Third National Urban Water Sector Reform Project (P123513)

AFRICA | Nigeria | Water Global Practice |
IBRD/IDA | Investment Project Financing | FY 2014 | Seq No: 9 | ARCHIVED on 17-Dec-2018 | ISR35295 |
Implementing Agencies: Federal Republic of Nigeria, Federal Ministry of Water Resources

Key Dates

Key Project Dates

Bank Approval Date: 18-Apr-2014  Effectiveness Date: 12-Feb-2015
Planned Mid Term Review Date: 30-Oct-2017  Actual Mid-Term Review Date: 10-Dec-2017
Original Closing Date: 30-Jun-2020  Revised Closing Date: 30-Jun-2020

Project Development Objectives

Project Development Objective (from Project Appraisal Document)
The Project Development Objectives (PDO) are: a) to increase access to improved water supply service in selected States of Nigeria and improve the financial viability of existing water utilities in those States, and b) to increase the investment planning capacity of participating States.

Has the Project Development Objective been changed since Board Approval of the Project Objective?
No

Components

Name
1. Sector Reforms and Water Supply Investments:(Cost $215.00 M)
2. Water Sector Governance, Institutional Strengthening and Human Capital Development:(Cost $23.00 M)
3. Sector wide Improvement and Project Management at the Federal Level:(Cost $12.00 M)

Overall Ratings

Name  Previous Rating  Current Rating
Progress towards achievement of PDO  ●Moderately Satisfactory  ●Moderately Satisfactory
Overall Implementation Progress (IP)  ●Moderately Satisfactory  ●Moderately Satisfactory
Overall Risk Rating  ●Substantial  ●Substantial

Implementation Status and Key Decisions

The Project is making steady progress regarding the water sector reforms, water supply investments; strengthening the capacity of the water sector governance, institutional strengthening and human capital development; and sector wide improvement and project management. In this context, some major works contracts have already been signed in Ekiti and Bauchi States and many others are being awarded. The remaining packages in Ekiti, Bauchi and Rivers are at the final stages of evaluation. This will lead to the commitment of all works contract by the end of June 2019. In addition, a number of consultancy services regarding the preparation of feasibility studies, design, dam safety, dam rehabilitation, bathymetric survey, construction management, customer enumeration and customer database, development of billing and collection systems, assessment of metering have been completed in Bauchi, Ekiti and Rivers states.
The project has offered a number of training opportunities to build the capacity of the Federal Ministry of Water Resources, Port Harcourt Water Corporation, Ekiti State Water Corporation and Bauchi State Water Corporation. This includes study tours to Brazil, training in utility financing in South Africa, local and international training and seminar including the course on Communication Strategy for Reform and Leadership which was held in June 2017 at the University of South California, training in utility financing and other financial management, and safeguards and procurement trainings.

Besides investment in the main three states of Bauchi, Ekiti and Rivers, the project is facilitating reform planning in Tier-2 states (Kano, Gombe, Benue, Jigawa, Ondo, Abia, Bayelsa, Anambra, and Plateau). The diagnostics of the State Water Agencies in these nine states have been completed. Moreover, budget has been allocated for each States’ reform activities including carrying out feasibility studies, design and construction supervision for priority investments. Progress made includes: (i) Consultancy service for Organizational Diagnosis’ of eleven SWAs (Tier-2 states plus Ekiti and Enugu states) has been completed; (ii) The guiding framework for Water Sector Reform has been developed; (iii) The Organizational diagnostic reports and Action plans to prepare the Tier 2 SWAs for future investment has been discussed in a final workshop with the participating States and finalized; (iv) Training on Procurement filling system and Risk based auditing for all project States has been completed; and (v) Financial management system in all the project implementing units has been established. In addition, engagement of consultants for the following are being finalized: (i) Consultancy for development investment plans Tier 2 states; (ii) Consultancy for detailed engineering assessment and supervision of rehabilitation works; (iii) Consultancy for customer enumeration and mapping; and (iv) Consultancy for Development of billing and collection software and tariff studies. Regarding goods and supplies, the procurement of bulk and customer meters has been awarded.

