

Accelerating Equitable Access to Sanitation in Nigeria through Sanitation Vouchers

POLICY BRIEF | August 2025

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Smart Subsidies: Accelerating sanitation access for Nigeria's poorest and most vulnerable households



OVERVIEW

Can targeted and conditional support improve sanitation access for the poorest and most vulnerable households? This is the question UNICEF, USAID and three states in North West Nigeria sought to answer from 2021 to 2024 when a sanitation voucher intervention was piloted in Kebbi, Sokoto and Zamfara states. Drawing on national and global lessons learned, as well as community-led action, smart subsidies were tested to address the equity gap in sanitation for the poorest households. By mobilizing community structures and requiring household co-investment, open defecation decreased, health and access to sanitation improved, and community ownership was strengthened.

WHAT'S AT STAKE?

Despite bold strides in sanitation policy, including the Clean Nigeria Campaign and the National Action Plan for WASH,[1] millions of Nigeria's poorest households remain without access to basic sanitation. Open defecation is practiced by 23 per cent of the population,[2] contributing to the spread of disease, undermining human dignity, and costing Nigeria an estimated ₦455 billion (US$3 billion) annually.[3] The Government estimates that 2 million households need to build toilets annually to meet their national targets, but only 160,000 toilets are constructed each year.[4] Meanwhile, the financial burden on low-income households remains one of the greatest barriers to action.

THE POLICY DILEMMA

The Government's flagship approach, Community-Led Total Sanitation, has rightly focused on behaviour change by mobilizing communities to recognize the dangers of open defecation and taking collective action to end this practice.[5]

Community-Led Total Sanitation in Nigeria has been implemented with limited external support, encouraging

KEY RESULTS

- **Open defecation declined significantly** in communities that received sanitation vouchers, with a 17.4% difference between intervention and non-intervention communities.
- **Equity in sanitation access increased,** with 85.4% of households agreeing that vouchers were distributed to the poorest households.
- **Access to improved sanitation expanded,** with 21.8% more households in voucher-supported communities having access compared to non-intervention communities.
- **Health improved significantly,** with 69.1% of respondents reporting a reduction in diarrhoea and cholera.
- **Local private sector was catalysed,** with 83% of Toilet Business Owners reporting revenue increases due to the voucher programme.
- **Community ownership was strengthened and long-term behaviour change supported,** with 94.4% of recipients confident in their ability to maintain their toilets without external support.

households to construct toilets using their own resources.[6] While many are able to construct their own toilets, open defecation is disproportionately practiced by the poorest households, with 48 per cent of the poorest wealth quintile having no access at all.[7] In practice, this means that Community-Led Total Sanitation can leave vulnerable households unable to act, despite the demand to build toilets.[8] While microfinance and community village savings and loans offer promising initiatives to expand financial access to sanitation, many households, often the poorest of the poor, are still unable to obtain or repay loans.

The challenge is not one of policy intent, but of practical reach. Communities are mobilized, but millions remain financially excluded from the benefits of sanitation progress. Without deliberate support for the most vulnerable households, open defecation will persist, and the goals of the Clean Nigeria Campaign will remain out of reach.

Exclusion from safe sanitation also has implications for Nigeria's overall social safety net programmes. If vulnerable households remain exposed to diseases due to a lack of sanitation, social safety net spending becomes reactive, covering health emergencies rather than helping people climb out of poverty. Thus, investing in sanitation is crucial for safeguarding the country's poorest citizens and achieving long-term health and development goals.

Historically, the Nigerian Government has expressed concerns about direct subsidy programmes in the sanitation sector, discouraging the use of full subsidies for toilet construction while emphasizing market-based approaches and private sector engagement to ensure sustainable sanitation solutions.[9] These concerns result from several issues commonly associated with previous subsidy models.

DISTORTION OF INCENTIVES: Subsidies can distort local sanitation markets when not carefully targeted. In a previous project in Cross River State, households from several communities that had the means to construct toilets chose to wait for anticipated support from the Government or donors. This over-reliance on external assistance weakened the incentive to self-finance sanitation improvements. The availability – or even the mere expectation – of free or heavily subsidized toilets suppressed demand among non-poor households. This situation ultimately slowed progress toward achieving open defecation free status and reiterated the widely recognized risk of blanket subsidies for sanitation.[10]

INEFFICIENCIES OF BLANKET SUBSIDIES: Blanket sanitation subsidies, which provide every household with a toilet regardless of their need, have proven to be inefficient and, in some cases, counterproductive. One notable example is from Ethiopia's Arborloo latrine programme (2005–2012),[11] where all households received free latrine slabs upon digging a pit, regardless of their income level. Key challenges emerged from this approach, including households delaying construction while waiting for free materials, weak community ownership, and disruptions to local sanitation markets due to the undercutting of private toilet slab producers.[12] Similar cases have highlighted that uniform material handouts can result in inefficient resource use and reduced household initiative, thereby hampering their long-term impact.

