

1. Project Data:		Date Posted : 02/10/2011		
PROJ ID : P041528		Appraisal	Actual	
<b>Project Name :</b> Sn-long Term Water Sec Sil (fy01)	<b>Project Costs (US\$M):</b>	248.43	254.61	
<b>Country:</b> Senegal	<b>Loan/Credit (US\$M):</b>	125	146.12	
<b>Sector Board :</b> WAT	<b>Cofinancing (US\$M):</b>	0	0	
<b>Sector(s):</b> Water supply (62%) Sewerage (20%) Sanitation (18%)				
<b>Theme(s):</b> Access to urban services and housing (25% - P) Regulation and competition policy (25% - P) Pollution management and environmental health (25% - P) Participation and civic engagement (25% - P)				
<b>L/C Number:</b> C3470				
	<b>Board Approval Date :</b>		03/06/2001	
<b>Partners involved :</b>	<b>Closing Date :</b>	12/31/2007	06/30/2009	
<b>Evaluator :</b>	<b>Panel Reviewer :</b>	<b>Group Manager :</b>	<b>Group :</b>	
Kristin S. Little	George T. K. Pitman	IEG ICR Review 1	IEGPS1	

## 2. Project Objectives and Components:

### a. Objectives:

The project development objective was to achieve sustainable improvements in the delivery of urban water and sanitation services in unserved and low-income areas of Dakar and secondary cities. The project development objectives in the Development Credit Agreement (DCA) read as follows:

The objective was pursued by (i) supporting further institutional and regulatory reforms and policy enhancements thus consolidating and building on achievements of an ongoing Water Sector Project (WSP - IDA Cr. 2758); (ii) removing major water production and distribution capacity constraints with the help of private sector financing; (iii) supporting the rehabilitation of the sewerage networks and increasing the waste water treatment capacity; (iv) implementing a community-based program for promoting and developing on-site and semi-collective sanitation services; and (v) supporting the development of capacities of sector agencies communities and households.

The PDOs were written slightly differently in the Project Appraisal Document (PAD), but the DCA wording was chosen because it more closely describes the objectives achieved, with the only substantial difference being that part (iv) reads: "implementing a community-based program for *promoting and developing* on-site and semi-collective sanitation services" (emphasis added). The PAD omits the words "promoting and". The project did, however, promote sanitation services through a large hygiene education program that fully reached its targets. The objective was ultimately fulfilled, though the words do not figure in the PAD.

