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; 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 Mbaserubusa; 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 micro-schemes. 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 AMCW.

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 NWSS 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