INABILITY TO FINANCE SUBSIDIES FOR EVERYONE: Given the immense scale of the challenge and the low public expenditure on sanitation, a blanket subsidy approach in Nigeria is not feasible. Nigeria's sanitation crisis is vast, with 48 million people, or 23 per cent of the population, requiring access to sanitation.[12] Yet government expenditures of US$393 million amount to far less than the estimated $21.6 billion needed annually. During the 2021–2023 budget cycle, for example, only $35,000 (₦16 million) was allocated from public coffers to combat open defecation.[13] Additionally, roughly 25 per cent of all WASH investments are lost annually due to infrastructure breakdown or a lack of maintenance.[14] These challenges are compounded by weak institutional capacity, poor coordination across ministries, inadequate operation and maintenance systems, and limited monitoring capability. Attempting to implement universal subsidies would severely strain public finances and further weaken delivery systems.[15]







Sanitation voucher recipients





A PRAGMATIC ALTERNATIVE: THE TARGETED SANITATION VOUCHER

To address the equity gap in sanitation for the poorest households, UNICEF and the State Governments of Kebbi, Sokoto and Zamfara, with USAID funding, tested a targeted subsidy approach through a sanitation voucher intervention from 2021–2024. Aligned with national principles of community-led action, this model leveraged community structures for mobilization and required household co-investment. It also added a vital element that had previously not been included: *targeted, conditional support to enable the most vulnerable households to access improved sanitation.*

Specific mechanisms were introduced to address the concerns associated with previous sanitation subsidy programmes based on national and global lessons learned for designing smart subsidies for sanitation.

AVOIDING DISTORTION OF INCENTIVES: To avoid undermining the willingness of wealthier households to pay for sanitation, the sanitation voucher intervention implemented several strategies.

Targeting only the most vulnerable households: This sanitation voucher intervention was designed as a targeted subsidy mechanism aimed only at poor and vulnerable households who could not afford to install or improve toilets on their own. Aligning with the principles of smart subsidies based on global lessons ensured that financial aid reached those genuinely unable to pay, rather than creating a general expectation of free handouts that could cause market distortion.


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Clear eligibility criteria and community verification: The selection of voucher recipients was communicated to all community members and based on specific criteria, including **households with no income source and/or high dependency ratios, and household members who were mentally or physically challenged, widows/widowers, pregnant, or chronically ill.** Using these criteria, eligible households were identified from the National Social Register and verified through a community-led process involving community leadership and WASH committees (WASHCOMs). This approach not only enhanced transparency but also minimized the chances of inclusion errors, such as providing subsidies to those who **could** afford to pay for toilets.

Mandatory household contribution: Vouchers provided a maximum of ₦25,000 per household (later adjusted to ₦32,000 due to inflation), which covered a significant portion of the construction costs for improved sanitation (primarily the substructure). Households were required to make additional contributions, such as digging pits and/or constructing the toilet superstructure. Notably, requirements for household co-investments fostered ownership and ensured that voucher recipients had a stake in the investment, preventing a 'free handout' mentality. When vulnerable households were unable to provide the mandatory contribution, the community assisted them, demonstrating collective responsibility and local support for the initiative. This approach aligned with global best practices, emphasizing cost-sharing to ensure ownership and proper use of the facilities.

Stimulation of markets via partnerships with local businesses: By providing vouchers that enable households to 'purchase' a toilet constructed by Toilet Business Owners (TBOs) – the local sanitation entrepreneurs – the sanitation

voucher intervention stimulated local economic development and created sustainable livelihoods within the sanitation sector.

PREVENTING DIVERSION OF FUNDS: Concerns about funds being diverted were addressed through robust distribution, monitoring and verification mechanisms.

Structured voucher distribution and redemption: As part of the voucher distribution process, a clear chain of custody was established outlining the roles and responsibilities of all stakeholders, from the state level to the recipients. While the vouchers were designed to be redeemed by Toilet Business Owners, voucher recipients were instructed to give their vouchers to TBOs only after construction had been completed and verified as meeting quality standards. This approach minimized the risk of direct cash diversion.