**b. Were the project objectives/key associated outcome targets revised during implementation?**

No

**c. Components (or Key Conditions in the case of DPLs, as appropriate):**

- **Urban Water Supply Component Dakar** (Appraisal estimate US\$117.62 million; Actual US\$122.42 million). Implemented by the national water company (*Societe Nationale des Eaux du Senegal*, SONES), this component was meant to help: (i) increase production and transmission capacity to eventually meet the water demand; (ii) increase the number of water service connections; (iii) restructure Dakar's water distribution network to enable it to handle increased volumes; and (iv) increase water storage capacity.
- **Urban Water Supply Component (Secondary Centers)** (Appraisal estimate US\$11.69 million; Actual US\$13.58 million). This component, also implemented by SONES aimed to help: (i) expand and reinforce the distribution networks in Kaolack, St. Louis and Tambacounda; (ii) expand production and storage capacity; and (iii) provide water service connections and standpipes.
- **Sewerage and Drainage Component** (Appraisal estimate US\$70.17 million; Actual US\$58.82 million). This component aimed to (i) map the sewerage network in Dakar; (ii) provide sewerage connections in Dakar, St. Louis, Louga, and Kaolack (iii) rehabilitate and expand treatment facilities in Dakar and the same secondary towns; and (iv) improve drainage facilities in *Triangle Sud* in Dakar.
- **Peri-Urban Sanitation Subprojects** (Appraisal estimate US\$29.28million; Actual US\$39.09 million). This component was implemented by the Public Interest Works Executing Agency, (*Agence d'Execution des Travaux d'Interet Public*, AGETIP), under an agreement with the national sanitation agency (*Office National de l'Assainissement*, ONAS). It provided grants to communities and households in the peri -urban areas of Dakar to improve their sanitation facilities through (i) the construction of household latrines; and (ii) the construction of semi-collective sanitation systems.
- **Water Resources Management Component** (Appraisal estimate US\$8.57 million; Actual US\$9.94 million). This component was implemented by the Directorate of Water Resources Management and Planning, and aimed to help (i) provide technical assistance to the regulatory functions of the Ministry of Energy and Water (*Ministere de l'Energie et de l'Hydraulique*, MEH); (ii) develop monitoring systems for water quality and groundwater abstraction; (iii) construct small water retention structures; and (iv) rehabilitate dykes and gates around the Guiers Lake.
- **Environmental Management Component** (Appraisal estimate US\$1.55 million; Actual US\$1.78 million). This component was implemented by the MEH. It supported: (i) the development and execution of the Lake Management Plan; (ii) the establishment of the Environmental Mitigation Committee and The Lake Management Commission; (iii) the rehabilitation of ecological conditions in the Ndiael; and (iv) the preparation of rehabilitation studies for the Baie de Hann.
- **Capacity Building Component** (Appraisal estimate US\$8.00 million; Actual US\$8.21 million). This component was implemented jointly by the Ministry of Energy and Water, the National Water Company, and the National Sanitation Agency (MEH, SONES, and ONAS). It aimed to help: (i) increase the efficiency of public entities involved in the water and sewerage sector by strengthening their capacity for planning and management; (ii) restructure the sector's institutional and regulatory framework; and (iii) develop/strengthen the capacity of small private and community enterprises to respond to the demand for services in urban and peri -urban areas.
- **PPF Refinancing** (appraisal estimate US\$1.50 million; Actual US\$0.71 million).

**d. Comments on Project Cost, Financing, Borrower Contribution, and Dates:**

***Project Cost and Financing :***

The actual project cost was US\$254.61, slightly higher than the appraisal estimate of US\$248.43. Although the project components were not revised, the scope of some of the sub -components was modified because of project savings stemming from efficient procurement of works and services under the Urban Water and the Sewerage and Drainage components. The savings helped to finance additional works for Dakar production system including the doubling of the water treatment plant (65,000 m3/d) and to expand the list of secondary urban centers eligible for water works. In addition, the financing source of several activities had to be modified to take into account the actual availability of parallel funding from other sources . The changes did not require Board approval, rather, authorization from the Regional Vice President.

Parallel funding was provided by: African Development Bank (Planned US\$16.62; actual US\$15.15 million); European Investment Bank (Planned 17.22 million, actual US\$14.82 million); *Agence Francaise de Developpement* (Planned US\$29.20 million, actual US\$7.69 million); KfW (planned US\$12.43 million, actual 13.75 million); Nordic Development Fund (Planned US\$ 16.91; Actual 20.16 million); SIDA (Planned US\$0.18 million, actual US\$0.00); UNDP (Planned US\$0.10 million; actual US\$0.00 million); and other private commercial sources (Planned US\$18.00 million, actual US\$21.72 million).

**Bank Credit.** The credit increased from US\$ 125.00 million to US\$146.21 million. No explanation is given in the ICR. According to the Borrower's comments (ICR, Annex 7, page 49) the amount of the Credit in CFAF remained the same as at appraisal suggesting that the increased US\$ disbursement was the result of US\$ devaluation against the CFAF.

**Borrower Contribution :** At appraisal it was expected that the Borrower would contribute US\$ 2.48 million; actual contribution was US\$7.42 million. In addition SONES contributed US\$1.71 million vs US\$1,60 million planned, whilst local communities contributed US\$4.98 million vs US\$8.70 planned.

