

NIGERIA High-Priority Country Plan

GLOBAL WATER STRATEGY | 2022–2027

In 2022, Nigeria was re-designated as a High-Priority Country under the new <u>U.S. government Global Water Strategy</u> (the GWS or "Strategy"). Over the next five years of the Strategy period, USAID will continue to work with the Government of Nigeria (GoN) and other stakeholders to strengthen sector governance and institutions; address key financing gaps; and increase access to country-wide, sustainable water and sanitation services. USAID's investment will increase access to basic or safely managed water services for 1.25 million people; provide basic or safely managed sanitation services to 350,000 people; and mobilize roughly \$50 million for the sector. Outside of these direct investments, USAID will work with the GoN, other development partners, and the private sector to leverage resources for amplified impact.

CONTEXT

Nigeria has Africa's largest economy—its annual gross domestic product is over \$500 billion—and is the continent's most populous country, with a population of 211 million and an annual population growth rate around 2.4 percent.¹ Despite having abundant resources, its human capital development ranked 150 out of 157 countries in the World Bank's 2020 Human Capital Index. This is not surprising given Nigerians' limited access to clean water, sanitation, and hygiene, which are essential determinants of human capital outcomes that affect productivity and economic growth. Improving access to safe, reliable, and affordable water, sanitation, and hygiene (WASH) services not only affects human and socioeconomic development outcomes but can also help reduce vulnerability to violent extremism and conflict, which affect many parts of Nigeria. This plan integrates considerations of agricultural, domestic, and industrial uses of water, since Nigeria is a Feed the Future Target Country and a Multi-Sectoral Nutrition Strategy country. Water reliability, resilience, and access for all uses, are essential to national security and sustained economic growth.

In Nigeria, over 114 million people lack access to basic sanitation services and almost 50 million, many of whom reside in rural areas, still practice open defecation.² Only Abuja has a piped sewer network and most fecal sludge is largely untreated and goes directly into the environment. Nigeria is a relatively highly urbanized country (over half of the population resides in urban areas), but only 11 percent of the population (23 million) have access to piped water and a majority of urban dwellers rely on private water vendors and shallow private wells.³ Around 69 million Nigerians do not have access to basic water services.⁴ Furthermore, 23 million still use surface water (rivers, streams, dams, lakes, ponds, etc.), considered the lowest and most harmful level of service.

The country's main hydrological features are the Niger River and the Benue River, their numerous minor tributaries, and Lake Chad and the rivers that discharge into it. Nigeria has a large endowment of freshwater resources, but poor watershed management, recurrent drought, and desertification due to climate change, which are increasing water scarcity. In the north, water stress is increasing due to heightened municipal and agricultural (irrigation) water demands and declining groundwater levels. Expanding cropland and dams in the northeast reduce wetland areas, harm ecosystems, and may exacerbate regional security challenges. This water scarcity threatens urban and rural developments with rapidly rising water supply costs, reduced reliability of water supplies, and increased costs

of irrigated food production. Yet in the south, flooding threatens communities, livelihoods, and infrastructure due to poor urban planning and inadequate stormwater management coupled with sea level rise. Flooding is the most common natural disaster and is projected to worsen with climate change. Oil extraction and processing often lead to widespread pollution and poor water quality. Water sources country-wide are under serious threat from inadequate catchment management. Climate change will exacerbate the associated risks and lay the burden of impacts on marginalized communities.

These challenges in both WASH access and water resources management are compounded by several factors that also present important opportunities for Nigeria to achieve long-term water security. Governance, financing, and institutional constraints undermine service expansion, water resource management, and overall sector performance. National level total WASH expenditure is the sum of government (federal, state, and local government area), donor agency, nongovernmental organizations, household, and private enterprise spending on the provision/consumption of WASH services within a fiscal year. To realize WASH Sustainable Development Goals (SDGs) 6.1 and 6.2 by 2030, a projected \$40.9 billion⁵ investment is required, according to the National Action Plan for the Revitalization of the WASH Sector. Nigeria's total WASH expenditure was \$1.1 billion⁶ in 2018, with households contributing 91 percent, the government 4 percent, and the remaining 5 percent coming from the private sector and donor agencies. In 2019 and 2020, the government's proportional expenditure did not increase. Despite contributing the bulk of expenditures nationally, most households do not pay for services from publicly run utilities only 13 percent of rural households and 34 percent of urban households pay for water services. Lack of revenue collection leads to low-quality services, further reducing people's willingness to pay for those services. The World Bank estimates that Nigeria will be required to increase its domestic public expenditure on WASH from the current \$1.2 billion per year to \$3 billion per year, while also improving the effectiveness of expenditures to achieve SDG 6 by 2030.