Quality standards and validation: The intervention emphasized adherence to construction standards, ensuring that toilets met specific quality parameters. TBOs were also trained to meet these standards as part of the broader UNICEF-Government sanitation programme. Validators used a checklist to ensure that the constructed toilets met these standards before TBOs were paid. This rigorous validation process, which included a third-party verification team sourced from local civil society organizations, ensured that funds were used for the construction of toilets.

INJECTING MINIMUM PUBLIC FINANCE TO CATALYSE CHANGE: Recognizing the impracticality of funding toilets for everyone, the voucher programme adopted a targeted approach to make effective use of scarce public resources. Instead of financing everyone's toilets, 30,000 poor and vulnerable households were targeted across nine local government areas (LGAs) in the three states. As a result, 30,479 households received vouchers, benefiting 183,000 people and accounting for 19 per cent of all people reached with sanitation in the USAID-funded communities. With the remaining 81 per cent of the population using their own resources to build toilets, this model demonstrated that a targeted approach made the intervention more financially feasible and scalable.

SUSTAINABILITY AND LONG-TERM BEHAVIOUR CHANGE: A common concern with subsidies is the potential to create dependency and undermine long-term sustainability. The programme aimed to foster sustained behaviour change by engaging communities, linking the approach with existing sanitation demand creation initiatives (Community-Led Total Sanitation) and local businesses, and working with state and local governments throughout the process. The intervention went beyond merely providing infrastructure; it fostered a sense of ownership and responsibility for sanitation, a necessary condition for long-term behavioural change.

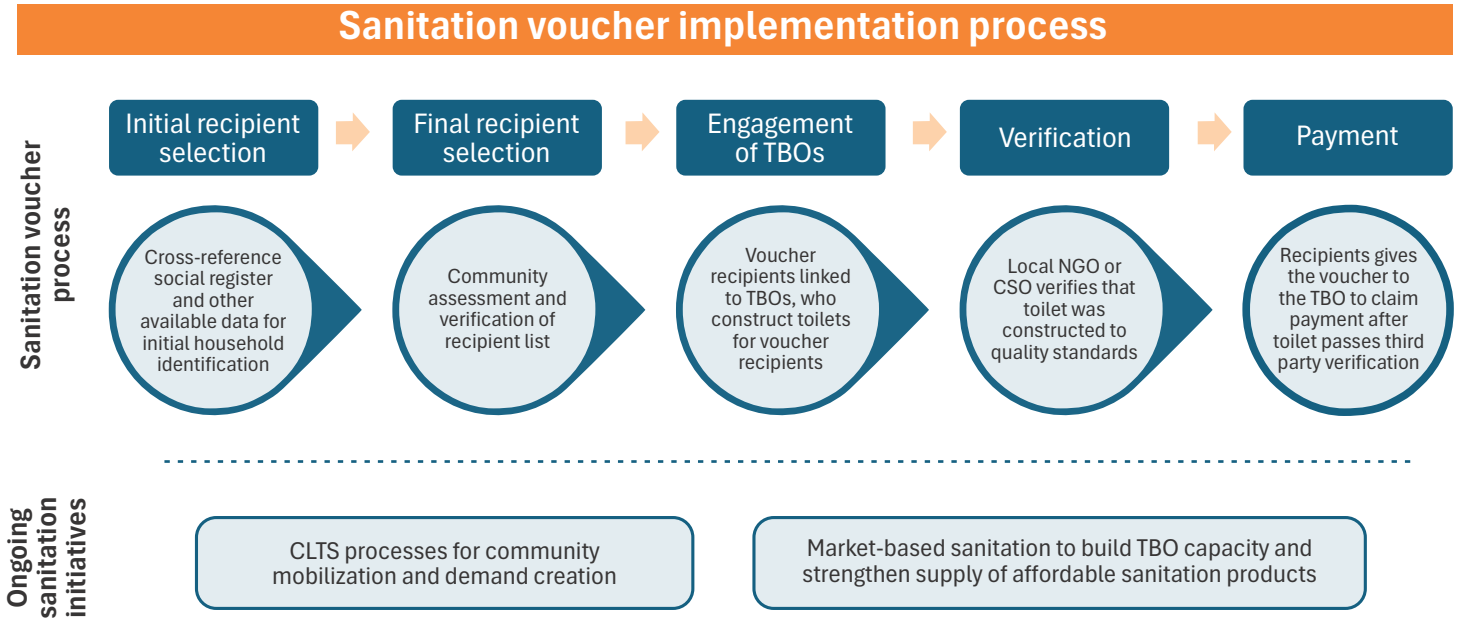


Figure 1: Sanitation vouchers process flow

ASSESSMENT

At the conclusion of the USAID-funded programme in 2024, an assessment of the sanitation voucher intervention was conducted to determine its effects on sanitation uptake among the poorest and most vulnerable households, its contribution to the Clean Nigeria Campaign to end open defecation, and its ability to be scaled and sustained. Commissioned by UNICEF and conducted by Ipsos Nigeria Ltd. using a mixed-methods approach, this independent assessment combined quantitative surveys and qualitative interviews across the nine LGAs in Kebbi, Sokoto and Zamfara. Comparison communities that received other sanitation interventions without vouchers were also assessed, allowing for comparisons between voucher- and non-voucher-supported communities.