**Dates:** The implementation schedule was modified and the closing date was postponed by a year and a half (from December 31, 2007 to June 30, 2009) to allow time for the additional works to be executed.

### 3. Relevance of Objectives & Design:

- **Objectives : High**

The project is consistent with some of Senegal's primary development objectives, including the sustainable provision of safe water and adequate sanitation, and the improvement of the viability of the urban water and sanitation sector. Project objectives that focus on service delivery follow on the success of the preceding project that addressed sector reform and building new service delivery institutions. The project was consistent with the sector strategy and with the Bank Group's 1998 Country Assistance Strategy (CAS) whose central objective was to reduce poverty and to improve the living conditions of the population, including the creation of gainful employment opportunities. The project continues to be consistent with the most recent CAS.

- **Design: Substantial**

The project was modeled after a successful ongoing water sector project. It addressed bottlenecks to water supply and sanitation sustainability through physical investments to increase water production capacity. It also provided adequate solutions to boost services coverage, and, unlike the first water sector project, it included the provision of affordable and adapted sanitation facilities. Continued relevance is indicated by the replication of the project's objective, design, and implementation arrangements by the Government in its National Water and Sanitation Millennium Program (PEPAM). The economic justification of the project included a cost benefit analysis that was based partly on the value of health benefits arising from the expansion and improvement of the system. It was impossible to include this measure in the ex-post analysis because baseline data was lacking.

This shortcoming should have been anticipated in the design phase.

The environmental and water resources components appear peripheral to the stated project objectives but were highly relevant. Groundwater is being seriously depleted yet it is the primary supply source for Dakar until alternative surface water supplies are developed. Integrated planning of water supplies is essential to safeguard and sustain supplies and mitigating adverse environmental impacts related to water on public health (e.g., the attention to better management of Guiers lake). Thus design is in accord with the Bank's water resources policy and Senegal's water resources management objectives.

### 4. Achievement of Objectives (Efficacy):

***The project development objective to achieve sustainable improvements in the delivery of urban water and sanitation services in unserved and low -income areas of Dakar and secondary cities was substantially achieved . Overall efficacy is rated substantial .***

***Water production and distribution capacity constraints have been removed .***

Access to water services has improved well above expectations as a result of the project, particularly through private connections that provide better quality and quantity of water.

Water service reached 1,415,000 people (target 1,000,000). Most (96.5%) of those additional people having access to service are supplied by private connections.

The new connections in Dakar (725,000 people) did not meet the target of 800,000 people because the PAD's forecasts overestimated the population's growth. Even so 98% of Dakar's population now have access to reliable and safe water supplies. Compared to the situation in 2001 when the water service in several Dakar areas was chronically intermittent, full-time 24 hours a day, 7 days a week water supply service is now ensured in the capital city.

Achievements outside Dakar were similarly good : 690,000 people were supplied in other urban centers, more than three times the target 200,000 people.

There are no detailed data presented in the ICR about the improvements in service coverage of low -income areas in urban areas outside Dakar. For Dakar the ICR states because the overall access rate of 98% has been achieved "that populations in unserved areas have, to a large extent, benefited from the project " (ICR page 46). The ICR also states (page 13) that about 98,000 people (target 48,000) in peri-urban areas of Dakar and other secondary centers received household connections under the social connection program. This accounts for about 69% of all project beneficiaries. The project's social connection program subsidized the connection cost at 80% on a first-come first

served basis. All households in secondary areas qualified for the social connection program while in Dakar households were qualified only low-income neighborhoods.

**Access to sanitation services also improved markedly, particularly in peri-urban areas that were previously out of reach of Government's interventions.**

The number of additional people having access to sewerage connection increased by 144,000 (target 140,000). There were 92,000 beneficiaries in Dakar (target 90,000) and 52,000 in secondary urban areas (target 50,000). The additional volume of sewage collected and treated in project areas increased was 11,745 m<sup>3</sup>/d (target 10,000 m<sup>3</sup>/day). The project also provided a sustainable disposal solution for the effluents collected from septic tanks with the construction and successful operation of septage treatment plants.

