

## Urban issues in the Nigerian water and sanitation sector

### 1. Introduction

Nigeria is witnessing rapid urbanisation at the rate of 3.7% with about 50% of the population living in urban areas without commensurate investment in infrastructure leading to huge urban populations living without these most basic services, often in overcrowded settlements, with disastrous public health implications. In response WaterAid started to work in urban areas in 2003, and now plans to expand urban work from 3% to 30% over the course of its country strategy period, which runs from 2006 to 2011.

This briefing note summarises the findings of five studies commissioned by WaterAid in Nigeria, identifying policy and practice issues that need to be addressed in improving urban water and sanitation.

The studies sought to assess the urban water and sanitation sector in Nigeria; document lessons from WaterAid's own urban work to date, assess the capacity of a typical State Water Board and assess the involvement of consumers in the water sector reform processes taking place in the states of Lagos, Cross River and Plateau<sup>2</sup>.

Drawing from these studies this briefing note will outline the prevailing national water supply and sanitation policies; identify some major challenges facing the sector and outline activities of players in the sector, including WaterAid itself. It will conclude with recommendations on the tools, methodologies and approaches that should be included in a new WaterAid urban strategy as a contribution towards enabling Nigeria's urban poor to access water and sanitation services.

<sup>1</sup> UNFPA-State of the World Population, 2007- "Unleashing the potential of urban growth" Pg. 91

<sup>2</sup> The studies were: Review of the urban water and sanitation sector in Nigeria, Anne Andersson and Mark Hughes, 2007; Review of WaterAid Nigeria Urban and Small Towns Work in Plateau, Benue and Bauchi States, Zakka Chomock, 2007; Capacity Assessment on Bauchi State Water Board; Evaluation Study of the Plateau State Community Consultation Forums, 2007 and Research Study on Urban Water Sector Reform Programmes in Lagos and Cross River States, 2007, Babalobi Babatope and Hope Ogbelide

### 2. Policy environment

#### a) Sector background

Until the 1960s the development of the water and sanitation sector in Nigeria was uncoordinated and mainly undertaken as isolated 'water schemes' under the jurisdiction of the then regional governments, as and when needed. From then on the sector became increasingly formalised.

The 1999 Constitution of the Federal Republic of Nigeria, and in fact all other laws, gave the Federal Government jurisdiction over shared water resources, large dams, formulation and implementation of policies for overall water resources management. But drinking water supply is a state responsibility. To this end all 36 state governments have created State Water Agencies (SWAs) to manage and operate systems for water service delivery in all urban areas (officially defined in the National Water and sanitation Policy (2000) as areas with a population in excess of 20,000) and in some semi-urban areas.

Generally, the SWAs have failed to provide water services to the people. According to figures in the National Policy on Water and Sanitation (2000) only 46% of the populace has access to safe drinking water, with coverage around 50% in urban areas. According to the JMP report (2004), the country is currently not on track to achieve the Millennium Development Goal target of halving the proportion of people without access to water and sanitation by 2015. About 160% additional performance increase is required for Nigeria to meet the MDG.



<sup>3</sup> National Water Sector Assessment (2006), WaterAid Nigeria

### Better coordination in the sector

There is a great need to develop communication and coordination across the sector and between different states. Urban coordination meetings can themselves act as a resource of knowledge, lesson learning and experience sharing for urban water issues. It can help promote networking across the sector by organising meetings of key stakeholders such as government, NGOs, CBOs and religious groups where experiences can be shared.

### Management information systems

MIS data is essential for planning and for tracking progress. Improved data collection and dissemination at all levels is essential.

### Development of states' policies

It is important that all states develop their WATSAN policies. This will provide the framework for prioritising the sector in the state budget.

### Capacity development/utility reform

The present capacity existing in most SWA is below what is required for effective turn around. There is therefore need for aggressive capacity building focusing on areas required for successful reforms.

