

# SUSTAINABLE STRATEGY FINANCING FOR SUB-SAHARA AFRICAN ENVIRONMENTAL PROJECTS

**John A. Enahoro, Ph.D., FCA;**

*Department of Accounting, Covenant University, Ota, Nigeria*

*E-mail: [johnenahoro1@yahoo.com](mailto:johnenahoro1@yahoo.com)*

## ABSTRACT

A growing awareness for the need for finance in order to implement active public policies on environmental project will require nations' and local agencies' pro-active financing strategy. Awareness will facilitate to create more sustainable economic structures and processes to combat ecological crises. Financing environmental projects should consciously gain national consciousness and action. Denying being conversant with feasible environmental project and available financing strategy is to further jeopardize prevalent environmental challenges. This study is a survey of environment strategy financing available to Sub Saharan countries' environmental projects particularly Water Supply, Waste Water Treatment, and Urban Solid Waste Scheme.

**Key words:** Environmental projects, Water Supply, Waste Water Treatment and Urban Solid Waste Scheme

## BACKGROUND

The high population growth of most Sub-Saharan countries has witnessed by far little commensurate growth in urban city infrastructure and services such Water Supply, Waste Water Treatment and Urban Solid Waste Scheme. Urban dwellers have not been adequately provided with water supply, waste water and essential infrastructural facilities and services. Also, there have not been adequate coastal zone development and management to cater for particularly, solid waste such as organic solids and plastic components in urban cities. Consequently, wastes are discharged in water bodies, or into rivers and beaches. These in turn cause health hazards and degradation to marine life which cause mortality to marine organisms, mammals and sea birds. Most developing nations have undertaken the financing of environmental projects to provide these much needed facilities and services. Financing capital expenditure of these projects has been 'characterized by reliance on shrinking public budgets, user charges significantly below cost recovery levels, non-transparent and inefficient subsidy schemes' (OECD/DANCEE, 2003). Furthermore, there have been few donor financing assistance and little participation from the private commercial sector of the economy. It is rightly observed that such financing is unsustainable such that maintenance breakdown and entire projects eventually wind up. It is observed too, that while government and agencies develop specific programmes with relevant estimates attached to project for inclusion into budget instruments, projects end up being underfunded. Environment financing has continued to feature as an important issue in both developed and developing nations, and probably more acute in most sub-Saharan Africa nations including Nigeria. It is considered that there should be an appropriate mix of policy, institutional and investment actions to address environmental problems in the most effective and efficient way. Specifically, this study aims at examining existing public financial resources for environment more efficiently and to mobilize additional financing from private and public resources for enhanced sustainability.

The Sub-Saharan Africa environment situation is the focus of this paper, specifically the West Africa and East African nations of Nigeria, Kenya, Ghana, Tanzania, Uganda, Democratic Republic of Congo, Congo, Gabon, Central Africa Republic, Ethiopia, Sudan, Cameroun, Togo, Benin Republic, Cote D'Ivoire, Liberia, Sierra Leone, Guinea, Senegal, Gambia, Burkina Faso, Mali, and Niger Republic

The approach in the study after considering the study background, is the literature framework, **study discussions**, financing strategies for environmental projects and finally study recommendations

## CONCLUSIONS AND RECOMMENDATIONS

Government budgetary allocations to environmental projects and programmes can only be assured if environment is a set priority. Consistency of allocation will add to achieving set targets from time to time. However, since budgetary allocation will not always be adequate and since governments will have other emerging priorities in ensuing years, environmental project and programme evaluation must factor into it funding and financing, sustainability.

There should be focus on the private sector profit making corporations essentially through environmental user fees or charges for private sector impact on environment through their activities.

Donor environmental funds' beneficiary nations in their environmental programme evaluation should establish the general trend in the availability of such funds for particular environmental issues and the knowledge of the availability of such funds. These will foster their plans and actions to be taken by the particular government of the nations executing agency to secure supplementary funds needed to ensure sustainability of programme or project objectives and results.

Local resources need to be available to replace donor funding as current project input is halted, as donor funding declines or is completely withdrawn. The phasing in of local resources and phasing out of donor funding must be foreseen and built into the project or programme design.

## REFERENCES

**Anderson, G.D & Erbach, J (2000). Urbanization & Environment: Opportunities for Refocusing USAID Assistance in Sub-Saharan Africa; Final Report prepared for USAID Africa Bureau Office of Sustainable Development** German Federal Ministry for Environment / Federal Environmental Agency (2003).  
Guide to Corporate Environmental Cost Management, Berlin.

Macmillan Publishers Ltd (2007). Nigeria Social Studies Atlas, First Edition.

OECD / DANCEE (2003). Financing Strategies for Water and Environmental Infrastructure

Nigeria Agenda 21 (1999). Economic Aspects Of Sustainable Development In Nigeria. Retrieved in June 2006 from file://A:\Agenda%2021%20-%20Nigeria. htm

The World Bank (2006) World Development Indicators

UNEP (2000). Project Formulation, Approval, Monitoring, and Evaluation Manual, December 2000, PCMU pp. 13-89 - 13-99; Sited in Guidelines on Evaluation Indicators on October 7, 2009 on [http://www.unep.org/eou/Evaluation/Guidelines/ index.asp](http://www.unep.org/eou/Evaluation/Guidelines/index.asp).

UNEP (2003). Municipal Solid Waste Management and Enhancement of Environmental quality in Sub-Saharan Africa, Sited in June 2007

USAID (1998). Making Cities Work – A Proposed Urban Strategy for USAID, Washington D.C

## GLOSSARY OF KEY WORDS

### Environmental Projects

Environmental projects as used in this study are projects meant to conserve use of natural resource, prevent and control land pollution, support urban sprawling, assist waste disposal incidents, such as water supply, Waste Water Treatment, Urban Solid Waste Scheme and Land Mass Transportation

### Water Supply

Water supply is the self-provision or provision by third parties in the water industry commonly a public utility of water resources of various qualities to different users. Clean drinking water means access to an improved water source as against sources such as unprotected wells or springs, canals, lakes or rivers to fetch water.

### Domestic wastewater treatment

'Domestic wastewater treatment or Sewage treatment is the process of removing contaminants from wastewater and household sewage, both runoff (effluents) and domestic. It includes physical, chemical, and

biological processes to remove physical, chemical and biological contaminants. Its objective is to produce a waste stream (or treated effluent) and a solid waste or sludge suitable for discharge or reuse back into the environment' (Wikipedia, The free Encyclopedia)

**Urban solid waste**

'Urban solid waste also called Municipal solid waste (MSW), is a waste type that includes predominantly household waste (domestic waste) with sometimes the addition of commercial wastes collected by a municipality within a given area. They are in either solid or semisolid form and generally exclude industrial hazardous wastes. The term *residual waste* relates to waste left from household sources containing materials that have not been separated out or sent for reprocessing' (Wikipedia, The free Encyclopedia).