In addition to low overall spending, there is jurisdictional overlap among government agencies at the state and national levels, particularly related to sanitation. Lack of transparency and accountability to citizens due to weak monitoring and regulatory oversight systems, especially at the state and local levels, further exacerbate the WASH access challenges.

Poor management and weak service delivery models threaten the sustainability of WASH services. Almost 40 percent of the 2.3 million water points across Nigeria are nonfunctional,⁷ and 30 percent of water schemes fail within their first year of operation after construction.⁸ In urban areas, one-third of waterworks are nonfunctional and those that are functional serve less than 10 percent of their service areas. Given that the urban utilities do not serve most of the population, it is estimated that Nigerians spend \$700 million annually on obtaining water from alternative providers, demonstrating the high coping costs and effective demand for water services.⁹ Community-led Total Sanitation (CLTS) has had mixed results, with better outcomes in lower-income communities. Advancing market-based sanitation, working across the sanitation value chain, and exploring pro-poor sanitation subsidies that do not distort the market could improve outcomes across the income spectrum.

Climate change is expected to make access to adequate water supplies more challenging in many areas of Nigeria, especially in the north.¹⁰ Northern Nigeria is expected to experience higher temperatures and less rainfall, leading to more frequent and intense drought periods. Desertification is also being driven by poor water resources management, land use change, overgrazing, and deforestation. Catastrophic flooding due to more intense rainfall, especially in southern Nigeria, is expected to increase in frequency and severity. And in the coastal areas, frequent and intense rainfall, rising sea levels, and limited adaptive capacity exacerbate flood risk. Climate pressures also lead to social pressures and conflict—reduced water availability has led to an increasing spate of communal clashes among herdsmen and farmers.¹¹ Increasing competition over land and water resources will continue to contribute to regional instability and conflict.

NATIONAL PRIORITIES

In 2018, the GoN launched the National Action Plan for the Revitalization of Nigeria's Water Supply, Sanitation, and Hygiene (WASH) Sector (the National Action Plan, or NAP). The NAP was intended to remobilize the federal government and states to prioritize WASH sector needs including policy and institutional reforms, institutional capacity, funding, and investment. It outlines a new federal-state partnership for WASH sector development, in which the states maintain their full sector development prerogatives while benefiting from an empowered federal Ministry of Water to effectively guide, support, and incentivize their efforts. It established a 13-year Revitalization Strategy (2018–2030) with the overarching goal of ensuring that all Nigerians have access to sustainable and safely managed

WASH services by 2030, in compliance with the SDGs for Water (SDG 6.1) and Sanitation (SDG 6.2).

In 2019, the Federal Ministry of Water Resources (FMWR) launched the complementary "Clean Nigeria: Use the Toilet" campaign to achieve an open defecation-free (ODF) Nigeria by 2025, followed by the issuance of the Executive Order No. 009, "The Open Defecation Free Nigeria by 2025 and Other Related Matters Order." The Order mandated the FMWR to coordinate all activities toward ensuring an ODF Nigeria by 2025 through the National Clean Nigeria Secretariat, and directed all ministries, departments, and agencies to join the campaign. It also authorized the Secretariat to ensure that all public places have accessible toilets within their premises and to enforce compliance. The Order also called for legislation against open defecation by both federal and state legislatures.

In 2023, federal and state-level elections were held, resulting in a new GoN presidential administration. USAID will work closely with the GoN to align with the priorities defined by the new administration. However, USAID expects that the objectives set forth in the NAP and the campaign to achieve an ODF Nigeria will remain high priorities, given the existing sector challenges.

USAID APPROACH AND RESULTS FRAMEWORK

In furtherance of the U.S. Global Water Strategy and Government of Nigeria priorities, and in collaboration with other donors and the private sector, USAID/Nigeria's investments in water security, sanitation, and hygiene will improve the water and sanitation sector's capacity, financial viability, and transparency, as well as public trust in service providers. USAID/Nigeria will leverage these investments by stimulating increased revenue collection and access to private and public capital investment funding, generating a cycle of continuous improvements over time. USAID will make catalytic and strategic investments in key locations, including large urban centers, such as Lagos, as well as arid and insecure rural areas, to address service gaps while making progress on the goals of the Global Water Strategy, as outlined below.