### Hygiene and sanitation promotion

Currently there is poor linkage between hygiene and sanitation components, with work on different elements carried out in isolation. There is need to facilitate linkages between different ministries with responsibilities in each area at federal and state level and support the development of integrated WASH strategies.

### Community participation initiatives

The community consultation forums in Plateau State proved successful in improving revenue collection and service delivery. The urban reform programme can learn from this success, and address some of the shortfalls. Civil society organisations can form Water Parliaments that organise Interactive Public Hearings on water related issues towards enshrining transparency and accountability in the sector.

### Advocate for greater involvement of women at all levels

The idea of involving women in decision making is still contentious in Nigeria due to cultural and religious definitions of women's roles. However, it is essential for the sustainability of projects that the most motivated players are given driving roles, and women have the most motivation to

keep water systems working as it is they who bear the brunt of water collection and care for dependents sick from water-related diseases.

### Community involvement

Government policy prescribes that communities should be responsible for the operation and maintenance of water systems, but doesn't put in place processes for this. This is a key area where NGOs can offer vital support in developing a strong model of how to effectively enable communities to take on this role.

Community involvement in the development of new water sources has so far been minimal. The communities have felt little ownership of the projects and demotivated and powerless to help when funding delays have hampered progress.

A change of balance towards communities being the initiators of projects with other partners acting as facilitators would increase their sense of control and ownership of projects and thus improve their likely sustainability. Community management committees need to be selected in a transparent and accountable way in order to gain the trust of the rest of the community. It is essential that women are well represented on the committees as they have the greatest motivation to ensure systems work.

### Hygiene education

In recognition of the fact that it takes sustained effort for behavioural change to be achieved in the area of hygiene due to the difficulties of attitudinal change, increased investment is needed in hygiene communication strategies.

### Pro-poor approach

It is clear that many of the most marginalized communities are currently excluded from water and sanitation services, yet current poor data on the provision of water and sanitation makes it difficult to target those most in need in service expansion. There is a need to enumerate and identify pockets of the poor eg through the use of mapping of existing WATSAN facilities. WaterAid's 'localising millennium development goals initiative' (LMDGI) and the development of local sector development plans should be encouraged to ensure that services are developed in an equitable manner.



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Those urban communities who do have access to water generally receive poor service. Typical consumer complaints include irregular and inadequate water supply, excessive and inefficient billing, low water quality and poor customer service<sup>4</sup>.

Most SWAs do not recover their operating expenses from their own revenues, mainly because customers refuse to pay their bills due to poor service or a lack of acceptance of water as an economic good; SWAs do not have in place efficient tariff collecting systems and the tariffs are generally set below operational costs. This leaves the SWAs chronically under funded and dependent on periodic external finance to rehabilitate deteriorating systems and on subventions from the state governments to fund operating deficits.

Most SWAs are operating in a very constrained environment with malfunctioning equipment and plants, partly due to poor management and inadequate power supplies that cause intermittent water services and damage to electro-mechanical equipment.

The sector also faces institutional challenges. At Federal level, there are problems relating to sector coordination, monitoring and evaluation. At state level, despite the fact that the edicts that established the SWAs provide that they operate as autonomous entities, in practice they operate like government departments closely integrated into the civil service. At the local government level, the major challenge is the lack of competent staff for water and sanitation services.

The SWAs have also failed to successfully manage several donor financed urban water projects. Over the years the Nigerian government has worked with various External Support Agencies (ESAs), including the World Bank and EU on urban and small towns projects and sector reforms. Large sums have been invested with varied degrees of success. The sector has been dominated by the award of large contracts under the supervision of government consultants, particularly at the federal and state level. Most of these contracts, particularly those with external loan components from the World Bank and African Development Bank, have achieved

unsatisfactory levels of completion<sup>5</sup>.

Failures were attributed to poor contract management, poor project design, and corruption.

