overarching Guidelines	The project is aligned with the AFDB and World Bank objectives of reducing extreme poverty and boosting shared prosperity. Lack of access to improved water supply and sanitation services imposes huge costs on society, especially for the poor. The project will support poor-inclusive sector reform by working with state governments to include appropriate pro-poor policies in their water sector development strategies to ensure access to services to the poor. Furthermore, the project will contribute to improving Nigeria's progress toward meeting its MDG with respect to access to improved water supply service. Link to WASH strategy: http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/NIGERIA_profile_March %202012.pdf
Role in Sector Wide Approach	AfDB is active in the donor coordination mechanism.
Financing mechanisms	Bilateral lending to federal government on behalf of target states.

Project Name	Implementation Period	Investment Value	Implementing Partner(s)	Location
Urban Water Supply and Sanitation Program (split into several independent projects in direct collaboration with World Bank and NUWRSP)	2010–2015 2013–2016 2014–2020	$88.2 million $100 million $204 million		Oyo, Taraba Kaduna Cross River and Port Harcourt
	Project Description			
	The World Bank projects and associated co-financing by other banks and donors all have the same objectives: • Improved water supply and sanitation services to urban residents through investment in infrastructure (dams, piped connections, sewerage, standpipes, etc.). • Making water companies and corporations financially viable with pro-poor strategies and involvement of public-private partnerships. • Improved hygiene, sanitation, and environmental protection through training, public awareness, and implementation of proper programs. • Support to the federal government for urban water reform, with particular focus on performance assessment procedures for use by states and water corporations.			
	Sustainability			
	The bank only supports states that have implemented water laws and policies (Tier 1 states), or are in the process of doing so (Tier 2 states). This is to ensure that investments by the bank (and also of co-financing partners such as AfDB, USAID, AFD, and IsDB) are only made when the appropriate enabling environment is in place.			

Development Partner	Department for International Development
Total Investment (Since 2010)	136 million GBP
Investment Strategy or Overarching Guidelines	iati.dfid.gov.uk/iati_documents/4177089.docx
Role in Sector Wide Approach	Works through UNICEF
Financing mechanisms	Direct funding to UNICEF and WaterAid

Project Name	Implementation Period	Investment Value	Implementing Partner(s)	Location
SHAWN 1	2010–2013	$40 million (24.7 million GBP)	UNICEF, WaterAid, Tulsi Chanri Foundation	Jigawa, Katsina, Bauchi, Benue
	Project Description			
	• Improved CLTS, hand washing, and other sanitary practices: 1100 ODF-certified villages with 660,000 people • Provision of water supplies for 105,000 people out of target of 1 million • Training and advocacy support for state-level hygiene and sanitation strategies and RUWASSAs			
	Sustainability			
	• Only provides new or rehabilitated water supplies to communities that have already achieved ODF status, which in itself means significant local involvement in WASH activities.			

Project Name	Implementation Period	Investment Value	Implementing Partner(s)	Location
SHAWN II	2013–2018	96.6 million GBP	UNICEF, WaterAid, Tulsi Chanri Foundation	Jigawa, Katsina, Bauchi, Benue Kaduna, plus one more if security permits
	Project Description			
	• Improved CLTS, hand washing, and other sanitary practices: 1100 ODF-certified villages with 660,000 people • Provision of water supplies for 105,000 people out of target of 1 million • Training and advocacy support for state-level hygiene and sanitation strategies and RUWASSAs • Support for small town water supply, sanitation marketing, Federal Ministry of Water Resources, improved governance and advocacy			
	Sustainability			
	• Only provides new or rehabilitated water supplies to communities that have already achieved ODF status or that are committed to meeting ODF status, which in itself means significant local involvement in WASH activities.			

Development Partner	European Union
Total Investment (Since 2010)	€200 million, to be invested between 2012 and 2017
Investment Strategy or Overarching Guidelines	The EU-assisted Water Supply and Sanitation Sector Reform Programme (WSSSRP) is being implemented in Osun, Yobe, Cross River, Anambra, and Jigawa states through UNICEF. EU also provides substantial support to WaterAid for its water and sanitation programs. The EU Water Facility has the following mission: • MDG specific target on water: to halve, by 2015, the proportion of people without sustainable access to safe drinking water; • WSSD target, adopted with strong EU support, to halve by 2015 the number of people without access to sanitation; and • WSSD target to develop national integrated water resources management plans by 2005. Link to WASH strategy: *www.euwi.net*
Role in Sector Wide Approach	The European Union is active in Donor Coordination Mechanism
Financing mechanisms	Grants to UNICEF and WaterAid and Government of Nigeria on behalf of target states