*A community-based program for developing on-site and semi-collective sanitation services greatly exceeded targets.*

The peri-urban sanitation component provided 583,000 people (target 400,000) with access to improved sanitation either through on-site facilities (526,000 people) or through condominiumal systems (57,000 people). Even so only 119 of the 140 planned semi-collective systems were built as actual conditions differed from those assumed at appraisal.

**The project contributed to consolidation of the institutional and regulatory environment that underpins the provision of water and sanitation services.**

Project consultants led the formulation of the Water and Sanitation Millennium Program (*Programme d'Eau Potable et Assainissement du Millenaire*, PEPAM) that was adopted by the government in 2005 and endorsed by the donor community.

The studies for the PEPAM led to the Water and Sanitation Public Service Act that was adopted in 2008;

Performance contracts (which included extensive sets of verifiable indicators) that initially only applied to *Senegal des Eaux* (SDE) were extended to ONAS and SONES.

A five-year extension of the lease contract of the private operating company SDE was successfully negotiated.

However, this did not meet the expectation that the lease would be converted into a 25-30 year concession.

SONES reached financial equilibrium in 2003 when its operating revenues covered its cash operating expenditures and a sinking fund for renewal of capital equipment with a lifespan of less than 15 years. This situation was maintained until 2008 when it experienced negative cash flows, a situation brought about by applying tariff increases after 2006 to public customers only, many of whom were unwilling to pay the discriminatory increase.

ONAS after reaching its financial equilibrium targets experienced similar problems: the coverage of operating and renewal expenditures was 104.4% in 2001 but was 97.7% in 2008 (ICR, page 35). Government required ONAS to participate in alleviation of flood damage in Dakar financed by explicit subsidies (recommended by the tariff study) that did not materialize. As with SONES, the tariff increase to the sewerage surcharge was only applied to public customers.

**Attempts to safeguard Dakar's groundwater resources by reducing groundwater abstraction and implementing plans to utilize alternative surface water resources were delayed.**

The planned reduction in ground water abstraction from the Littoral Nord Aquifer was 3,500 m<sup>3</sup>/day (target 35,000 m<sup>3</sup>/day). The ICR states that the commissioning of additional booster pumps in 2010 to deliver surface water may substantially reduce groundwater abstraction.

The collection rate for the water abstraction tax in 2007 was 45% (target 70%). Current rate is not known.

The Lake Guiers Management Plan was implemented in 2006 but the Act creating the management body for Lake Guiers is still undergoing parliamentary approval.

While access targets were largely met or even surpassed and further progress was made on the institutional front, sustainability of improvements is not entirely guaranteed, due to limited progress on the reduction of groundwater reliance and tariff issues. On balance, efficacy is rated substantial.

#### **5. Efficiency (not applicable to DPLs):**

The project achieved substantial economic efficiency. An ex-post economic analysis was carried out, using a different methodology from the one used in the PAD. The PAD included a costs-benefits analysis of the water and sanitation components (92 percent of the total project costs) that relied partly on a notional assessment of substantial health benefits, which cannot be replicated in the absence of a baseline. For this reason the ex-post analysis followed instead the standard sector methodology: (i) the water supply components (from all financing sources, representing 53 percent of the total project costs), for which quantifiable benefits could be measured (incremental water sales and consumer surplus) were subject to a costs-benefits analysis; and (ii) the sanitation components (38 percent of the total project costs) were subject to a cost-effectiveness analysis.