### B) Sector Reform

In recognition that the sector was in critical need of funds for the required investment in the development and rehabilitation of water supply facilities, but was facing significant challenges with the current modus operandi, the Federal Government initiated a Water Sector Reform programme in the year 2000. The reforms were to be based on the principle of moving towards a more commercial model, in which water is treated as an economic good; private agencies deliver the water services and consumers are treated as customers, while universal affordable access to water and sanitation is still guaranteed. Presently, as part of the World Bank assisted urban reform project, a cost-sharing mechanism called Water Investment Mobilisation and Application Guideline (WIMAG) has been developed. This formula makes federal government share of urban capital projects conditional based on sector reform at State level.

### c) The National Water Supply and Sanitation Policy

The National Water Supply and Sanitation Policy, launched in 2000 and currently being reviewed, spelt out the roles of the tiers of Government, the private sector, development agencies, non governmental institutions and the beneficiary communities in developing and managing water resources in Nigeria.

The policy aims to:

1. Ensure affordability of water supply and sanitation services for the citizens.
2. Guarantee affordable access for the poor to **basic human need** (20 litres of water per day per capita) level of water supply and sanitation services (One latrine per 10 persons).

The following strategies were outlined in order to achieve the policy objectives

- (a) Cross subsidies shall be implemented to accommodate the needs of the urban poor.

The Government shall subsidise for the poor where cross subsidies are not

<sup>4</sup>Urban Water Sector Reform Programmes in Lagos and Cross River States, 2007, Babalobi Babatope and Hope Ogbelide

<sup>5</sup>Project Performance Assessment Report June 13, 2006 Thematic and Global Evaluation Division Independent Evaluation Group The World Bank

- Provide working equipment
- Encourage a gender balance
- Enhance donor agency and government collaboration

### d) Urban water sector reform in Lagos and Cross River States

The World Bank funded Second National Urban Water Sector Reform Programme (NUWSRP) was launched in 2005 in the Cross River and Lagos states of Nigeria, with the aim of introducing private sector participation in order to attract new finance and improve water service delivery. In both states the plans included consumer feedback systems.

There has been some level of civil society engagement in the reforms in either state but there is low public awareness of the reforms. In order to ensure the reforms meet their stated aims of expanding services in an equitable manner, civil society needs to be more involved so that consumer concerns are taken into account and future expansion and tariff-setting are better targeted to the benefit of the poor.

In Cross River State there has been success in extending the water network, but the water fees are still deemed to be unaffordable for the poorest households and no consumer feedback system has been put in place. In Lagos State the low capacity of the State Project Implementation Unit has led to severe delays though efforts are now being made to hold consultative forums. The plans that are in place however indicate that when work does start it will not target network expansion into the poorest areas.

### 5. Recommendations for urban work in Nigeria

It is clear that while the Nigerian urban water and sanitation sector has many chronic problems, the greatest of these are institutional, concerning management, roles and responsibilities, accountability, maintaining schemes, inadequate coordination or customer involvement.

Due to the huge sums involved in financing urban water and sanitation schemes, international NGOs like WaterAid are obviously not in a position to solve the financing problem by providing the funding itself. They can, however, play a vital role in helping develop the capacity of the urban water and sanitation sector, both through advocacy initiatives and in their own programmes, which can serve as a model for other actors engaged in service delivery.



Drawing from the research findings, the following key lessons should be considered when policy and programme objectives for urban work are formulated:

- If service delivery is good enough, consumers are willing to pay water bills.
- Some urban communities have the capacity to partly finance network expansion costs.
- Urban community involvement is more difficult in water than in sanitation and hygiene education, and thus requires better planning. A switch of emphasis from communities' participation as service users to owners and managers could help this.
- Successful partnerships depend on all parties fulfilling their obligations, especially important being the need for:
  1. Government to release promised funds in a timely manner
  2. Water utilities to deliver an efficient level of service
  3. Consumers to pay their water bills promptly
    - Establishing dialogue between water utilities and consumers can help build trust and adherence to obligations.
    - As the main users of water, women are the most motivated to solve water problems.