Project Name	Implementation Period	Investment Value	Implementing Partner(s)	Location
Water Supply and Sanitation Sector Reform Programme (WSSSRP)	Ph. I 2005–2011 Ph II: 2012–2017 Ph III: 2013–2017	€87 million (Phase I) €80 million (Phase II) €52 million (Phase III)	UNICEF	Anambra, Cross River, Jigawa, Kano, Osun, and Yobe states
	Project Description			
	WSSSRP sustains the improvements on water governance made under the first phase of the project in the FMWR and in the six focal states through the provision of technical assistance and capacity development to ministries and agencies responsible for water resources, and water and sanitation services delivery at federal level and in the states. The project will also implement the construction and rehabilitation of water and sanitation facilities in the six states as a contribution for Nigeria to achieve water and health related MDGs.		
	Sustainability			
	Support is only for states embarking on reforms that will lead to sustainable laws and policies for the water sector.			
Project Name	**Implementation Period**	**Investment Value**	**Implementing Partner(s)**	**Location**
Rural Water Supply and Sanitation	2013–2017	€20 million	WaterAid	Plateau, Ekiti, Adambara, and Kebbi
	Project Description			
	The project expands WaterAid's existing program. It will support evidence-based advocacy to leverage resources and strengthen institutional capacities and systems for integrated WASH program management. The program will promote low-cost community-based approaches including CLTS, climate change adaptation, and village-level operation and maintenance of hand pumps, and greater engagement of women. Technologies and social media networks will be harnessed to improve accountability and accelerate coverage. EU and WaterAid will foster greater intersectoral collaboration including mechanisms to ensure child-friendly and gender-			

	friendly WASH in schools and primary health institutions.
	Sustainability
	EU is a major promoter of sustainability using several approaches. These include creation and strengthening of Village-level O&M committees, SWAp development in different states, support for approved WASH policies by states, support for RUWASSA at the State level, support for national M&E programs, support for improved drinking water quality monitoring, support for the JMP for M&E, and support for national policy and advocacy toward improved water management.

Development Partner	JICA
Total Investment (Since 2010)	3 billion yen since 2002
Investment Strategy or Overarching Guidelines	Providing grants-in-aid for new boreholes and pumps, and repair and rehabilitation of existing wells. Link to WASH strategy: www.jica.go.jp
Role in Sector Wide Approach	JICA is active in the donor coordination mechanism.
Financing mechanisms	Grants to federal government on behalf of target states.

Project Name	Implementation Period	Investment Value	Implementing Partner(s)	Location
Rural Water Supply Support	2002–present	3 billion yen		Oyo, Kano, Yobe, Katsina, Bauchi, Niger, Taraba, Kebbi, Ondo, and Enugu
	Project Description			
	Provision of drilling equipment and installation of over 1500 boreholes and hand pumps in target states.			
	Sustainability			
	No information available.			

Project Name	Implementation Period	Investment Value	Implementing Partner(s)	Location
Master Planning	1998–2015	Japanese technical experts, value unclear	Federal Government	National
	Project Description			
	• Provide support to FMWR for development of a national water master plan.			
	Sustainability			
	• Should provide basis for rational investment and development program for Nigeria's water resources.			

Development Partner	USAID
Total Investment (Since 2010)	$12,977,270
Investment Strategy or Overarching Guidelines	The SUWASA mission is fostering the transformation of water and sanitation delivery services in Africa to achieve long-term financial sustainability through the application of market-based principles. SUWASA is designed to spread effective models of reform at the water utility and sector levels, and to facilitate innovative financing approaches for African water providers. Link to WASH strategy: http://www.usaid.gov/sites/default/files/ documents/1865/USAID_Water_Strategy_3.pdf; www.usaid-suwasa.org
Role in Sector Wide Approach	USAID plays an active role in the donor coordination process.
Financing mechanisms	Grants to contractors and NGOs

