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USAID | NIGERIA

FROM THE AMERICAN PEOPLE

Water for the World Country Plan

I. EXECUTIVE SUMMARY

Nigeria has made only modest progress in expanding access to water, sanitation, and hygiene (WASH) to its rapidly growing population of 183 million people. Over 57 million Nigerians still do not have access to an improved water supply and over 130 million people lack access to adequate sanitation. The main challenges that Nigeria faces in achieving its goal of extending WASH services to all of its citizens include: 1) extremely poor existing service levels, growing demand for services, accompanied by rapid urbanization; 2) inefficient and ineffective service delivery; 3) institutional and governance constraints; 4) gender inequality; and 5) weather and water-related risks. The Government of Nigeria (GON) has several WASH development strategies to guide its progress to provide safe and accessible WASH services for all of its citizens, including the 2000 National Rural Water Supply and Sanitation Policy, the 2003 National Water Resources Management Policy, and the 2004 National Water and Sanitation Policy. However, the translation of policy principles into actionable plans and budgets has been weak. USAID recognizes how the goals and objectives of these strategies respond to the multidimensional nature of the water and sanitation problems in Nigeria, and has aligned our activities with the 2003 National Water Supply and Sanitation Policy.

To address these challenges in alignment with the U.S. Global Water Strategy (GWS) and USAID Agency Plan, USAID/Nigeria has programmed interventions designed to strengthen governance and institutions in the urban and local WASH sub-sector in targeted Nigerian states. These activities are expected to increase the number of Nigerians in urban areas having access to an improved water supply and sanitation facilities by at least 70 percent. USAID/Nigeria activities

will achieve these goals through the WASH Coordination Project (WCP) in Bauchi and Kaduna States, a partnership with the CocaCola Foundation under the Water and Development Alliance (WADA) in Abia and Cross River States, and the Effective Water, Sanitation, and Hygiene Services (E-WASH) Activity.

II. INTRODUCTION

Nigeria is the most populous country in Africa with over 183 million people growing at a rate of around 3.2 percent annually.¹ Nearly half of all Nigerians live in urban areas. Despite possessing large reserves of surface and groundwater, a lack of water management and distribution capacity, coupled with highly variable rainfall patterns, has led to sustained water shortages across the country. Nigeria's water infrastructure has suffered from years of poor maintenance. Over 57 million Nigerians do not have access to an improved water supply and over 130 million people lack access to adequate sanitation. While the percentage of the urban population having access to improved water has increased, WHO/UNICEF Joint Monitoring Programme data show a significant decline in the proportion of urban households with access to piped water to premises, which dropped from 32 percent in 1990 to three percent in 2015. The urban population has grown from 30 percent in 1990 to 48 percent in 2015; this trend is expected to continue. The delivery of WASH services is falling far behind the pace of the country's rapid urbanization.

Water and sanitation play a fundamental role to achieve the social, economic, and governance outcomes that the GON and USAID/Nigeria are working together to achieve. This country plan is a high-level summary of USAID's intended approach to support the GON to achieve its WASH service delivery objectives. This plan aligns with the Mission's broader development goal of "Reduced extreme poverty in a more stable, democratic Nigeria" and USAID's Agency-specific Plan to increase access to sustainable water and sanitation services and to strengthen sector governance and institutions.

All USAID/Nigeria WASH activities are aligned with and support USAID's Agency Plan, as well as three additional Agency documents: Sustainable Service Delivery in an Increasingly Urbanized World Policy (2014); USAID Strategy on Democracy, Human Rights and Governance (2013); and the Gender Equality and Female Empowerment Policy (2012).

III. GOVERNMENT OF NIGERIA WATER OBJECTIVES

The water and sanitation sector is an important component of the GON's development framework. Over 57 million Nigerians do not have access to an improved water supply and over 130 million people lack access to adequate sanitation. While the percentage of the urban population having access to improved water has increased, World Health Organization and UNICEF Joint Monitoring Programme data show a significant decline in the proportion of urban households with access to piped water to premises, which dropped from 32 percent in 1990 to three percent in 2015. The country is determined to achieve nationwide, universal access to water and sanitation by 2025 as articulated in the strategies below.