Recommendations for policy and programme include the following points.

### Clarification of federal policy and responsibilities

There is need for greater clarity on roles and responsibilities and greater integration of work across the three tiers of government.

### Effective disbursement of government funds for WASH activities

State and federal government must of necessity prioritise funding of urban water and sanitation in their annual and medium term budgets. Reliance on external loans will not guarantee extension of services to the urban poor.

a more business-oriented model with the PSWB being responsible for generating sufficient revenue to cover ongoing costs. The government would still be responsible for funding capital expenditure.

Community consultation forums were established in 2003 in order to boost public understanding of the reforms and to elicit consumer feedback.

The chief issue raised at the forums was that of bill payments. The PSWB explained to consumers that they needed them to pay their bills on time in order to generate sufficient revenue to run the water services. The consumers responded by expressing that they were willing to pay their bills if they received efficient water services.

**'We met with the PSWB. They told us about their problems lack of money, and we also told them about our problems lack of water. We promised to collect the money from the people, when they give us water.'**  
**Alhaji Mohammed Nadunni Shuaibu, Ward Leader, Angwanrogo community, Jos**

The discussions resulted in a Memorandum of Understanding being signed between the PSWB and the communities in which the PSWB committed itself to providing a regular water supply and the community agreed to pay water bills regularly.

Overall the community consultation forums were successful in improving dialogue between the water board and consumers. With increased understanding on both sides, both revenue collection and service delivery is said to have improved, although still not to the extent demanded by consumers, some of whom reported that PSWB was very willing to listen to their concerns but didn't act on these.

Key lessons from the forums were:

- There is a need to **work with community leaders** in order to reach the rest of the community and schedule meetings at convenient times and locations.
- It is important to **involve women** in discussions as it is they who are most

motivated to improve water supplies and can put pressure on their husbands to pay the bills.

- A successful partnership between a water utility and consumers relies on **both parties fulfilling their obligations** consumers will pay their bills if they receive adequate service.
- Some **communities are willing and able to partly finance network expansion as well as paying water bills** - on hearing about the PSWB's shortage of funds for network expansion, several communities bought pipes themselves to give to the PSWB.
- **Religion and ethnicity are sensitive issues** in Plateau State. Some communities claimed they were not given a regular water supply because of their religious affiliation.

#### c) Capacity assessment of Bauchi State Water Board

Capacity assessment of the Bauchi State Water Board was conducted by WaterAid Nigeria to determine the current capacity and the gaps with a view to providing some support towards addressing the gaps. The capacity of the Bauchi State Water Board was found to be weak with poor ratings in all key areas: governance, management practice, human resources, financial resources, service delivery, external relations, sustainability and equipment. It had no Board of Directors overseeing its operation in place, no clear delineation of roles and there is poor management, insufficient working tools and equipment. There was a high level of government interference in the activities of the Board and poor collaboration between the government and donors.

In order to increase efficiency and service delivery there is a need to:

- Constitute a board with appropriate professionals and autonomy of operations
- Review the existing organisational structure
- Introduce participatory decision making
- Introduce an effective management structure

applicable.

- (b) Water supply and wastewater services shall be privatised (where feasible), with adequate protection for the poor.
- (c) The Federal Government shall create an enabling environment and shall promote private operators to participate in water supply and wastewater services in Nigeria to attract resources for lasting development of the sector.
- (d) The water supply and sanitation sector should be reformed to attain and maintain internationally acceptable standards.

The policy is based on the following principles:

**Water is an economic good** - Treating water as an economic good enhances financial sustainability, by ensuring that tariffs cover the costs of investments and operation and maintenance.

**Equity and poverty alleviation** - Reforms in the sector should aim to provide access to water and sanitation in an equitable manner, while balancing economic and social considerations.