STRATEGIC OBJECTIVE I

Strengthen Water and Sanitation Sector Governance, Financing, Institutions, and Markets

Intermediate Results (IRs):

IR 1.1 Develop, strengthen, and implement inclusive laws, policies, and regulations: USAID will coordinate more closely within relevant subnational agencies to improve the policy, legal, and regulatory environments of both public and alternative private providers in Lagos and other states where it operates. An emphasis on transparency among relevant government bodies will be complemented through engagement with civil society groups to ensure that policymakers and regulatory bodies maintain communication and coordination with stakeholders, and that stakeholders hold government actors accountable. USAID Activities Involved: Lagos Urban WASH (LUWASH); Small Town WASH (STWASH)

IR 1.2 Effectively mobilize and target public and private financing: To address the huge financing gap in the Nigerian water sector, it is essential to involve both public and private sources of financing. It is also crucial to increase the financial viability of service providers through tariff adjustments, improvements in commercial and operational practices, reductions of water losses, and increases of cost recovery. USAID will also advocate for increasing public sector funding, better targeting of subsidies and increasing private investments, unlocking local currency financing, and developing blended financing mechanisms. Increasing cost recovery, which includes expanding funding from user fees, will be a key strategy moving forward. USAID Activities Involved: Improving Sanitation, Hygiene, and Safe Drinking Water in Northwest Nigeria (IWASH); LUWASH; STWASH; State2State; Water Improvement and Sanitation Enhancement (WISE)

IR 1.3 Improve the capacity and performance of regional, national, and subnational institutions: USAID will support subnational government agencies to increase coordination, work more closely together, and clarify their inter-ministerial/agency roles and responsibilities. This will support government planning efforts to manage water resources and incorporate the risks associated with climate change. Institutional mapping across government

institutions is needed to clarify points of coordination. Support for state-level government institutions will be provided to build their capacity to create and implement policy, and monitor and regulate the WASH sector. USAID Activities Involved: LUWASH; State2State; WISE

IR 1.4 Advance transparency, accountability, equity, and efficiency through participatory, data-driven decision-making: USAID will focus on enhancing the capacity of government institutions and relevant civil society organizations to begin developing and deepening accountability and monitoring mechanisms for urban WASH services, better protect consumer interests, and increase the environmental sustainability of WASH services. *USAID Activities Involved: LUWASH; State2State*



STRATEGIC OBJECTIVE 2

Increase Equitable Access to Safe, Sustainable, and Climate-Resilient Drinking Water and Sanitation Services and the Adoption of Key Behaviors

Intermediate Results (IRs):

IR 2.1 Increase area-wide access to safe, equitable, and affordable sanitation services: USAID will work through government systems and the private sector to increase area-wide access to sanitation products and services. In urban areas, it will focus on improving access to sanitation for all, including poor, unserved, and underserved communities. This will require a citywide inclusive approach that incorporates centralized and decentralized solutions offered by different providers. In rural areas, elements of demand creation techniques taken from CLTS will be combined with targeted efforts to address sanitation markets, local sanitation service providers, and affordability. *USAID Activities Involved: IWASH; LUWASH; WISE; STWASH*

IR 2.2 Increase access to equitable, safe, reliable, and affordable drinking water services: USAID will increase access to equitable, safe, reliable, and affordable drinking water services in urban and rural areas. USAID/ Nigeria will support the Lagos State Water Corporation (LWC) to improve service delivery and expand access to its piped water networks in Lagos. This will be achieved through improved operations, including increased efficiency, transparency, and financial sustainability. In addition, small, strategic investments in water system construction and rehabilitation will complement efforts toward improved management. Better performance will also lead to increased investment from diverse sources, including public and private capital investment, to fill current gaps. USAID will also support private sector business models for decentralized WASH services to improve service quality and affordability. This effort will focus on local policy and regulation, as well as direct engagement with private service providers.