Project Name	Implementation Period	Investment Value	Implementing Partner(s)	Location
Sustainable Urban Water and Sanitation in Africa (SUWASA)	2010–2015	$9 million		Rivers, Ebonyi, and Bauchi states
	Project Description			
	SUWASA has activities in three states: • Helping Rivers State to develop a regulatory framework, establish a regulatory commission, and establish the Rivers State Small Towns Water Agency to provide services to secondary towns outside of Port Harcourt; supporting the full implementation of the water legislation and policy with a focus on developing the regulatory function of the sector and devolution of water services delivery to secondary towns. • Working with the Ebonyi State Ministry of Public Utilities to help identify the sector-specific constraints and systematically address identified issues to improve the overall performance of the sector. At the utility level, the project focuses on reforms to enable Ebonyi State Water Corporation to increasingly exercise autonomy and adopt commercial practices in its operations, • Improving and expanding service delivery in the urban areas of Bauchi by developing and supporting the utility to implement strategies for increasing cost recovery and addressing technical deficiencies, such as high non-revenue water, low water production, lack of billing, and low staff productivity. Also working on overall reform of the water sector to help develop new laws and policies.			
	Sustainability			
	Support is only for states embarking on reforms that will lead to sustainable laws and policies for the water sector.			
Project Name	**Implementation Period**	**Investment Value**	**Implementing Partner(s)**	**Location**
Rural Water and Sanitation activity: Access to WASH	2009–2014	$3,977,270	Women Farmers Advancement Network (WOFAN)	Kano, Bauchi and Sokoto States
	Project Description			
	• USAID/Nigeria is partnering with WOFAN, a local NGO, to increase access to safe water and sanitation services and disseminate best hygiene practices for households, communities, schools and clinics in Kano, Bauchi and Sokoto States of Nigeria. Activities include, constructing improved and sustainable water supply facilities; VIP, urinal compartments, hand-washing facilities, rain water harvesters and integrating sanitation and hygiene education to schools and health clinics. This activity primarily targets children as change agents to take good hygiene messages back home to convince families and the larger community to practice good sanitation.			

	Sustainability
	To ensure sustainability, community youths including women are being trained to repair and maintain water hand-pumps. Working in full collaboration with USAID and other USAID partners, WOFAN is taking a comprehensive approach to improve lives by building local capacity in these states and allowing community members to take ownership of the project.

Development Partner	*Agence Francais de Développement*			
Total Investment (Since 2010)	$77 million			
Investment Strategy or Overarching Guidelines	Co-financing of the World Bank/African Development Bank Urban Water Supply program. No additional strategy involved. Link to WASH strategy: www.afd.fr/home/pays/afrique/geo-afr/nigeria			
Role in Sector Wide Approach	AFD Participates in the Donor Coordination Strategy.			
Financing mechanisms	Co-financing of NUWSRP with World Bank.			
Project Name	**Implementation Period**	**Investment Value**	**Implementing Partner(s)**	**Location**
Co-Financing of NUWSRP 2	2013–2016	$77.7 million		Lagos and Cross River states
	Project Description			
	The World Bank projects and associated co-financing by other banks and donors (in this case. AFD) all have the same objectives: • Improved water supply and sanitation services to urban residents through investment in infrastructure (dams, piped connections, sewerage, standpipes, etc.); • Making water companies and corporations financially viable with pro-poor strategies and involvement of public-private partnerships; • Improved hygiene, sanitation, and environmental protection through training, public awareness, and implementation of proper programs; and • Support to the federal government for urban water reform, with particular focus on performance assessment procedures for use by states and water corporations. AFD focuses more on reform activities than on infrastructure investments in efforts to get target states to adopt proper water laws and policies prior to infrastructure investment.			
	Sustainability			
	AFD supports the World Bank policy to only assist states that have implemented water laws and policies (Tier 1) or are in the process of doing so (Tier 2). This is to ensure that investments by the World Bank (and also of co-financing partners) are only made when the appropriate enabling environment is in place.			

Development Partner	Islamic Development Bank
Total Investment (Since 2010)	$81 million
Investment Strategy or Overarching Guidelines	Co-financing of the World Bank/African Development Bank Urban Water Supply Program. No additional strategy involved.
Role in Sector Wide Approach	The Islamic Development Bank participates in the donor coordination strategy.
Financing mechanisms	Co-financing of NUWSRP with World Bank

Project Name	Implementation Period	Investment Value	Implementing Partner(s)	Location
Co-Financing of NUWSRP 2 for Zaria Water Supply	2013–2017	$81 million		Kaduna
	Project Description			
	The Islamic Development Bank is co-financing the overall World Bank and African Development Bank program; co-financing by other banks and donors all have the same objectives: • Improved water supply and sanitation services to urban residents through investment in infrastructure (dams, piped connections, sewerage, standpipes, etc.); • Making water companies and corporations financially viable with pro-poor strategies and involvement of public-private partnerships; • Improved hygiene, sanitation, and environmental protection through training, public awareness, and implementation of proper programs; and • Support to the federal government for urban water reform, with particular focus on performance assessment procedures for use by states and water corporations.			
	Sustainability			
	IsDB supports the World Bank policy to only assist states that have implemented water laws and policies (Tier 1) or that are in the process of doing so (Tier 2). This is to ensure that investments by the World Bank (and also of co-financing partners) are only made when the appropriate enabling environment is in place.			