¹ Bill & Melinda Gates Foundation (2014). Nigeria factbase for Federal Ministry of Agriculture and Rural Development (FMARD).

IV.GOVERNMENT OF NIGERIA’S CURRENT AND PLANNED STRATEGIES AND APPROACHES TO WATER AND SANITATION

The GON has several WASH development strategies to guide its progress to provide safe and accessible WASH services for all of its citizens. They include:

- The National Water Resources Management Policy (NWRMP, 2003) recognized water as an economic good and promoted integrated and demand-driven services. The policy prepared the ground for the 2003 Presidential Water Initiative (PWI): Water for People, Water for Life, which was launched by then-President Olusegun Obasanjo. The initiative targeted 100 percent water access in state capitals, 75 percent access in other urban areas, and 66 percent access in rural areas by 2007.
- The 2004 National Water and Sanitation Policy encouraged private-sector participation and envisaged institutional and policy reforms at the state level. This policy operated strictly in line with the demand-driven approach of the NWRMP. However, little has happened in both respects. As of 2007, only four of the 37 states—Lagos, Cross River, Kaduna, and Ogun States—began to introduce public-private partnerships (PPPs) in the form of service contracts.
- The 2016–2030 Partnership for Expanded Water Supply, Sanitation and Hygiene, launched in November 2016, is a framework for rural water supply, designed to build on the National Rural Water Supply and Sanitation Programme (which ended in 2015). It is also designed to coordinate and complement planned and ongoing projects and programs by all stakeholders in the rural water supply and sanitation sub-sector, including Federal, State, and Local Government Areas (LGAs); development partners; private sector; and civil society to help Nigeria ensure the availability and sustainable management of water and sanitation for all.

Despite the lofty goals of the policies, initiatives, and partnership, progress in delivering the GON’s ambitious targets could not be tracked. While the government has a decentralization policy, little actual decentralization has happened to date. Responsibility for rural WASH access rests with the federal government and the LGAs, while State Water Boards (SWBs) guide efforts to administer water and sanitation services to urban residents. The capacity of local and state governments to plan and carry out investments, or to operate and maintain systems, remains low despite past efforts to build their capacity to manage these assets.

Several donors including the World Bank, the African Development Bank, and the French Development Bank, have supported the Nigerian water and sanitation sector over several decades. They have provided assistance in the form of over \$2 billion of concessional loans to Nigeria since 1979. Their assistance has been directed mostly at the construction and rehabilitation of water infrastructure at the state level. Other institutions such as UNICEF have provided direct assistance to 100 LGAs across 21 states.

V. CHALLENGES AND OPPORTUNITIES IN THE SECTOR

Nigeria's modest progress on expanding access to water and sanitation services can be attributed to the following key issues:

Extremely poor services and growing water and sanitation demand accompanied by rapid urbanization

Water and sanitation services in urban centers are not just inadequate, but in decline. While the absolute percentage of the urban population having access to improved water has increased from 76 percent to 81 percent, those having access to piped water on their premises decreased from 32 percent to 3 percent from 1990 to 2015.²

Inefficient and inadequate water service delivery

In Nigeria, 37 publicly owned and operated water boards provide urban water services, but have limited capacity to serve their clientele. Many State Water Agencies, all of which are all publicly managed, deliver water between four and 16 hours a day. SWBs have high operating and maintenance costs and generate very low revenue. In rural areas, about 50 percent of the water schemes and 38 percent of water points do not function.³

Institutional and governance constraints

Nigeria's water sector suffers from acute governance issues and weak financial and operational autonomy. State water ministries have delegated the responsibility for water and sanitation services in urban areas to SWBs. In most cases, SWBs have limited financial and operational autonomy and are not financially or commercially viable. Nigerian citizens spend an estimated \$700 million annually to obtain water from alternative water providers, 10 times more than it would be from water utilities.

