



1. Project Data:		Date Posted : 07/30/2001	
PROJ ID: P000121		Appraisal	Actual
Project Name: Rural Water Supply & Sanitation Project	Project Costs (US\$M)	15.0	12.7
Country: Benin	Loan/Credit (US\$M)	9.8	8.6
Sector(s): Board: WS - Water supply (70%), Other social services (22%), Sub-national government administration (8%)	Cofinancing (US\$M)	4.0	3.5
L/C Number: C2622			
	Board Approval (FY)		94
Partners involved : DANIDA	Closing Date	12/31/1997	12/31/2000
Prepared by :	Reviewed by :	Group Manager :	Group:
Klas B. Ringskog	Ronald S. Parker	Alain A. Barbu	OEDST
2. Project Objectives and Components			
a. Objectives			
(1) To maximize the impact of safe rural water supply and sanitation (RWSS) facilities; and			
(2) To ensure that the future development of the sector would respond to the demand of the rural population .			
b. Components			
(1) Water supply for about 200,000 people in 400 rural communities in two regions (\$6.6 million, or 58% of base cost);			
(2) Provision of 1,500 Village Level Operation and Maintenance (VLOM) handpumps (\$1.3 million, or 11% of base cost);			
(3) Sanitation and hygiene education (\$1.6 million, or 14% of base cost); and			
(4) Capacity building through training, technical assistance, studies, monitoring and evaluation activities and project management (\$ 1.9 million, or 17% of base cost).			
c. Comments on Project Cost, Financing and Dates			
The project cost at closing was \$ 12.7 million, or 85% of appraisal estimates . However, some works have not yet been completed and the project cost will likely approach appraisal estimates in the end . The financing shares were fairly similar to those appraised: IDA 68% vs. the appraised 65%; DANIDA 28% vs. the appraised 27%; the Government 4% vs. the appraised 3%, and beneficiaries 1% vs. the appraised 5%. The reduction in the financing share of beneficiaries took place both in the water supply and in the sanitation components . The project closing was extended twice, because of delays in making the project effective and to allow the completion of a number of works underway. The total extension of the closing date was three years .			
3. Achievement of Relevant Objectives:			
The two overall objectives were met through the demonstration of the viability of a new sector strategy as enunciated in a policy letter from the Government, and through the construction of systems to meet the environmental sanitation needs in 325 communities.			
Specifically:			
(a) Demand for new systems was generated in some 1,670 systems in which the project could include 325 communities;			
(b) The Directorates of Water Works (DH) and of Hygiene Education (DHAB) were increasingly decentralized to be closer to the communities with a potential demand for RWSS services;			
(c) DH stimulated the demand for piped water systems as distinct from handpumps and allowed the creation of Water Users' Associations (AUE) which facilitated the financial contributions from the communities;			
(d) Per capita project costs were reduced because of greater community sensitivity to costs and, more importantly, because of a modified procurement process aimed at the local private sector rather than at large ICB packages .			
(e) The public sector was disengaged from implementing works and the DH and DHAB increasingly took on the role of facilitators rather than implementers;			

(f) The private sector has been given a larger role, both through consultancy contracts and through works contracts; and

(g) Hygiene and environmental health education have become integrated with community mobilization .

4. Significant Outcomes/Impacts:

The downsizing of the public sector in favor of the private sector and communities is a notable accomplishment .

5. Significant Shortcomings (including non-compliance with safeguard policies):

(1) Tariff setting and collection are the weak points and have not met the appraisal expectations . Unless improved they can imperil the sustainability of the built systems .

(2) The campaigns to stimulate demand for water supply systems proved much more successful than the financial means to respond to demand. The end result was many frustrated communities and a risk to the credibility of future campaigns and programs.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Institutional Dev .:	Substantial	Substantial	
Sustainability:	Likely	Likely	
Bank Performance:	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR:		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

(1) The private sector can respond dynamically to economic opportunities when the public sector is phased out of the preparation and implementation of rural water supply and sanitation works .

(2) The satisfactory outcome of the program was possible because of a relatively significant investment in capacity building, successful partnerships between national agencies and private firms and the communities, and the support of a coalition of external assistance agencies, such as IDA . DANIDA, and UNICEF .

8. Assessment Recommended? Yes No

Why? The audit/assessment should only be programmed after a number of years to test the technical, financial, and institutional sustainability of the systems . The key test would be to assess whether the communities will be able to find the means to replace the major components of the systems that will inevitably wear out . The assessment should only be undertaken as a one of several assessments of projects that have had demand -driven rural water supply and sanitation programs as their principle .

9. Comments on Quality of ICR:

The ICR is incisive, and attempts to assess and quantify not only physical accomplishments but, more importantly, the changes in behavior in government agencies and in the communities . The final answer to these "soft" questions will only emerge after a number of years have passed following project completion (see box 8 above).