



Lessons from Recent Evaluations: Water, Urban, Transport and Energy

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Summary of Recent Project Performance Assessment Reports

Improving Rural Water Supply and Sanitation in India

An Independent Evaluation Group (IEG) assessment of two rural water supply and sanitation projects in India found that the second generation of World Bank supported projects benefited greatly from the earlier experience, giving increased access to reliable water supply and sanitation to rural populations in the states of Kerala and Maharashtra. Further evidence from an independent impact evaluation of the Maharashtra project shows that communities that achieved water supply improvements and sanitation coverage for the majority of the population reduced water contamination and had better child health indicators and lower illness and coping costs.

The decentralized, community-led approach adopted in both projects reduces investment costs and is cost-effective, according to the IEG review, but considerable concerns about the ability of community-managed water projects to cope with major repair costs likely

in the medium- to long-term remain. Community-led approaches to rural water schemes that require communities to contribute to capital costs may not be feasible in villages with a low ability to pay. Both projects also experienced difficulties with government line agencies that had traditionally delivered services because they faced challenges in supporting the new decentralized approach. Support from experienced nongovernmental organizations and support agencies was critical in building community capacity and in assisting communities in planning, budgeting and managing major maintenance projects.

Sources: IEG's Project Performance Assessment Report on Kerala Rural Water Supply and Environmental Sanitation Project "Jalanidhi" and Maharashtra Rural Water Supply and Sanitation Project "Jalswarajya", 2013

Three Road Maintenance and Rehabilitation Projects in Poland

An IEG review of three road rehabilitation and maintenance projects in Poland that have been supported by the World Bank since 2004 found that when planning

sequential operations that involve sector reform, it is important to ensure that sufficient disbursement leverage is retained to implement the institutional development components, as well as a realistic time-frame for the operation. In this case, the implementation of the three projects was phased over three consecutive years. The disbursements were fast, but the Bank experienced difficulty leveraging the policy actions and institutional development programs which took longer to mature. Overall, the Bank's engagement in Poland's road sector has achieved its key objectives in terms of significant improvements in the condition of roads which has translated into improved trips for drivers and sector efficiencies through the use of performance-based maintenance outsourcing. While reducing road fatality rates is still a challenge faced by the sector, customer satisfaction surveys show that drivers have noticed improvements in the national road networks over the project implementation period. The project also contributed to the increased use of the Highway Development and Management-4 model for calculating the economic rate of returns for the road investments, but the review found that it is also crucial to take into account the budget constraints when using the model. Finally, the government faced difficulty achieving the objective related to establishing reliable and stable funding for the national road network for which comprehensive monitoring indicators had not been defined, pointing to the importance of establishing a proper monitoring and evaluation framework for each outcome envisaged in the project.

Sources: IEG's Project Performance Assessment Report on First, Second, and Third Road Maintenance and Rehabilitation Projects in Poland, 2014

Senegal's Energy Sector: Assessment of Two World Bank-Supported Projects

The Bank Group has provided considerable financial assistance to Senegal's energy sector over the past decade, including the efficiency enhancement adaptable program credit for the electricity sector and recovery development policy credit for the energy sector, both of which were reviewed by IEG. While some success was achieved in specific areas, such as the promotion of regional hydro-power, Bank-supported projects in Senegal's energy sector have largely failed to achieve their project development objectives.

Several lessons were learned from this assessment:

- First, proper sequencing of sector policy dialogue and investment support is important for success when

the two are closely connected. The absence of a sound policy framework was a factor in the failure of the projects.

- Second, the Bank has an important role in ensuring that investment decisions are made based on technical, financial, and economic metrics, particularly for generation investments in Senegal because of its limited options.
- Third, realistic policy requirements and consistent messages are important to borrowers. In Senegal, the Bank's stance has fluctuated between a sometimes overly demanding policy agenda and an excessively accommodating position when it came to the government delivering on its key commitments, such as on tariff, all in the context of unwavering and growing financial support.
- Fourth where a country's political timetable is liable to bring significant shifts in policy, a keen appreciation of political economy is necessary.
- Fifth, the Bank has much to gain from locating key operational staff in the field, particularly where a continuous and intense dialogue is required. But field location will only yield benefits if human and budget resources are made available.

Project level lessons include the importance of timely project preparation and realistic analysis of sector finances in facilitating compliance of financial covenants. The assessment also found that the outcome of Independent Power Producer projects cannot be viewed in isolation of broader sector outcomes. Finally, inattention to the good practice principles for application of conditionality can result in policy-based operations that are unbalanced and lack focus.

