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Sanitation Marketing: Market led Solutions for Sanitation Financing:
WaterAid Nigeria
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November 2018
Outline

• Objectives

• Overview

• Sanitation in Nigeria

• Challenges of sanitation

• What NGOs are doing

• Financing sanitation

• Lessons learnt
Objectives

- Share WaterAid’s experience with market led sanitation approaches to accelerating progress in Africa
- Explore the potential for WaterAid Nigeria experience of facilitating private sector partnerships to be useful across Africa
- Create awareness of market led approaches
- Explore partnerships to further promote private sector financing of sanitation in Africa
Overview and Administrative Structure

Nigeria’s estimated population – **191 million people**

**FEDERAL GOVERNMENT**
Governs the entire country and is responsible for setting national sector policies & coordinating programmes on WASH

**STATE GOVERNMENT**
There are 36 states and a Federal Capital Territory in Nigeria, all with powers for actual policy domestication & programme implementation at scale.

**LOCAL GOVERNMENTS**
776 Local Government Areas supervised by the state. The lowest and weakest level of governance, responsible for WASH implementations in rural and some Peri-urban areas.

Vast WSS access disparities
Over 117 million Nigerians lack access to basic sanitation. NORM Survey 2018
Sanitation access in Nigeria regressed between 1990 and 2015. JMP 2015
National Outcome Routine Mapping -
Challenges of sanitation

- Promulgation of policy guidance at the state level
- High degree of State government autonomy
- Variable symmetry and commitment to WASH reforms
- No readily available sanitation financing package for entrepreneurs
- Inadequate enabling environment for sanitation financing.
Addressing the sanitation challenge...

- Unified Sanitation Sector Policy
- Greater coordination among all key sanitation actors
- Adequate & targeted financing for sanitation
- Building capacity at all levels to support implementation
- Development of inclusive service delivery models
- Accountability by duty bearers and improved participation by citizens
Addressing the sanitation challenge…

- National WASH sector State of Emergency
  - Dedicated ODF fund
  - M&E framework
  - Programming unit to drive implementation
  - Capacity development and peer learning
  - Private sector engagement
Financing to address sanitation gaps

- **Dedicated funding**
  - World Bank
  - AMCOW
  - AfDB
  - Federal Government of Nigeria
  - Unicef
  - WaterAid

- **In reality…**
  - WASH allocations as a percentage of Nigeria’s GDP is less than 1%
  - Aid commitments to sub-Saharan Africa decreased from US$ 3.8 billion to US$ 1.7 billion from 2012 to 2015 with more funds going to water than sanitation

*(Global antimicrobial resistance surveillance system (GLASS) report)*
Widening the pool of funding

- Government
- Development partners
- NGOs and CSOs (local & international)

Private Sector Financing
(Innovative & context-specific models)

- Microfinance Institutions
- Local entrepreneurs
- Manufacturers (Lixil)
- Local suppliers (Innoson)
What NGOs are doing...

- ‘Sanitation as a business’: new in Nigeria – NGOS working to harness and propagate the profitability in Sanitation business
- NGO facilitators: Shifting mind-set from “charity” to “market based”
- Stimulating sanitation financing
- Empowering citizens to demand and own their rights to adequate sanitation services and products
- Technical support to government in policies and laws to ensure government creates enabling environment
- Government leadership is critical to success – creating enabling environment
- Linkage creation for sustainability of approaches, products and systems that support growth
Financing Sanitation
• Satisfying the demand and Supply side In Nigeria through partnerships

What People Want
• Good/Improved toilets
  Affordable
  Available
  Durable
  Aspirational

Product short term availability
• Iterative product design
  Responsive component-
  SaTo Pans
  No production in
  West Africa

Long term market sustainability
• Brokered a partnership Lixil cooperation and Innoson Technical company
  Investment
  Availability of SaTo pans in Nigeria Market
A young entrepreneur was engaged late 2015
- Block business over 8 years,
- Specialized in production of concrete products like Ballusters, Window hood and art work, electric pole, blocks of different sizes and House finishing

- Became a sanitation entrepreneur
- Produced Water Easy Toilet (WET)
- Improved Economic status
- Master trainer
- Was in Mozambique in February 2018 to train producers
- Received the innovation award from WaterAid
Partnership process

Scale up and financing support

Product delivery and localization (Lixil & Innoson)

Market entry and product pilot (Lixil)

Pitching and formalizing (Lixil)
Ingredients for sanitation partnerships...

- Capacity to deliver specific component of the financing chain
- Customer-oriented – Aspirational & ease of use/access based on feedback
- Clear potential to scale (for partners’ output and to new geographic areas)
- Capacity to handle no near-term/immediate profitability
- Decision making flexibility – due to iterative requirements for new markets
- Simplified partnership structure for lean management & communication
- Mutual Cost reduction and phased roll-out
  - E.g. Reduced cost for production for WA and for marketing & delivery for Lixil/Innoson
- Flexibility for engaging new stakeholders (or coordination through SAC/NTGS)
- MFBs and other finance institutions partner with WaterAid, Govt and other Development partners working with Lixil & innoson
Key lessons learnt

a. Targeted finance products are more readily available to entrepreneurs than households - Alternative finance options

b. Sanitation enterprises thrive more when there is at least basic production knowledge and skills to leverage on – Less pilots & go to scale

c. One trailblazer attracts entry of new entrepreneurs into sanitation enterprise
THANK YOU