



1. Project Data:		Date Posted : 06/27/2002	
PROJ ID: P006206		Appraisal	Actual
Project Name: Rural Wtr & Sanit	Project Costs (US\$M)	48	45.55
Country: Bolivia	Loan/Credit (US\$M)	20	17.18
Sector(s): Board: WS - Water supply (50%), Sanitation (24%), Other social services (19%), Central government administration (4%), Sub-national government administration (3%)	Cofinancing (US\$M)	15	14.6
L/C Number: C2806; CP821			
	Board Approval (FY)		96
Partners involved : OPEC; IDB.	Closing Date	12/31/2000	06/30/2001
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components

a. Objectives

The overall objective of the project was to alleviate rural poverty by enhancing productivity through improved health conditions and a more efficient use of time saved collecting water. The specific objectives of the project were to:

- increase the coverage and sustainable use of water and sanitation services in rural communities and municipalities;
- assist local water & sanitation units in developing capacity to provide technical assistance to municipal governments and local communities;
- support the sustainability of water & sanitation services through training of community-level operators and administrators; and
- strengthen the capacity of the National Directorate for Water and Sanitation (DINASBA) to formulate policies, prepare technical standards and mobilize financial resources.

b. Components

Infrastructure component (US\$ 35.7 million, about 74% of total project cost) will provide: (a) water supply facilities - both gravity-fed and pumped - as well as shallow wells with hand pumps and rainwater catchments; and (b) small-scale wastewater collection facilities, treatment and disposal systems, and latrines.

Institutional component (US\$8.3 million, about 17% of total project cost) includes: (a) support to National Directorate of Water and Sanitation (DINASBA) and Departmental Water and Sanitation Units (UNASBA); (b) technical assistance to strengthen sector institutions and communities to provide safe, reliable and sustainable water and sanitation services; and (c) training to stakeholders and institutions which provide training to municipalities and communities in administration, operations and maintenance (of water and sanitation systems) and operators and administrators of those systems in beneficiary communities.

Revised Components:

The physical targets for water and sanitation were revised downwards at the mid-term review to reflect the reality of the situation. The changes were mainly due to: a) the realization that the communities clearly preferred gravity -fed systems with house connections; b) the increased number of systems using pumped sources; c) the per capita costs were found to be higher than originally estimated.

c. Comments on Project Cost, Financing and Dates

At appraisal, total project cost was estimated at US\$48 million. The final cost was US\$45.55 million. At appraisal

the credit was US\$20 million. At project closing US\$17.2 was disbursed. The project closed on June 30, 2001, six months after the original closing date.

3. Achievement of Relevant Objectives:

The project achieved all of its major objectives.

- The revised Mid-Term Review physical targets were largely met - 90% for water supply and 193% for sanitation. Water coverage for rural population increased from 24% in 1995 to 33% in 2000. The ex-post ERR for water component is 13%. According to the Impact Evaluation Study, the project contributed to the reduction in under 5 child mortality rate.
- The project introduced demand based approach in which the beneficiaries have the choice of technologies and type of services. The project assisted in the development of low-cost technologies for water supply.
- The project was successful in building local capacity to manage water supply and sanitation facilities. Water management entities (CAPY's) were created at community level to manage operations and maintenance of water systems. At the national and departmental level, the capacity of DINASBA and UNASBA have also been strengthened.
- The project provided extensive training to community level operators and administrators. Also, training on hygiene education was provided at household and school level.
- Technical norms and standards for design and construction of sewerage and wastewater treatment plants were developed and adopted.

4. Significant Outcomes/Impacts:

1. The project introduced new concepts in the rural water supply and sanitation sector such as demand-based approach and beneficiary contribution to the management of water and sanitation systems.
2. The project assisted in creation of community level water committees in charge of management of water supply and sanitation facilities. Tariff and cost recovery are an integral part of water committees agenda.
3. The project developed database and information system for rural water and sanitation. This data system is being used as a model in other rural water projects in the region.
4. The project lessons have been a basis for further decentralized water and sanitation investments in Bolivia.

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

- About one third of the houses show more than 5 fecal coliforms per 100 ml. Also, there is significant variation in contamination frequency. It is not clear from the ICR if there is any change in water quality.
- There are some questions about financial sustainability. While tariffs are being collected, the ICR notes that they are variable and occur with many months of delays.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Institutional Dev.:	Substantial	Substantial	
Sustainability:	Likely	Likely	However, there are some concerns about the extent of cost recovery for system replacement.
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:

The ICR contains a very good set of structured lessons. Three are repeated here:

- Sustainable rural water supply and sanitation facilities are possible through a demand-driven rural water supply and sanitation strategy based on strong community participation. This can be achieved through the establishment of village-based committees .
- Significant investment in capacity building through training and technical assistance is important to build successful partnerships between national agencies, municipalities and the communities.
- Demand for sanitation has to be generated mainly through a process of hygiene awareness and education.

8. Assessment Recommended? Yes No

Why? This project was assessed together with the Second Social Investment Fund project (WSS

component)

9. Comments on Quality of ICR:

The quality of ICR is above average. It provides a very good description of project results and evaluation. It contains detailed economic analysis of project components. The table on key performance indicators and comparison of actuals with appraisal and mid-term targets is noteworthy. However, the issue of cost recovery could have been more fully addressed.