Sources: IEG's Project Performance Assessment Report on Electricity Sector Efficiency Enhancement Adaptable Program Credit and Energy Sector Recovery Development Policy Credit, 2013

Lessons from Energy Efficiency, Renewable Energy Resources, and District Heating Projects in Croatia

Efficient and renewable energy: laudable goals that stand to have an enormous impact on the environment. Replacing old pipelines, increasing supply and demand for efficiency, and becoming compliant with international energy regulations represent great progress, but attention must be paid to the regulatory environment in which these types of projects operate to produce the most effective development results.

A recent IEG assessment of the development effectiveness of three energy sector projects in Croatia found that while objectives of increasing the demand for and supply of energy efficiency projects and services were partially achieved, a wider competitive market for improving energy efficiency in the private sector has yet to be realized. Thanks to a World Bank-supported project on renewable energy, Croatia's regulatory environment is now compliant with European Union requirements was developed, but only two out of the 15 renewable projects planned were operational at the end of 2012. And the district heating project met its objectives of reducing heat and water losses in the system through replacing old pipelines, but the district heating company was still unlikely to achieve financial viability as losses mounted due to tariffs

The main lessons from the experiences in Croatia were:

- A supportive regulatory environment is crucial for overcoming risk aversion to adopting new financing instruments for energy efficiency projects, creating a level playing field for a competitive energy service company market, and ensuring sustainability of energy services;
- Ensuring reliable means for verifying energy savings provides a clear basis for sharing the resulting gains between the beneficiary and the financing source, and therefore incentivizes energy efficiency efforts; and
- There is a need for the government to coordinate its various ministries to provide common technical and

other support services with a view toward mitigating risks for investors and consumers in renewable energy efforts.

Preview of Upcoming Evaluations

The World Bank's Response to Road Safety

Every year, nearly 1.3 million people die in road accidents, which are now the leading cause of death among people aged 15-29. More than 90 percent of the world's road fatalities occur in low- and middle-income countries, and the most vulnerable road users – pedestrians, cyclists, and motorcyclists – account for half of those deaths. Since road accidents disproportionately affect the poor, road safety has become an economic development issue. The United Nations Global Plan for the Decade of Action for Road Safety aims to reduce by half the predicted level of traffic fatalities in developing countries by 2020, thus preventing five million road traffic deaths and 50 million serious injuries from occurring. As a premier development institution the World Bank has a pivotal role to play in this initiative.

IEG is currently conducting a study on road safety that is examining through analysis and case studies how the Bank's mainstreamed road safety policy is being applied and to what degree success is being achieved. This is a learning product carried out by IEG with the full cooperation of transport operational staff and the Bank's Global Road Safety Facility. Five priority areas, combined as a "safe systems approach," are reflected in the Bank's strategy, namely, road safety management capacity, infrastructure safety, vehicle safety, road user behavior, and post-crash care. IEG is focusing on what level of achievement is feasible in different countries with different levels of development. This study is planned to be completed by June 2014.

An Evaluation of the World Bank Group's Support for Electricity Access

Access to electricity is a necessary input to economic growth and poverty reduction. It is also a key ingredient for achieving the welfare





outcomes of the Millennium Development Goals for health, education, and gender equality. As of 2013, about 1.2 billion people or about one-sixth of the world's population, lack access to electricity. Electricity access is more than a binary metric. It is not only a matter of those who do not have electricity today; it is also very much an issue of the adequacy, reliability, quality, and affordability of access.

IEG is conducting an evaluation that will address to what extent the World Bank Group has been effective in the past and how well is it equipped to put its client countries on track toward universal access to electricity that is adequate, affordable, and of the required quality and reliability. The study uses a country-focused evaluative approach to develop an integrated assessment of the electricity access effort. It aims to obtain evidence-based findings, develop broadly-applicable lessons, and propose recommendations that could enhance the Bank Group's effectiveness in meeting its global commitments in support of achieving universal electricity access. This study is underway and planned to be completed in fiscal year 2015. Access to Electricity for Improving Health, Education, and Welfare in Low- and Middle-Income Countries: A Systematic Review

The impact of electricity access on improving household health and education outcomes, and improved welfare will be assessed through a systematic review which will identify relevant studies and synthesize quantitative and qualitative evidence. The results of this systematic review will also be an input to IEG's evaluation of the World Bank Group's support to electricity access. The systematic review is expected to be completed by March 2015.

Upcoming PPARs

- Project Performance Assessment Report on Second Tianjin Urban Development and Environment Project and the Chongqing Small Cities Infrastructure Improvement Project
- Project Performance Assessment Report on Bangladesh's Rural Electrification and Renewable Energy Development (RERED) Project; Power Sector Development Technical Assistance Project; and Power Sector Development Policy Credit



For more information, visit the IEG webpage at
<http://ieg.worldbankgroup.org>