The Project also strengthens the capacity of the Federal Government to, inter-alia, identify an appropriate financing model for the sector, and to support and monitor the reform process and utility performance. In terms of achievement, the FMWR has developed a guiding Framework for the Water Sector Reform in Nigeria. In addition, the following progress has been recorded: (i) Offices of the State Project Liaison Officers for the Tier-2 states have been furnished and equipped for better working environment; (ii) Retreat on revitalizing Urban Water Supply in Nigeria conducted for Committee Members of the Parliament on Water Resources, Policy Makers and Chief Executive Officers (CEOs) of thirty-six (36) State Water Agencies (SWAs) and Federal Capital Territory (FCT); and (iii) Retreat for development of the National Water Supply Sanitation and Hygiene (WASH) Sector Action Plan has been conducted in Accra, Ghana. The Action Plan has gained an immense high level political support and was launched by HE the President of the Federal Republic of Nigeria on November 8, 2018; (iv) Three Levels of Workshops on Nigeria State Water Agencies Turnaround on Governance Reform, Financial and Technical Management Workshop. The first leg of the Workshop was held with CEOs/MDs, Director of Finance, Director of Commercial and Director of Operation of the 32 SWAs and FCT, the second leg was held with 19 States Commissioners in charge of water resources, and the third leg of the workshop was held with NGOs, Media and Development partners.

### Risks

**Systematic Operations Risk-rating Tool**

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and Governance</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Macroeconomic</td>
<td>--</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
<td>--</td>
<td>Substantial</td>
<td>Moderate</td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Fiduciary</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Environment and Social</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Other</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Overall</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
</tbody>
</table>

### Results

**PDO Indicators by Objectives / Outcomes**
Increase access to improved water supply service in Selected States of Nigeria

- **Direct project beneficiaries (Number, Custom)**

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>324,608.00</td>
<td>324,656.00</td>
<td>920,000.00</td>
</tr>
<tr>
<td>Date</td>
<td>31-Oct-2012</td>
<td>06-Jun-2018</td>
<td>17-Dec-2018</td>
<td>31-Dec-2019</td>
</tr>
<tr>
<td>Comments</td>
<td>In Bauchi, population of 267,256 benefitted from the rehabilitation of both the conventional and the packaged water treatment plants. In Ekiti, population of 57,400 benefitted from the rehabilitation of Ero and Ado water schemes. In Port Harcourt, no works have been started yet.</td>
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</tbody>
</table>

- **Female beneficiaries (Percentage, Custom Supplement)**

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>50.00</td>
<td>50.00</td>
<td>50.00</td>
</tr>
</tbody>
</table>

- **Number of people in urban areas provided with access to Improved Water Sources under the project (Number, Custom)**

<table>
<thead>
<tr>
<th></th>
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<th>Actual (Current)</th>
<th>End Target</th>
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</thead>
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<td>Value</td>
<td>0.00</td>
<td>324,608.00</td>
<td>324,656.00</td>
<td>920,000.00</td>
</tr>
<tr>
<td>Date</td>
<td>04-Mar-2014</td>
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<td>17-Dec-2018</td>
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<tr>
<td>Comments</td>
<td>In Bauchi, population of 267,256 benefitted from the rehabilitation of both the conventional and the packaged water treatment plants. In Ekiti, population of 57,400 benefitted from the rehabilitation of Ero and Ado water schemes. In Port Harcourt, no works have been started yet.</td>
<td></td>
<td></td>
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</table>

Improve the financial viability of existing water utilities in the Selected States

- **Percentage of operation and maintenance cost recovered in selected States. (Percentage, Custom)**

<table>
<thead>
<tr>
<th></th>
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<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
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</thead>
<tbody>
<tr>
<td>Value</td>
<td>5.00</td>
<td>6.43</td>
<td>2.76</td>
<td>80.00</td>
</tr>
<tr>
<td>Date</td>
<td>31-Oct-2012</td>
<td>06-Jun-2018</td>
<td>17-Dec-2018</td>
<td>31-Dec-2019</td>
</tr>
<tr>
<td>Comments</td>
<td>Bauchi: 3% with 17,000 customer Ekiti: 1.18% with 2600 customer Port Harcourt: Not operational yet.</td>
<td></td>
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</tbody>
</table>

Increase the investment planning capacity of Participating States

- **Medium-term sector investment plans completed for participating States (Number, Custom)**

<table>
<thead>
<tr>
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</thead>
</table>
The Organisational diagnostic study have been completed for the Water Agencies of the Tier-2 states including Kano, Gombe, Benue, Jigawa, Ondo, Abia, Bayelsa, Anambra, and Plateau. In addition, the assessment covered Ekiti and Enugu States. The medium-term sector investment plans are at final stage of clearance for award.

**Overall Comments**

The Project is making steady progress towards achieving its Development Objectives and the PDOs rating is still *Moderately Satisfactory*. Access to improved water services has progressed in both Ekiti and Bauchi and is expected to increase rapidly as works contracts have been signed and more are being awarded. Moreover, the investment planning capacity of participating states has benefitted from the feasibility and design consultants in all participating states which has been completed. Further improvements are expected as a result of the completion of the water service masterplan and short and medium-term investment planning.