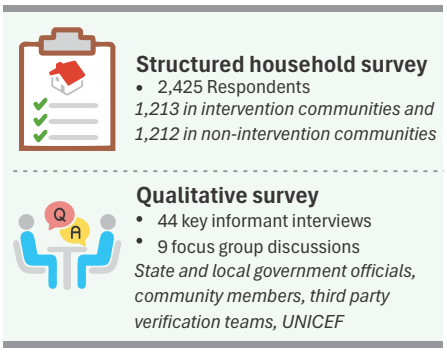


Figure 2: Assessment sample size

KEY FINDINGS

Significant reduction in open defecation: The sanitation voucher intervention contributed to a substantial reduction in open defecation. Among households in intervention communities, the prevalence of open defecation fell to 23.9 per cent, compared to 41.3 per cent in non-intervention areas. Notably, among actual voucher recipients, only 5.5 per cent practiced open defecation, compared to 42.1 per cent of non-recipients in the same communities.

"In the last three years, Gwadabawa was among the top five LGAs for cholera. But now, with the voucher programme, it was not even among the top ones for diarrhoea or cholera."
– Government staff, Sokoto State

Increased equity in sanitation access: The programme effectively targeted the most vulnerable households, with 85.4 per cent of respondents agreeing that the vouchers were distributed to those in the lowest wealth quintile. This demonstrated the programme's commitment to equity and its ability to reach the households most in need of financial assistance.

Reduced diarrhoea and cholera: Communities reported a noticeable decline in diarrhoea diseases, especially among children under the age of five, with 69.1% of households reporting reductions in diarrhea and cholera in their communities.

Stimulation of local markets: Toilet Business Owners, the local sanitation entrepreneurs, increased their sales as a result of the voucher intervention. New market opportunities were reported by 72 per cent of TBOs, and 83 per cent experienced increased revenues in their sanitation businesses. In Zamfara State, 100 per cent of TBOs reported that the voucher system created new opportunities.

"I was selling cement. Now I've hired 30 youth to work with me in toilet construction."
– Toilet Business Owner, Zamfara State

Strong community ownership and sustainable behaviour change: Satisfaction among voucher recipients was extremely high, with 98 per cent reporting satisfaction with the quality of their toilets. Almost all voucher recipients intended to continue using their toilets, and 94 per cent reported being confident in maintaining them without ongoing external support. Half of the respondents confirmed that local organizations or community-led efforts continued to support toilet maintenance after the programme ended, a result of the community mobilization efforts that accompanied the distribution of vouchers.



A sanitation voucher recipient after installing a new toilet.
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GOVERNMENTS MUST INVEST IN SANITATION VOUCHERS

The sanitation voucher intervention, piloted by UNICEF Nigeria in collaboration with Kebbi, Sokoto and Zamfara states and funded by USAID, demonstrated that targeted subsidies could accelerate access to sanitation without reducing community ownership or distorting markets. By reaching the most vulnerable households, ***the sanitation vouchers filled a critical gap, strengthened the sanitation economy and ensured no one was left behind.***

If Nigeria is to meet its Sustainable Development Goal targets for sanitation by 2030, ***strategic investments in smart, targeted subsidies must be made to protect health, restore dignity and reinforce the gains of national social safety net programmes.***

This is not about replacing Community-Led Total Sanitation or the existing Clean Nigeria Campaign strategies. Rather, it is about complementing these initiatives with flexible, equity-driven solutions that unlock sustained access to sanitation for the poorest and most vulnerable in Nigeria.

The time to act is now!

ANALYSIS

TARGETED SUBSIDIES CAN COMPLEMENT NATIONAL POLICY: Contrary to concerns about dependency on external funding, the sanitation voucher intervention demonstrated that conditional, targeted subsidies for the most vulnerable households can coexist with Nigeria's policy direction of self-reliance for sanitation. By targeting subsidies and linking accountability mechanisms to interventions, policies are strengthened, at-risk populations are protected, and the Government can demonstrate a proactive response to urgent public health needs.