ANNEX 2. PRESIDENTIAL SUMMIT ON WATER HELD AT THE STATE HOUSE, ABUJA, NIGERIA, 18–19 FEBRUARY 2013

COMMUNIQUE

1. A Presidential Summit on funding the Water Sector was held at the State House, Abuja, 18 and 19 February 2013. The Theme of the Summit was "Innovative Funding of the Water Sector."

2. The Summit attracted participants from Nigeria and around the world. These include H.E. Dr. Goodluck Ebele Jonathan, GCFR, President, Commander-in-Chief, Federal Republic of Nigeria, H.E.

Arc. Namadi Mohammad Sambo, GCON, Vice President, Federal Republic of Nigeria, Chief David Mark, Senate President, H.E. John Kufour, former President of Ghana and H.E. Chief Olusegun Obasanjo, former President of Nigeria.

3. Some of the key international personalities were representative of the Prime Minister of Egypt (Egyptian Minister of Water Resources and Irrigation and AMCOW President, Dr. Mohammed Bahaa el-Din); Vice President of African Development Bank, Mr.Gilbert Mbeserubusa; and Deputy Secretary General of World Meteorological Organisation, Dr. Jerry Lengoasa.

4. Other participants at the Summit included the President of ECOWAS, H.E. Kadre Desire Ouedraogo; Deputy Chief Executive of WaterAid, Mr. Girish Menon; Governors of the 36 States; members of the National Assembly; Honourable Ministers; Heads of International Organisations and Non-Governmental Organisations. Top government officials and captains of industry as well as over 700 participants from assorted levels of the private sector and civil society also attended the Summit.

5. The Summit was declared open by H.E. President Jonathan, during which he underscored the prominence which the Federal Government attaches to the water sector and the commitment in ensuring its sustained development. This, he stated, include investments both from line budget and special intervention funds. The President, however, called on other stakeholders to use the opportunity of the Summit to deliberate on strategies for alternative funding avenues needed in the sector.

6. The President also called for a greater level of collaboration amongst the three tiers of Governments (Federal, State and Local). Additionally, he called for a more precise delineation of functions in the sector. H.E. President Jonathan further enjoined participants at the Summit to come up with clear recommendations, set targets and establish timelines for realization of various identified activities and challenges in the water sector.

7. The President also identified the need to encourage more Regional water infrastructural development, rather than microschemes. He again assured the participants of the commitment of the Federal Government towards generating greater investment in the sector.

8. The welcome address was delivered by the Honourable Minister of Water Resources, Mrs. Sarah Reng Ochekpe while goodwill messages were presented by some of the dignitaries, including the Senate President, Senator David Mark; former President Olusegun Obasanjo; former President John Kufour; and the Chairman of the Governors' Forum, represented by Governor Babangida Aliyu of Niger State. Others with goodwill messages included representatives of AfDB, ECOWAS and AMCOW.

9. The Summit thereafter had five high level panel discussions in plenary sessions and five syndicate discussions where extensive deliberations were held in the following sub-themes:

INVESTING IN WATER AS A KEY DEVELOPMENT DRIVER

10. Water was identified as a cross-cutting resource, having effects on several related sectors including but not limited to: health, agriculture, transportation, environment, power/hydropower etc. The importance of water to the existence of human life was emphasized. The Federal Government has therefore identified the water sector as a key priority area.

11. It was noted that about 40% of the population in Nigeria does not presently have access to safe water, while about 100 million people lack access to sanitation.

12. The importance of developing an Integrated Water Resources Management Plan to maximize water use, maintain water quality and improve cooperation within river basin catchments was reiterated.

a. Priority Areas of Focus:

- Rehabilitation, resuscitation and completion of existing water infrastructure;
- Capacity building of staff in water institutions and operators to make water a key development driver;
- Water should be treated as an economic resource;
- Proper and relevant research/studies to be conducted before embarking on any water related project. The studies include Prioritization, Economic feasibility, Environmental impact studies (EIS), and Monitoring and Evaluation Initiatives.