Gender inequality

The situation of women in Nigeria has deteriorated since 2006, with the 2014 Global Gender Gap Index ranking Nigeria 118 out of 134 countries, a decline from Nigeria's 2012 rank of 110. About half of the electorate in Nigeria are women, but they have a limited voice in how their local communities are governed. A lack of access to WASH affects them disproportionately, due to biological and cultural factors.

Weather and water-related risks

A recent analysis by the International Food Policy Research Institute has shown that Nigeria's temperature may increase between two and three degrees Celsius over the next 30 years. This temperature increase could cause changes in rainfall, storms, and sea levels that could create shortages of water. An increase in precipitation could damage the water supply and sanitation systems in low-lying areas of the country.

2 UNICEF/JMP. 2015.

3 World Bank (forthcoming), Nigeria WASH Poverty Diagnostic using National Water and Sanitation Survey 2015 data.

Opportunities for USAID investments

A key development challenge facing Nigeria is how to provide its population with reliable, safe, and affordable water and sanitation services. To address this challenge, the country will need to develop adequate physical infrastructure as well as to set up viable and accountable water agencies and systems. The GON has stated its intention to achieve universal access to water and sanitation nationwide by 2025. One way that it can do so is by expanding private sector opportunities in Nigeria's WASH systems development. By separating infrastructure investment and ownership from service operation in the urban water sub-sector, the government can introduce competition with potential efficiency gains when supported by proper regulatory frameworks and civil society watchdogs. The core urban water strategy is to improve service delivery through optimal PPPs in investment, management, and delivery of water services.

The urban water sector represents a real opportunity for USAID to target its investment. The size of cities and large towns in Nigeria dictate that interventions concerned with water supply are relatively large in scope and scale. Historically, urban water supply has been the focus of the World Bank, African Development Bank, and the French Development Agency. These multilateral banks and donor organizations have stressed the need for sustainable reforms within the WASH sector at both the national and state levels, and generally only fund physical infrastructure projects in states that have adopted reforms or show willingness to embark on a reform program. USAID can play a critical and complementary role, in coordination with partner donors by helping targeted state utilities to develop laws, regulations, commercial viability, governance, and management capacity. USAID's interventions can also prepare additional SWBs to attract infrastructure investments by helping them transition to become corporatized entities.

VI. USAID/NIGERIA COUNTRY PLAN FOR WATER

In response to these challenges and opportunities in the WASH sector, and in alignment with the objectives of the GON and the GWS, USAID/Nigeria will focus on improving health outcomes through the provision of sustainable WASH services by improving urban water service delivery through strengthening the governance, financial, and technical viability of select SWBs.

From 2016 to 2022, USAID is committed to strengthening the WASH sector in Nigeria, with a focus on USAID/Nigeria 4 sector governance and finance as articulated in the USAID Agency Plan. USAID/Nigeria activities will operate through the below and future potential mechanisms:

- WASH Coordination Project (WCP, contract, Development Innovations Group, 2016–2018): WCP, a bridge project, focuses on generating sector data critical to develop WASH programming, and on immediate service improvements that can be achieved in the short term, building from work under the previous USAID Sustainable Urban Water and Sanitation in Africa (SUWASA) activity.
- Water and Development Alliance (WADA, cooperative agreement, Global Environmental and Technology Foundation, 2016–2018): WADA is a Global Development Alliance between USAID and the Coca-Cola Foundation to improve and expand access to safe, affordable, sustainable, and reliable WASH services for a total of 80,000 people in 40 rural communities (10 per LGA) in Abia and Cross River States.

Expected results

Overall, these and future potential activities are expected to provide over 2.5 million Nigerians with sustainable access to basic water services, and help 80,000 Nigerians gain access to basic sanitation by 2022. The results reported reflect targets at the time of this document's production, however, targets may be updated on an annual basis.

The Nigeria Country Plan is costed based on prior year resources still available for programming, the FY 2017 estimated allocation of \$10.4 million, and the FY 2018 President's Budget Request of \$3.2 million.