SANITATION IS A PRE-REQUISITE FOR EFFECTIVE SOCIAL SAFETY NETS: Investing in sanitation aligns with Nigeria's social protection initiatives and reinforces the country's immediate and long-term goals. Providing access to sanitation is essential for addressing preventable diseases. Without this, social safety programmes, particularly cash transfers, risk becoming reactive rather than transformative, serving as a temporary measure rather than achieving long-term benefits.

VOUCHERS CONTRIBUTE TO MARKET GROWTH: By engaging and expanding the local sanitation market, the sanitation voucher intervention supported job creation through the emergence of new businesses and increased the availability of affordable sanitation materials. This market ecosystem has begun to sustain itself and could continue to do so with a strong enabling environment led by the Government.

DURABLE FACILITIES CEMENT BEHAVIOUR CHANGE: Access to toilets was a key factor in converting awareness into behavioural change among lower-income groups and vulnerable households that traditionally lacked sanitation facilities. While Community-Led Total Sanitation has been effective at creating demand for sanitation, these results can be made more equitable and sustainable when accompanied by support mechanisms such as targeted subsidies for the poorest and most vulnerable households.

COMMUNITY ENGAGEMENT MUST BE CONTEXT SPECIFIC: The impacts of the sanitation voucher intervention varied across states due to differences in economic conditions, pre-existing markets, community engagement and implementation effectiveness. While all states showed improvements in sanitation access, they each faced unique challenges and opportunities: Kebbi demonstrated strong community engagement and market stimulation but struggled with construction quality. Sokoto exhibited high individual ownership alongside weaker community structures and market stimulation. Meanwhile, Zamfara excelled in market growth yet faced higher costs and fewer behavioural change outcomes.



Honourable Commissioner of Sokoto Ministry of Water Resources and Sanitation flags off issuance of sanitation vouchers. © UNICEF/Nigeria/2023

Addressing state-specific challenges will require flexibility in voucher designs, especially when scaling up the programme. **Tailoring interventions to address specific state and local challenges while building on existing strengths** will be crucial for improving overall programme effectiveness and achieving consistent outcomes.

RECOMMENDATIONS FOR ACTION

1. **INTEGRATE SMART SUBSIDIES IN SANITATION PROGRAMMES:** The sanitation voucher intervention in North West Nigeria demonstrated that subsidies can be smart, conditional and targeted for those who need them most. Poor and vulnerable households that meet the subsidy criteria can be identified using the National Social Register and vetted through appropriate community structures. Developing national guidelines that enable states to implement targeted sanitation subsidies, while allowing for local adaptation and retaining co-investment requirements, is crucial for success. UNICEF's experience, combined with sector consultations and guidance from the participating state governments, can form the basis for this guidance.

2. **SCALE THE SANITATION VOUCHERS NATIONWIDE:** With a proof of concept now firmly established, the sanitation voucher intervention is ready to be expanded. States that have functioning local structures and a high prevalence of open defecation can begin to adopt targeted subsidies. Those with access to financing for sanitation (e.g., through development bank programmes) and/or social safety nets (e.g., cash transfers) can also be prioritized. However, scaling up subsidies should be phased in, monitored and adaptive to allow for new lessons and improvements as the programme grows.

3. **INTEGRATE SANITATION VOUCHERS INTO NATIONAL SOCIAL PROTECTION SYSTEMS:** Linking vouchers with existing cash transfer mechanisms, such as the National Social Register, can leverage identification systems and streamline delivery. This will also ensure the sanitation agenda aligns with broader anti-poverty and public health goals.

4. **TAILOR VOUCHER DESIGNS TO ADDRESS REGIONAL DISPARITIES:** Growth and expansion efforts need to be context-specific. In harder-to-reach or higher-cost regions, for instance, the value of vouchers may need to be increased. In peri-urban areas, land and design issues, as well as space and topographical requirements, may require different approaches to enable the most vulnerable households to finance toilets and benefit from improved sanitation.

5. **ADVANCE GENDER EQUITY THROUGH INCLUSIVE SANITATION PLANNING:** To strengthen gender transformative WASH services, sanitation voucher interventions should intentionally address the needs of women and girls by promoting female-led TBOs, adding toilet design features for menstruating women and girls, and tracking gender-disaggregated impacts.

6. **STRENGTHEN TOILET BUSINESS OWNER CAPACITY AND SANITATION MARKETS:** Sustaining the sanitation voucher intervention requires ongoing investments in the development of TBO business plans, procurement systems, access to financing, and government-private sector partnerships. A strong market is essential for the long-term success of this initiative.



Endnotes

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