13. Key commitments towards implementation of Priorities to include:

- Good governance, accountability and management;
- Security on investment;
- Appropriate legislation and enforcement;
- Support for local manufacturing of water sector equipment;
- Creation of enabling environment for the sector to thrive;
- Sharing of best practices among MDAs on water.

14. The need for adoption of policies to set aside 5% of Annual Budgets by the Federal and State Governments to be dedicated to the water sector.

ENHANCING WATER AND SANITATION FUNDING IN A FEDERATIVE SETTING

15. The Summit reviewed the challenges of Nigeria's Water Sector within the context of the Federal structure. Solicitations were made for a re-defining of the distinct roles and responsibilities of each of the tier of government as it relates to water. In that context, participants of the Summit urged the Federal Government to show leadership by providing the policy framework to regulate the Sector. It was noted, for example, that bulk water can be provided by the Federal Government and in turn could be harnessed by the States to provide potable water to their populace. Calls were made on States to strengthen their existing systems and structures for service delivery.

16. The Summit identified the need for proper coordination between the roles and activities of each tier of government and the adoption of appropriate and sustainable local technology for water supply schemes. Central to the discussions was the need to review finance mechanism for a concerted collaboration of funding efforts by the Federal Government, the States, the Local Governments, as well as development partners.

17. Regulation was also identified as a new tool for achieving quality in the sourcing for funds to the sector and the delivery of efficient service. State governments were advised to organize private and autonomous utilities to ensure sustainability in the provision of water to their citizens.

18. Government was encouraged to deploy pro-poor policies in fixing tariffs for water.

19. The Summit identified the need for prioritization of sanitation and hygiene education in the sector development.

IMPERATIVE OF FUNDING WATER SECTOR WITHIN THE CONTEXT OF CLIMATE CHANGE

20. Participants identified Climate Change as a global trend with clear and visible impact on Nigeria. This included but was not limited to the following areas:

- Agriculture and food production;
- Health and Human Nutrition;
- Environment and Sanitation;
- Energy and Hydropower generation;
- Watershed Management.

21. The need to develop mitigation and adaptation strategies and benefit from existing financial mechanisms was in light of the above.

IMPROVING PUBLIC PRIVATE PARTNERSHIP IN THE WATER SECTOR

22. It was noted that PPP arrangements infuse better operational management, better financing arrangements and long term sustenance of service delivery.

23. Participants therefore emphasized the need for a new paradigm shift towards promoting PPP arrangements following the existing laws, rules and regulations in the country.

24. Federal and State level institutions in charge of water were also urged to take advantage of best practices displayed in other countries in the implementation of PPP projects in the water sector.

25. The need to consider and ensure that PPP projects do not compromise water quality and impact negatively on tariffs was emphasized.

26. Similarly, it was stated that PPP projects in the water sector must not overlook the need for government to attach pro-poor policies in fixing water tariffs, especially in vulnerable communities.

THE ROLE OF DEVELOPMENT PARTNERS AND DONOR AGENCIES

27. The role of Development Partners in water and sanitation was discussed. It was recognized that development partners, donor agencies are playing a major intermediary role in filling gaps within the sector. It was however discussed that the bulk of needed funds could be locally sourced.

28. Participants highlighted the need for improved donor coordination to ensure equitable distribution of projects in the country.

RECOMMENDATIONS

29. At the end of the deliberations, the following recommendations were made:

a) It is imperative to adopt a viable instrument such as the Water Investment, Mobilization and Application Guideline (WIMAG), which can be used to: attract funding, administer, and improve coordination of actors within the sector; and roll-out the principle of co-operative funding as stipulated in the NWASH Policy.

b) It is compelling and a matter of importance to have a policy that ensures 5% of the Annual Budgets of both the Federal Government and the States would be dedicated to the Water Sector through a “Water Emergency Fund”. This would include a provision of appropriate penalties to the relevant authorities where there is default in usage and full monitoring to guarantee deployment to the Water Sector.

c) It is important to host a meeting between the Federal Government and Governors’ Forum to articulate and adopt a collective and mutually acceptable solution to the various challenges, which would also include cost-sharing.

d) There is the need for adoption of the UBEC, MDGs and Basket-Funding models for co-operative funding to improve efficiency and effectiveness in resource application.

e) Holding a Joint Sector Review of the sector is advocated in order to: track funds invested, ensure transparency, and to serve as an incentive for collaboration between the government, private sector and development partners.