The results of the costs-benefits analysis of the water components were the following: the economic internal rate of return (EIRR): 12.1 percent, and the net present value (with a 10 percent discount rate): US\$24.7 million. The ex-post EIRR is similar to the PAD estimate without health benefits, which was 12.6 percent. The cost-effectiveness analysis of the sanitation components, carried out on the basis of average investments per capita shows that: (i) the strategic choice made by the Government to develop alternatives to sewerage is the right one as the full cost of developing condominiumal systems and on-site sanitation is much lower than the one of sewerage; whereas (ii) the densification of the existing sewerage network, through sewerage connections programs, is also economically justified.

a. If available, enter the Economic Rate of Return (ERR)/Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation :

	Rate Available?	Point Value	Coverage/Scope*
Appraisal	Yes	12.6%	53%
ICR estimate	Yes	12.1%	53%

\* Refers to percent of total project cost for which ERR/FRR was calculated.

#### 6. Outcome:

The overall outcome of the project is rated **satisfactory**. The relevance of project development objective is rated high. Relevance of design is rated substantial. High efficacy of incremental service coverage is balanced against the substantial efficacy of institutional achievements and modest efficacy of ensuring sustainable groundwater water supplies. Efficiency is rated substantial

a. **Outcome Rating** : Satisfactory

#### 7. Rationale for Risk to Development Outcome Rating:

This project has demonstrated the feasibility of large -scale programs aiming to provide all urban areas with adequate and affordable sanitation. Several cofinanciers of the project have established a Basket Fund to finance an interim program of investments for Dakar spurred by the positive implementation performance and the demonstrated capacity of the public-private partnership. Similarly, other donors, encouraged by the effectiveness of the Performance Contract between ONAS and the Government, are investing heavily in another water sector project ( *Baie de Hann*). Even so, risks remain. Specifically government's new tariff policy has adopted a two -tier approach that has had adverse impacts on the public sector's willingness to pay. The sustainability of Dakar's water supplies are not assured until a comprehensive and integrated water management plan becomes effective.

a. **Risk to Development Outcome Rating** : Moderate

#### 8. Assessment of Bank Performance:

##### **Quality at Entry** : Satisfactory

The Project was highly relevant to the country priorities and the CAS, and built on sectoral reforms and policies that have been successfully tested to promote efficiency in the development and delivery of services. The Bank team covered in-depth social and environmental aspects while properly designing technical and financial aspects of the project. The Bank team, with the assistance of other parts of the Bank Group, notably IFC and WSP, created consensus on project features that were controversial (Dakar's source of supply) and innovative (the on-site sanitation program). The Bank's technical expertise and multi-donor experience help to ensure the soundness of the operation. The implementation arrangements were carefully tailored to the capacities of the various executing agencies and included participation of beneficiaries through a demand -driven approach. Project preparation also built on the satisfactory fiduciary compliance demonstrated under the previous project, with the necessary adjustments required to take into account the involvement of less experienced executing agencies. The budget devoted to preparation (US\$904,900 and several trust funds) was commensurate with the scope and the complexity of the operation and reflects the level of support provided by the sector and country management.

There were some bumps in the road, however. Implementation delays occurred in the peri-urban sanitation component because contributions expected from households were too high, and NGO capacity was overestimated. Subsequently, contributions were adjusted to 25% (down from 50%), and outreach responsibilities were shifted to community-based organizations, which were closer to the households.

##### **Quality of Supervision** : Highly Satisfactory

A productive relationship was built between the Bank and Borrower's teams, and supervision missions were fielded regularly. The task manager resided in Dakar from 2002 to 2006, facilitating regular interaction with the Government. The team closely monitored progress, enabling the Bank and Borrower to make timely course corrections. For instance, the peri-urban sanitation component faced serious start-up problems due to the fact that the households' contribution (50 percent of the cost of the facilities) was perceived as too high and that the large-scale NGOs involved in outreach activities were not able to communicate and work efficiently with beneficiaries. Modifications were rapidly brought to (i) decrease the contribution to 25 percent; and (ii) shift

outreach responsibilities to community-based organizations, which were closer to households. The pace of execution was then multiplied by a factor of ten. Staffing was appropriate, with a high level of continuity, and Bank staff were able to participate in numerous workshops organized by the project coordination unit (PCU). The team included a senior safeguard specialist with in-depth knowledge of the project areas.

