

# Evaluation Summary

## Ogun Urban Water Supply Project

Country: NIGERIA

Sector: Water

Evaluator: Olivier Gilard (AFD, project officer with the water & sanitation division)

Date of the evaluation: May-Sept. 2023

### Key data on AFD's support

**Project numbers:** CNG1027 & CNG1105

**Amount:** EUR 33,2 M

**Disbursement rate:** 100%

**Signature of financing agreement:** 25 March 2015

**Completion date:** 15 December 2022 (last disbursement)

**Total duration:** 7 years and a half

### Context

Nigeria is the most populous country in Sub-Saharan Africa, half of the population being urban. In 2012, access to basic services was low and below the regional average: only 64% of the population had access to an improved water source and in urban areas the rate decreased from 79% in 1990 to 74% in 2010 (source : WHO/UNICEF 2012 Joint Monitoring Program).

With the World Bank support, the Nigerian authorities embarked in successive National Urban Water Sector Reform Programs to increase access to improved water supply service in selected States of Nigeria. AFD cofinanced the first National Urban Water Sector Reform (NUWSR) program with the World Bank, targeting 3 States including Ogun and completed in 2013.

However, the investment need was not fully covered by this NUWSR in particular in Abeokuta, the Ogun State capital city.. AFD thus provided a second and stand alone financing in 2015 to further support the improvement of the urban water service.

### Actors and operating method

The Federal Ministry of Water Resources is responsible for drawing up the water policy and coordinating the development of water resources at national level. Water and sanitation service is delegated to the federated States, namely Ogun State, where the Ministry is in charge of formulating the sector policy, implementation planning and budgeting, and the Ogun State Water Corporation is responsible for the service management.



### Objectives

The Project aimed at increasing the number of people with access to an efficient and sustainable drinking water supply service in Abeokuta, Ogun State capital city. Improving the conditions of water supply in poor neighborhoods should reduce social inequalities. The Project should also generate savings in water resource and have a positive environmental impact. Eventually, the contribution of a functional water supply service to local economic development should be strong.

### Expected outputs

The project was structured into two main components:

- an 'infrastructure' component focused on Abeokuta to extend safe water service to unserved and poor neighborhoods of the city, improve continuity and quality of the service, and reduce water losses.
- a 'soft component' including technical assistance and capacity building, both at the State and the water company levels, to ensure sustainability of the Project's outputs and more broadly of the urban water supply sector

The Project's expected results were the following:

- 250,000 people with new access to water service, 400,000 people with improved service
- Improved viability of the local water company's financial through increased revenue collection
- Improved governance of the water sector in Ogun State

## Performance assessment

### Relevance

The Project fitted with AFD overall strategy, water service being one of the SDGs supported by AFD worldwide, and in line with AFD 2014-16 country strategy for Nigeria, one objective being improving urban infrastructure (access to water, housing, sanitation, transport, etc.).

The Project is part of the Nigerian national strategy for reforming the urban water sector and it was designed in compliance with the approach newly adopted in the country (based on lessons learned from previous programs) consisting in targeting local States committed to implement the promoted sector reform, where a water board or water corporation existed and needed support to improve its organization and management.

In addition, the Project was relevant to the targeted end-beneficiaries considering the low penetration of the water network in Abeokuta (around 20% of the population was served at Project's inception), the discontinuity of the service and the low quality of the distributed water.

Eventually, the preparation process for this Project was efficiently managed with the mobilization of an available preparation fund at the disposal of Nigerian authorities to conduct a feasibility study.

### Effectiveness

The Project achieved its objectives regarding infrastructures' realization, despite the delays caused by the COVID crisis : the dam and its 5 hydraulic gates as well as the water treatment plant are now rehabilitated and fully functional ; the main line and the storage tank are in place; the distribution network including more than 4 000 connections is delivered.

At the time of evaluation, however, the new infrastructure and network are inoperative due to the lack of budget allocation to OgSWC to procure chemicals and energy to the renovated water treatment plant. The improvement of the older part of the network was partly implemented but the potential is not yet reached: investments are still needed, including segmentation and leak detection in order to take full benefice of improved meters.

Regarding the soft component, three main contracts were implemented to address this objective of reforming the water regulation in Ogun state, enhance the water corporation capacity to operate the service and sustain the water service in Abeokuta: Institutional technical assistance (ITA), Organisational technical assistance (OTA) and Project management support. They delivered the expected outputs (Water sector regulation and by-laws, pricing policy, performance contract between Ogun State and the water Corporation, improved water service organization at Abeokuta business unit). However, decision are still pending regarding the implementation of all these reforms at the time of the evaluation.

### Impact & Sustainability

The Project suffered from a limited political support, especially regarding the implementation of the soft component, which may be partly explained by limited opportunities of policy dialogue throughout the Project implementation (COVID crisis, electoral context, etc.).

This low political ownership hampered the efficiency of the reform process and the sustainability of the Project results (both improvement of management capacities and means, as well as operation and maintenance of new infrastructures). It also reduces the demonstration effect that the pilot area covered by the Project was intended to have (new infrastructure and existing network rehabilitation should improve and extend the water service, which - combined with better capacities and management at the corporation level namely in terms of billing and collecting - should improve revenue and consequently operation and maintenance. This should allow for further extensions, etc.).

## Conclusions and lessons learnt

The Project delivered the expected outputs and namely the infrastructure and network are functional.

However, it may be pointed out that the Project design may have been too optimistic regarding the pace of the reform implementation considering the total dependency of OgSWC toward the Ogun State authorities at Project inception (human resources management, funding, etc.). Additionally, a governance structure involving all Project stakeholders, a dedicated operational manual and a reporting system were designed at the start of the Project, inspired by the World Bank programs, but these resources were not fully endorsed by all political levels for the duration of the Project (situation that has been exacerbated by the COVID crisis).

Eventually, some institutional steps still need to be taken if the Project is to achieve its objectives, on a lasting basis, at the time of the evaluation.

A future Project should be based on a more in-depth analysis of the soft support needs of stakeholders (particularly with regard to project management support) and the various Project components should be better articulated (institutional and organisational support could be provided at the end of the investment implementation).

Most importantly, The means for high-level dialogue should be identified and planned from the Project identification stage, involving strategic stakeholders.