In rural areas, USAID will support the long-term sustainability of drinking water systems through investments in local management capacity. This focus on sustainability and local management will accompany any investments in infrastructure, including rehabilitation or new construction. In partnership with state governments, USAID will build community-centered approaches for delivering, operating, and managing sustainable WASH services in rural areas that are focused on fostering community resilience. Community management responsibilities will include revenue collection, financial management, daily operations, standard maintenance, and minor repairs. Investments in state-level capacity will aim to offer additional support for community efforts to eliminate open defecation, adopt proper hygiene behaviors, and improve water quality. USAID Activities Involved: LUWASH; IWASH; STWASH;WISE

IR 2.3 Improve performance and climate resilience of water and sanitation service providers: USAID will support efforts to enhance capacity and improve the technical, operational, and financial performance of public and private service providers. Well-performing service providers are better positioned to respond to climate-related challenges, so capacity development must be prioritized to foster resilience in the sector. USAID will also build on performance fundamentals by supporting proactive planning for future risks, including those due to climate variability and emerging pandemic threats. USAID Activities Involved: LUWASH; Watershed Protection for Safe Drinking Water (WSP); WISE

IR 2.4 Increase adoption of key hygiene practices: USAID will promote local-level social and behavior change (SBC) strategies to reduce waterborne diseases and associated socioeconomic challenges through an integrated, participatory, and innovative approach on basic sanitation and hygiene habits. Increases in access, including household construction of latrines and handwashing facilities and installation of community-level water systems, will be complemented by radio and TV programs focused on hygiene education, promotion, and advocacy. This will be

achieved through a cross-sectoral collaborative approach, including the Office of Health, Population, and Nutrition's efforts to address poor WASH services and practices within the health system to reduce associated maternal and child morbidity and improve health security, and the efforts of the Humanitarian Assistance Response Office in conflict-affected areas in the Northeast and Northwest regions. USAID will complement existing water and sanitation activities in institutional settings with public handwashing facilities in community-level institutions (such as schools and health centers) in Borno, Yobe, and Adamawa states. USAID Activities Involved: IWASH; STWASH; Advancing Nutrition; Integrated Health Program; Breakthrough Action; Health Resilience in the North East (HeRoN); and aspects of an expanding U.S. Global Health Security Program in Nigeria



STRATEGIC OBJECTIVE 3

Improve Climate-Resilient Conservation and Management of Freshwater Resources and of Associated Ecosystems

Intermediate Results (IRs):

IR 3.1 Allocate and use water resources more equitably and efficiently: USAID will support the Lagos State government in the coordinated development and implementation of inclusive strategies, policies, and institutional and regulatory frameworks to improve Water Resource Management. This will include demand management, where appropriate, in both small private systems and the centralized piped water system managed by the LWC. USAID Activities Involved: LUWASH

IR 3.2 Enhance reliability and quality of water resources through watershed management, including protection, restoration, and nature-based solutions: USAID will work at the basin level, addressing water resources management across an entire watershed. This will include working with local communities to ensure that they adopt practices that improve water quality, recharge aquifers, and maintain the health of local ecosystems. The overall investments will improve the availability and reliability of water supplies for villages located in the basins where USAID works, in a sustainable and resilient manner. USAID Activities Involved: Watershed Protection for Safe Drinking Water



STRATEGIC OBJECTIVE 4

Anticipate and Reduce Conflict and Fragility Related to Water

Intermediate Results (IRs):

IR 4.1 Strengthen capacity to predict, prepare for, and adapt to shocks impacting water and sanitation systems in fragile settings; IR 4.2 Address humanitarian WASH needs: There is ongoing conflict in Nigeria's northeast and northwest, where USAID collaborates with other donors, local governments, UN agencies, and WASH cluster partners to jointly strengthen contingency preparedness and planning for cholera and disaster prevention, and to mobilize resources to ensure water and sanitation services for displaced populations, returnees, and host communities. USAID Activities Involved: WISE; WASH interventions integrated with other sectors in collaboration with Bureau for Humanitarian Assistance/Humanitarian Assistance Response Team (BHA/HART) cluster partners

IR 4.3 Strengthen cooperation and reduce conflict over water; IR 4.4 Strengthen coherence across humanitarian, development, and peace approaches to water and sanitation programming: USAID's improved water system management integrates governance, do-no-harm principles, and conflict mitigation into its WASH programming to address the needs of pastoralist and agro-pastoralist communities. USAID/Nigeria coordinates with the state education and health offices to restore WASH services in schools and health institutions. These systems are used conjunctively by the local community, and maintained by locally elected WASH committees. In addition, USAID has bolstered the capacity of three state governments through governance and institutional strengthening to provide timely, efficient, and essential WASH services to vulnerable communities and strengthen the enabling environment for future long-term development programming. Finally, USAID will promote learning, joint planning, and analysis across the overlapping geographic zones of WASH humanitarian and development actors. *USAID Activities Involved:WISE;WASH interventions integrated with other sectors in collaboration with BHA/HART cluster partners*

MISSION RESULTS FRAMEWORK

The approach outlined in this plan aligns with USAID/Nigeria's broader Country Development Cooperation Strategy (CDCS) results framework for fiscal years 2020–2025.