**a. Ensuring Quality -at-Entry**:Satisfactory

**b. Quality of Supervision** :Highly Satisfactory

**c. Overall Bank Performance** :Satisfactory

#### 9. Assessment of Borrower Performance:

- **Government Performance** : Satisfactory

The ICR reports that the project was high on the Government's priority list and the government provided strong leadership during project preparation. Its commitment to the development objective and to the continuation of the reform was unquestionable and the Government performance was highly satisfactory during preparation. The Government's commitment and leadership was essential in ensuring the unusually broad participation of donors in this operation and involvement of all other stakeholders. The Government facilitated the timely approval of tariff increases and revision of the tariff structure until the sector achieved its financial equilibrium at the end of 2003 but thereafter its two-part tariff policy backfired. Counterpart funds were provided on a timely basis. In addition it took over the financing of the drainage component causing its overall contribution to rise by 300%. These achievements come with two shortcomings, however. There were multiple ministerial reshuffles, and oversight was dispersed across several ministries during the course of the projects, weakening project plans. In addition, the government record for timely water consumption payments, while exemplary until 2007, fell behind thereafter.

- **Implementing Agency Performance** : Satisfactory

The implementing agencies participated actively in project preparation and contributed substantially to the quality at entry of the operation. The national water company (SONES) enabled timely and efficient physical implementation, procurement, and contract management led to substantial savings of about US\$ 25 million, (including contracts not financed by IDA). The Project Coordination Unit (PCU) performance was highly satisfactory, particularly at coordination. This was especially important when sector responsibilities were divided between different ministries. In addition, the PCU disseminated studies and organized workshops to discuss policy options and gather the views of all stakeholders, including the civil society. The PCU also effectively carried out its monitoring and reporting responsibilities, and its fiduciary responsibilities, including the quality control of procurement. The national sanitation agency (ONAS) successfully implemented the sewerage component, but with delays attributable to the lack of full autonomy of the agency. A high turnover rate of senior staff contributed to its difficulties and hampered improvements of the agency's financial system. The situation was remedied in 2008, and the operating performance, particularly for the treatment plants, was adequate. The directorate of water resources planning and management (DGPRES) improved with its transformation in a full ministerial directorate and it was clearly committed to improving the sustainability and the monitoring of water resources. DGPRES worked effectively with the directorate of environment and classified establishments to establish the monitoring of the water quality of the Guiers Lake and with the PCU to improve its procurement performance.

**a. Government Performance** :Satisfactory

**b. Implementing Agency Performance** :Satisfactory

**c. Overall Borrower Performance** :Satisfactory

#### 10. M&E Design, Implementation, & Utilization:

- **Design**: Appropriately, the M&E indicators closely measured the degree to which the objectives were being achieved. All access indicators were unambiguous and consistent with external evaluations. Performance contracts were used, and included extensive sets of verifiable performance indicators.
- **Implementation**: Project supervision missions focused on the levels of key performance indicators the project coordination unit (PCU) effectively carried out its monitoring and reporting responsibilities.
- **Utilization**: Results of the monitoring and evaluation activities served IDA supervision missions and triggered, where necessary, detailed recommendations to the Government and executing agencies. Beyond monitoring project performance, M&E results were also used extensively in the preparation of the National Water and

Sanitation Millennium Program (PEPAM) prepared by the Government to achieve the Millennium Development Goals (MDGs).