**Autonomy of water supply and sanitation services providers:** This principle recognises that water supply and sanitation can be most efficiently and effectively delivered if service providers operate as businesses. As such, utilities, whether public or private, while still subject to regulation, should be autonomous and free from political interference.

**Management at the lowest appropriate level:** A crucial new aspect of the policy was the recognition of the importance of community involvement in water and sanitation services, rather than them being a purely government responsibility. This principle promotes consumer appreciation for the value of water and sanitation investments. If local conditions and demand are taken into account, the sense of ownership of systems and willingness of communities to share in the cost and operations and maintenance will be greatly enhanced, thereby increasing the sustainability of the systems.

The role of the community was given clarification with the recognition of a flexible approach in development based on the capability of the beneficiary or community. Knowledge empowerment is seen as the driving force in achieving sustainability. The policy also points to the need for communities to pay their share of the costs, with small town communities being fully responsible for meeting the cost of operations and maintenance.

Importantly, the policy reiterates that small town and rural communities retain full ownership of their water facilities and sanitation. This is less clear for larger urban communities.

**Participation:** The private sector (operators, commercial banks, and consultants), communities and NGOs have a critical role to play in the planning, design, financing, implementation and operation of water supply and sanitation systems. Their potential contribution of additional finance and technical expertise should be tapped. Other benefits inherent in participation are greater transparency, efficiency, accountability to the consumer, and self-sufficiency.

Non-government players were specifically identified as key players in peri-urban areas, where the federal and state agencies will provide the basic water supply and storage, but it is up to the community, with technical support, to put in place the system (piping, connection points, kiosks, etc.). They are also recognised as important in advocacy and community mobilisation, and in providing the linkage between communities and government.

**Policy making and regulatory role of government:** This principle reaffirms the fundamental role of the state as a facilitator, setting macroeconomic and sector policies that create an enabling environment, ensuring coordination among stakeholders and overseeing the performance of utilities, to accomplish its social and economic development objectives.

Federal and state governments are both charged with raising awareness of hygiene and health, which is to be included as part of the education curricula.



Enforcement is recognised as key to sustainable development, with the policy alluding to sanitation enforcement and other law enforcement agencies being empowered to deal with violators of sanitation laws.

### 3. Sector challenges

Unfortunately, the laws and acts put in place did not provide for effective enforcement. The Federal Ministry of Agriculture and Water Resources has responsibility for the development of policies without any means of enforcing their implementation at state and local level. State governments, in turn, lack the commitment and capacity to carry out their responsibilities. As a result, water and sanitation coverage targets are being missed and urgent action is needed to effectively reform the sector if sustainable universal coverage is to be achieved.

Fundamental weaknesses in the sector include:

- **A lack of adequate planning data on current service provision** - Whilst it is clear that very many poor people do not have access to safe water and sanitation provision, exact numbers are difficult to attain due to poor data collection.
- **Capital intensive nature of the sector**- urban water supply requires technologies that are expensive and these costs are not usually accommodated in state annual budgets. SWAs usually rely on external loans to fund this.
- **Low capacity of key players** - the federal government, state governments, LGAs, NGOs, the private sector and equipment suppliers currently all have inadequate manpower and technical and management skills, meaning that money alone would not solve the problems. It would be unwise for the government to take external loans for the required funding without ensuring there is capacity building, as currently there are not effective structures in place that would be able to efficiently spend the money.
- **Lack of policy framework at state level** although it is clear that it is states' responsibility to provide water in urban areas, only five of Nigeria's 36 states have water supply policies and strategies. No policy framework or line ministry alone covers all aspects of WASH, which often results in the involvement of many ministries and thus unclear roles and

responsibilities. This undermines motivation to take on responsibility, to perform and produce services and also leads to very low accountability.