Development Objectives (DOs):

DO I: Broadened and inclusive economic growth: Specifically, the Plan contributes to several IRs under DO I such as IR 1.3 (private sector contribution to inclusive economic growth increased) and IR 1.4 (water resources management and services improved). Mission WASH investments include tapping into private sector expertise, financing, and technology to provide solutions and improve the sustainability of WASH service delivery. Improved water resources management and expanded WASH services will lead to broadened and inclusive economic growth.

DO 2:A healthier, better educated population: All the WASH investments outlined in this Plan will indirectly contribute to health outcomes in Nigeria. Increased access to improved water and sanitation services is essential for maintaining a healthy and productive population, and for the successful education of the next generation. All activities in the USAID/Nigeria activity portfolio are designed to expand access to improved water and sanitation services in a sustainable, resilient, and equitable manner.

DO 3:Accountable, inclusive, and responsive governance strengthened: Mission WASH investments will strengthen governance from the community level to the state level. Activities will strengthen policies, laws, and institutions and work with various stakeholders from government, private sector, and civil society groups to improve transparency and accountability for improved water and sanitation services and increase state-level budget allocations to WASH.

Special Objective 4: Greater stability and early recovery advanced in targeted states: This special objective is addressed through limited but targeted work in the Northeast. These rural activities incorporate considerations for coordinating the humanitarian-development nexus, and are designed to contribute to increased regional stability. There is extensive evidence that lack of access to water resources is a major contributor to local conflicts. USAID's activities in the Northeast are designed to address the unique challenges of conflict-prone areas and support the promotion of peace and stability through increased and equitable access to water and sanitation.

BUDGET

This plan was developed based on prior-year resources that are still available for programming, the FY 2022 estimated allocation of \$10.8 million, and the FY 2023 President's Budget Request of \$12.6 million.¹²

EXPECTED RESULTS

Over the five-year period of this strategy, USAID's investments, in collaboration with the GoN, will achieve the following results:



Endnotes

- I United Nations, Department of Economic and Social Affairs, Population Division. World Population Prospects 2022, Online Edition, 2022.
- 2 Federal Ministry of Water Resources (FMWR), Government of Nigeria, National Bureau of Statistics (NBS) and UNICEF, Water, Sanitation and Hygiene: National Outcome Routine Mapping (WASHNORM) 2021: A Report of Findings, 2022. Nigeria. The total population of 211 million was used to calculate these absolute numbers. "Basic sanitation services" refer to improved sanitation facilities designed to hygienically separate excreta from human contact, and include: flush/pour flush toilets connected to piped sewer systems, septic tanks or pit latrines; pit latrines with slabs (including ventilated pit latrines), and composting toilets and not shared by households.
- 3 FMWR, NBS, and UNICEF, WASHNORM 2021, 2022.
- 4 FMWR, NBS, and UNICEF, WASHNORM 2021, 2022. "Basic drinking water services" is defined as drinking water from an improved source, provided collection time is not more than 30 minutes for a round trip. Improved water sources include piped water, boreholes or tube wells, protected dug wells, protected springs, and packaged or delivered water.
- 5 № 30 trillion using exchange rate of \$1 = № 733
- 6 ₩ 3.6 trillion using exchange rate of \$1 = ₩ 306 (the average exchange rate for 2018 according to the Central Bank of Nigeria)
- 7 FMWR, NBS, and UNICEF, WASHNORM 2021, 2022.
- 8 World Bank. A Wake Up Call: Nigeria Water Supply, Sanitation, and Hygiene Poverty Diagnostic, 2019.
- 9 Dale Whittington, et al."A Study of Water Vending and Willingness to Pay for Water in Onitsha, Nigeria," World Development 19.2-3 (1991): 179–198.
- 10 P.A. O. Odjugo, "The Impact of Climate Change on Water Resources: Global and Nigerian Analysis," FUTY Journal of the Environment 4.1 (2009): 59-77.
- 11 Adebajo, K. & Abdullahi, M., "An Encroaching Desert Intensifies Nigeria's Farmer-Herder Crisis," Circle of Blue, 2022.
- 12 While the FY 2023 Congressional Budget Justification for WASH was \$4 million, the Mission and Washington expect the budget levels to remain around the historical level of \$10 million per year.