f) Collaboration at the regional and sub-regional levels on adaptation and mitigation strategies in the context of climate change should be carried out as a matter of importance.

g) The development and adoption of an Integrated Water Resources Management Plan.

h) Urgent need for endorsement of the draft NIWRMC Bill passed in 2011 by the National Assembly to ensure effective regulation of the sector.

i) There is the need to explore additional opportunities for improved funding from other sources like tax on International Financial Services, Airline Tickets and Sovereign Wealth Fund. This should be taken further with all the concerned MDAs.

j) It is important to develop other necessary innovations, including strong institutional framework that will empower small scale irrigation projects, and gender equity initiatives.

k) There is an urgency to ensure effective capacity building in the sector;

l) There is need to support the PPP Unit of the Ministry for deployment of a robust PPP framework for the execution of water sector projects. This could be for the completion of old projects and/or execution of new projects following the set guidelines.

m) The importance of properly defining the role of development partners and donor agencies. This includes the need to allow them to properly channel funds in a manner to obtain best results.

n) There is a need for greater coordination of donor funding and activities in the water sector.

APPRECIATION

30. Participants thanked H.E. President Goodluck Ebele Jonathan for his foresight and initiative as well as participation at various sessions of the Summit. Similarly, they expressed gratitude to the Vice President, H.E. Arc. Mohammed Namadi Sambo for his participation throughout all the sessions of the Summit.

DONE IN ABUJA 19 FEBRUARY 2013

ANNEX 3. EXECUTIVE SUMMARY OF THE WATER SECTOR ROADMAP, NMWR, NIGERIA (2011)

The relevance of water to our national development has progressively increased over the years with rapid population growth, urbanization, agriculture and industrial development. Because of its usefulness in different capacities for direct human consumption, agricultural irrigation, fisheries, hydropower, industrial production, recreation, environmental protection and industrial effluents, it is considered mankind's most unique and indispensable natural resource to manage.

The imbalance in the water infrastructure development, population increase and rapid urbanization rates has created a serious deficiency in the quality of life of an average Nigerian with its dire consequence on sanitation, food, security, health, employment and standard of living. It is the recognition of this critical issue and gap that led to the necessity for the re-birth of the Nigerian water sector reform. A major step taken by the administration of President Goodluck Ebele Jonathan (GCFR) towards the reform is demerger of the Federal Ministry of Water Resources from the erstwhile Federal Ministry of Agriculture and Water Resources in April 2010.

The current administration has also identified programs and initiatives capable of transforming the Ministry and encouraging private sector participation in the management and execution of government's aspiration. Accordingly, the Federal Government through the Federal Ministry of Water Resources has observed the need to develop a roadmap for water resources development to put the nation back on track in achieving the Vision 20:2020 targets, Millennium Development Goals (MDG) targets for 2015 and the Africa Water Vision in 2025.

The desired reform in the water resource sector is centered on a number of key imperatives.

- Harnessing the current and potential opportunities and addressing operational challenges within the water resources sector with a view to ascertaining the nature and level of investment required in the sector.
- Ensuring the supply and utilization of water in the country meets acceptable quality and standards.
- Establishing the means to acquire, collate, manage and disseminate hydrological, hydro meteorological and hydro geological information for each of the river basins in Nigeria.
- Harnessing the power generation potentials of dams across the country for better improvement.

Additionally, some of the on-going programs and initiatives of the Ministry of Water Resources are targeted at strengthening the legal and institutional framework. The enabling legal framework to be instituted by the ministry will ensure:

- that water resources in the country are put to beneficial use to the optimum level
- that funds from both Public and Private sector participation in the development of the water sector would be prudently managed in order to serve the best interest and welfare of the people.

In order to ensure a holistic approach and systemic overhauling of the sector, the water sector reforms will be conducted over short term, medium term and long term periods. In view of this, strategies have been developed for each time frame dovetailed into specific projects and programs which we believe will facilitate the achievement of our overall objective for the sector.

Whilst the Federal Government through the Ministry of Water Resources is committed to resolving specific obstacles against the Reform, it is also conscious that the quality of Reform is a clear indication of its overall Investment and funding philosophy. Accordingly, the Government has defined broad-based investment and funding strategies. Some of these strategies are tailored towards the construction of dams, irrigation, water supply projects and other related projects across different states of the Federation.

This roadmap articulates the objective of the Federal Government in developing the nation's water resources towards the actualization of the sector's potentials over a short term, medium term and long term period.

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