- **Poor coordination and communication between players** - the lack of clarity on the roles and responsibilities of different actors means that vital elements of service delivery can fall between gaps. For instance whilst the federal ministry of agriculture and water resources have oversight of the World Bank supported urban reform projects, the state water agencies involved are not always in communication with the federal government. Opportunities for shared learning and financial savings eg through bulk buying discounts are currently being missed with the Federal Government and 36 states all acting independently.
- **Limited capacity to tackle urban water sanitation** - there is limited provision for hygiene education, meaning that communities do not make the connection between safe disposal of excreta and contamination of their water source.
- **Neglect of the poorest segments of society** - many of the poorest, most marginalised populations are concentrated in peri-urban areas, that fall under the jurisdiction of water utilities<sup>6</sup>. The utilities currently give low priority to the development of services in these areas.

### 4. Case studies of urban water and sanitation projects

WaterAid has evaluated its urban work to date and the activities of some of the state water boards to serve as case studies examining progress on the ground in implementing the new policy of involving communities in improving water and sanitation delivery. It has also examined the extent of consumer involvement in the



<sup>6</sup> UNFPA State of the World Population, 2007

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2<sup>nd</sup> Nigerian urban sector reform projects in Lagos and Cross Rivers States.

#### a) WaterAid supported urban work

WaterAid began urban work in Plateau State Nigeria in 2003. In 2004 it also commenced a Small Towns project in Dass Bauchi state and in three small towns in Benue State.

In all three states the work was undertaken in partnership with the communities and the state governments through the state water boards. Other partners are the Dass Women's Multi-purpose Cooperative Union and Partners for Water and Sanitation in Bauchi and Benue states respectively. The aims of the programmes were to enable the communities to manage, operate and maintain their water supply systems, build latrines and develop an awareness of the need for safe hygiene practices.

It was hoped that successful models for urban water and sanitation service delivery could be developed that could be expanded throughout the states.

In all three cases the communities have benefited from the sanitation and hygiene education interventions, and have been actively involved in the construction of latrines, but there have been severe delays in establishing water supplies and little community involvement in this. To date only Dass has a functioning water point, and even there only one of the three planned boreholes has been opened.

The delays are attributed to a lack of thorough planning and most importantly to delays in the state governments releasing promised funds to complete construction works.

The relative success of sanitation and hygiene education compared to the water aspects of the project reflects the higher capital investment required for urban water supply projects, and the technical difficulties. Urban water projects can be hugely expensive, so it is essential that suitable and appropriate technology is thoroughly researched and an adequate and realistic financing plan is put in place.

A key finding of the evaluation was that communities are willing to pay for the operation and maintenance costs of water supply infrastructure. However, they are

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unlikely to be able to afford to pay the full initial construction costs. The communities involved are disillusioned and demotivated by the severe delays in establishing water supplies or completing construction work. Therefore in future projects it is essential WaterAid identifies state water agencies who are thoroughly committed to the success of the project and who are able to release the money for capital expenditure in a timely manner.

Through its work to date WaterAid has helped to access increased resources for WASH activities and improve collaboration between government and communities. For example initiatives to increase citizens' participation have brought communities and the local government together and also helped in getting government to commit more resources to WASH initiatives.

#### b) The Plateau State Community Consultative Forums

The Plateau State Water Board (PSWB) is responsible for managing the state water networks and extending services where necessary in an affordable and equitable manner.

Currently water provision in the state is poor. While 85% of residents surveyed in the state capital, Jos, reported having a connection to the public water supply, the water supply is extremely irregular. The result is that people in Jos resort to unclean water sources.

In order to improve water service delivery, since 2002 the PSWB has been undergoing reform and engaging the private sector in water service delivery, for the following reasons:

- Investment needs exceed government and utility resources.
- The performance of the public utility is poor
- There are inadequate technical and management resources in the public sector
- There is a lack of competitiveness in the public sector
- The private sector is believed to have performed well elsewhere

The intention of the reform was to switch to