**Intermediate Results Indicators by Components**

1. **Sector Reforms and Water Supply Investments**

   **Length of water pipes rehabilitated and expanded (Kilometers, Custom)**

<table>
<thead>
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<th>End Target</th>
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<tr>
<td>Value</td>
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<td>2.70</td>
<td>4.46</td>
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<tr>
<td>Date</td>
<td>31-Oct-2012</td>
<td>06-Jun-2018</td>
<td>17-Dec-2018</td>
</tr>
</tbody>
</table>

   **Comments:**
   - Bauchi: 0.0
   - Ekiti: The 4.46 km for the Emergency relocation of Supply Pipelines to boost water supply to Housing Estate is about 60% completed.
   - Rivers: 0.0
   - This target is expected to be met as major works contract in Bauchi, Ekiti have been signed and others are being awarded or in the final stage of bid review in the three states including (Bauchi, Ekiti and Rivers).

   **Customer enumeration completed and database created (Yes/No, Custom)**

<table>
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<th>End Target</th>
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</thead>
<tbody>
<tr>
<td>Value</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Date</td>
<td>31-Oct-2012</td>
<td>06-Jun-2018</td>
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</tr>
</tbody>
</table>

   **Comments:**
   - Very good progress as target met for both Bauchi and Ekiti.

   **Piped household water connections that are benefitting from rehabilitation works undertaken by the project (Number, Custom)**
### Billing Collection Rate (Percentage, Custom)

<table>
<thead>
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<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>12.72</td>
<td>12.72</td>
<td>65.00</td>
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</table>

<table>
<thead>
<tr>
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**Comments:**
- Ekiti: 29%. The on-going consultancy on Tariff Studies will also include billing system.
- Bauchi: 10.23%.
- Rivers: 0.0%

### Tariff Studies with pro-poor policies completed (Yes/No, Custom)

<table>
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<td>No</td>
<td>No</td>
<td>Yes</td>
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<td>31-Dec-2019</td>
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</tbody>
</table>

**Comments:**
- Good progress is being made as the study has already started in Ekiti and under tendering for both rivers and Bauchi. ToRs have been cleared.

## 2. Water Sector Governance, Institutional Strengthening and Human Capital Development

### Number of water utilities that the project is supporting (Number, Custom)

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>12.00</td>
<td>12.00</td>
<td>12.00</td>
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</table>

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<td>17-Dec-2018</td>
<td>31-Dec-2019</td>
</tr>
</tbody>
</table>

**Comments:**
- Completed. The project is supporting 3 Tier 1 States of Ekiti, Bauchi & Rivers as well as 9 Tier 2 States including Anambra, Abia, Benue, Plateau, Ondo, Gombe, Kano, Jigawa & Bayelsa.

## 3. Sector wide Improvement and Project Management at the Federal Level

### Sector Performance monitoring and benchmarking system in FMWR established and operational (Yes/No, Custom)

<table>
<thead>
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</thead>
</table>

**Comments:**
- Bauchi: 4,385. After the rehabilitation of package plant under the project a total of 35,084 persons benefited from the improved capacity. This translates to 4,385 households taking 8 people per household (Primary Health Care).
- Ekiti: 50. This is yet to improve as the major infrastructure works has not yet begun, however from the emergency works/rehabilitation at Ureje, Ado waterworks, forty-four new connections has been added.
- Rivers: 0. works are under tendering.
### Value

<table>
<thead>
<tr>
<th>Value</th>
<th>No</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
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</tbody>
</table>

**Comments:**
Completed. Data bank platforms called National Water Resources Information System which covers the 6 geo-political zones of the country have been established. The platform is intended as M&E platform to cover the entire SWAs in the country. The WSP IBNET which has been supporting the sector has been used to benchmark the Water utilities in the country.

### National Water Sector Financing Policy and Mechanism in place (Yes/No, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>No</th>
<th>Yes</th>
<th>Yes</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
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<td>31-Dec-2019</td>
</tr>
</tbody>
</table>

**Comments:**
Ongoing. The TOR for the update of WASH policy has been cleared by the Bank. The procurement process has commenced. Bank has provided comments on the EOI and shortlist of consultants. The TOR for National Water Sector Financing Mechanism is being concluded and will be sent to the Bank for clearance to enable commencement of the procurement process for engaging the consultant that will develop the financing mechanism.

### Data on Financial Performance

#### Disbursements (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>% Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P123513</td>
<td>IDA-54160</td>
<td>Effective</td>
<td>USD</td>
<td>250.00</td>
<td>250.00</td>
<td>0.00</td>
<td>79.96</td>
<td>145.99</td>
<td>35%</td>
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</tbody>
</table>

#### Key Dates (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
</tr>
</thead>
</table>

### Cumulative Disbursements
Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.