**a. M&E Quality Rating :** Substantial

**11. Other Issues (Safeguards, Fiduciary, Unintended Positive and Negative Impacts):**

- **Safeguards.** Key issues identified at appraisal were : (a) a 37% increase in safe water supply in Dakar would contribute to improved health, as polluted sources for drinking water are reduced, especially in the peri -urban fringe areas where water-borne diseases caused by contaminated water are endemic; (b) mining of the ground water-reserve aquifers would be reduced by monitoring over -pumping and a study of recharge of depleted aquifers, including artificial recharge; (c) waste water would be treated and disposed of as water is supplied to new consumers in low-density areas where soil conditions are conducive to septic tanks or seepage pits; (d) sewerage and sanitation master plans for 19 centers will be prepared. An education program to raise environmental awareness and systematic consultation with local communities potentially affected by construction are included . No resettlement was foreseen . An assessment of the environmental management plan reported in the ICR found that measures were satisfactorily carried out and that the social safeguards were complied with. The ICR assessment also found that the mitigation measures related to the environmental impact of the additional wastewater generated by the project had been particularly efficient .
- **Fiduciary.** The project's accounting and financial management reporting systems, including arrangements for audits, were satisfactory, and the credit was fully disbursed . The performance of the project executing agencies in terms of procurement was also satisfactory . The project's procurement and financial management was continuously rated satisfactory in the ISRs and the ratings were confirmed by the ex -post assessments that were carried out in May 2009 as part of the preparation of the next IDA-financed operation .

<b>12. Ratings :</b>	<b>ICR</b>	<b>IEG Review</b>	<b>Reason for Disagreement /Comments</b>
<b>Outcome :</b>	Highly Satisfactory	Satisfactory	While service provision exceeded expectations, there are some doubts about sustainability of groundwater supplies and the viability of governments current tariff policies .
<b>Risk to Development Outcome :</b>	Negligible to Low	Moderate	A sustainable integrated water supply system utilizing both groundwater and surface water has yet to be realized . Government's tariff policy is having adverse impacts on public sector's willingness to pay.
<b>Bank Performance :</b>	Highly Satisfactory	Satisfactory	Project design incorrectly estimated household willingness to pay and NGO capacity to oversee the activities in the peri-urban sanitation component . Though the situation was turned around through effective supervision, the misstep led to implementation delays.
<b>Borrower Performance :</b>	Satisfactory	Satisfactory	
<b>Quality of ICR :</b>		Satisfactory	

**NOTES:**

- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate .

**13. Lessons:**

This project generated some broadly applicable lessons :

- **The long-term commitment of IDA in Senegal was a major factor of success** . It meant that the Bank was able to: (i) play a catalytic role in leveraging investment funding from other donors; (ii) smooth friction and bring a cooperative spirit; and (iii) provide continuous support to the full execution of contractual and regulatory obligations.
- **Determining willingness to pay for peri -urban sanitation is vital for success** . The peri-urban sanitation component faced serious start-up problems due to the fact that the households ' contribution (50 percent of the cost of the facilities) was perceived as too high and that the large -scale NGOs involved in outreach activities were not able to communicate and work efficiently with beneficiaries . Modifications were rapidly brought to (i) decrease the contribution to 25 percent; and (ii) shift outreach responsibilities to community -based organizations, which were closer to households . The pace of execution was then multiplied by a factor of ten .

**14. Assessment Recommended?**     Yes     No

**Why?**    What made it work? This project could be evaluated in conjunction with the other water sector projects in the country in a cluster PPAR to evaluate the effects of a long term approach to lending for water . This could feed into a follow up of the recent water study

**15. Comments on Quality of ICR:**

The ICR is well organized and covers, in depth, all of the required areas . Evidence is given throughout the document to back up what is reported . The lessons given in the ICR, while valuable, and consistent with lessons learned elsewhere, do not necessarily flow from the information provided in the ICR . A table in the Borrower ICR (4.1.1) had actual costs in CFA francs, but not in US dollars . When the initial component amounts in CFA francs were compared to those in dollars, the figures did not correspond .

**a.Quality of ICR Rating** : Satisfactory