Overview

This case study examines urban water service delivery reform in Nigeria using qualitative research methods that include a review of relevant project documentation, a literature review on water reform and governance issues in Nigeria, and process tracing (collecting primary source qualitative data through semi-structured interviews). In 2004, the federal government of Nigeria joined with the World Bank to address the institutional weaknesses of urban water utilities under the National Urban Water Sector Reform Project (NUWSRP1). The NUWSRP1’s objective was to increase access to piped water supply in selected urban areas by improving the reliability and financial viability of selected urban water utilities in the states of Enugu, Kaduna, and Ogun. Yet while the NUWSRP1, in its nine years of implementation, achieved (and even surpassed) targets for investment in rehabilitation and expansion, it did not perform as strongly on the institutional reforms needed to ensure sustainability.

Key contextual conditions: Despite the Nigerian federal government’s annual cash injection of US$550 million in the water sector, reliable access to water of acceptable quality remains scarce in Nigeria. In 2004, half of Nigerians living in urban areas lacked piped water access, and for those who had it, water taps flowed only a few hours a day. Only 20 percent of the semi-urban population had piped water access, placing a heavy burden on women, in particular, to collect water. In a country with enough surface and ground water to meet actual demand, Nigerians have had to resort to alternative sources of water for domestic use. Poor access to potable water has had severe consequences for people’s health outcomes and livelihoods, with children hurt the most: more than 97,000 Nigerian children die every year from diarrhea caused by unsafe water and poor sanitation. Rapid annual urban population growth of 5.7 percent has made it more difficult for Nigeria’s state water agencies—frontline service providers in the water sector—to meet the existing need for piped water and expand production capacity.

Key stakeholders: Federal Government of Nigeria; the World Bank; state water agencies; Federal Ministry of Finance; Federal Ministry of Water Resources; Federal Project Implementation Unit; citizens.

Lessons Learned

■ Political incentives, together with the need to achieve near-term results quickly, may undermine a long-term commitment to change, overvaluing short-run returns and inducing a low-level equilibrium trap that holds back the achievement of sustainable outcomes.
■ Institutional changes are more likely when they are aligned with the political incentives of key actors and addressed within a favorable time frame.
It is important to invest in technical capacity through training programs that are closely monitored to produce improved capacity or motivation to deliver.

Utilities can provide leadership in the change process, instill a culture for water service payment, and install a credible system of rewards and sanctions that strengthen accountability and promote the view that building staff capacity is a good investment.

Access to data can forge transparency and trust, and with it a culture for accountability.

The reform process should acknowledge and work with the diversity of approaches available for tailoring responses to each state’s vision, capacity, and goals.

The World Bank allocated funds without regard for results, which undermined the system of rewards and sanctions needed for projects to deliver on expected outcomes.

The combination of poor maintenance of water and wastewater networks, limited institutional capacity, and weak financial performance of water supply and sanitation utilities, along with intermittent power supply, posed serious challenges for Nigeria’s urban water sector.

State water agencies could not fully recover operating costs and relied heavily on state governments to finance gaps.

**Development Challenge**

To provide the population of Nigeria with reliable, potable, and affordable water today and in the future, the country will need to set up accountable and viable water utilities that deliver piped water efficiently and sustainably.

**Delivery Challenges**

- Creating an enabling environment for reform
- Developing a more systematic approach to address challenges in sustainable water service delivery
- Breaking with past performance to achieve rapid results, building on the momentum of a new government
- Weak compliance and implementation in urban water service delivery