



IDA15 MID-TERM REVIEW

A Review of the Use of Output-Based Aid Approaches

**International Development Association
Global Partnership on Output-Based Aid (GPOBA)
Finance, Economics and Urban Department**

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ABBREVIATIONS AND ACRONYMS

AAA	Analytic and Advisory Activity
ADB	Asian Development Bank
AfDB	African Development Bank
AFR	Africa Region
APL	Adaptable Program Loan
CBO	Community-Based Organization
CCT	Conditional Cash Transfer
CREMA	Contrato de Recuperacion y Mantenimiento (performance-based roads rehabilitation and maintenance contract)
DFID	Department for International Development (United Kingdom)
DGIS	Directorate General of Development Cooperation (the Netherlands)
DPL	Development Policy Loan
ECA	Eastern Europe and Central Asia Region
EAP	East Asia and Pacific Region
ESMAP	Energy Sector Management Assistance Program
EMW	East Meets West Foundation
FITEL	Fondo de Inversion en Telecomunicaciones (Peruvian telecommunications investment fund)
FONDETEL	Guatemalan Rural Telephony Development Fund
FPD	Finance and Private Sector Development
GAVI	Global Alliance for Vaccines and Immunization
GEF	Global Environment Facility
GPOBA	Global Partnership on Output-Based Aid
GtZ	Deutsche Gesellschaft fuer technische Zusammenarbeit (German bilateral aid agency)
HH	Household
IBRD	International Bank for Reconstruction and Development
ICR	Implementation Completion and Results Report
ICT	Information and Communication Technology
IDB	Islamic Development Bank
IDCOL	Infrastructure Development Company Limited
IDA	International Development Association
IDTR	Infraestructura Descentralizada para la Transformación Rural (Decentralized Infrastructure for Rural Transformation project in Bolivia)
IEG	Independent Evaluation Group
IFC	International Finance Corporation
IFR	Interim Financial Report
ISR	Implementation Status Report
KfW	Kreditanstalt fuer Wiederaufbau (German bilateral development bank)
kWH	Kilowatt hour
LCR	Latin America and Caribbean Region
M&E	Monitoring and Evaluation
MENA	Middle East and North Africa Region
MIGA	Multilateral Investment Guarantee Agency
MTR	Mid-Term Review
NDF	Nordic Development Fund
NGO	Non-Governmental Organization
MWC	Manila Water Company

ABBREVIATIONS AND ACRONYMS (CONT'D)

OBA	Output-Based Aid
OM	Operations Manual
OPCS	Operations Policy and Country Services
PAD	Project Appraisal Document
PID	Project Information Document
PDO	Project Development Objective
POP	(Internet) Points of Presence
PPIAF	Public-Private Infrastructure Advisory Facility
PPP	Public-Private Partnership
PSD	Private Sector Development
PV	Photovoltaic
RBF	Results-Based Financing
SAR	South Asia Region
SDN	Sustainable Development Network
SHS	Solar Home System
SIDA	Swedish International Development Agency
SIL	Standard Investment Loan
SOE	State-Owned Enterprise
SWAP	Sector-Wide Approach
USAID	United States Agency for International Development
WBG	World Bank Group
WSP	Water and Sanitation Program

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Executive Summary

- i. A paper on the use of output-based aid (OBA) approaches had been presented at the time of the IDA14 Mid-Term Review (MTR). While recognizing that it was still too early to draw definitive conclusions, the progress of the pilot program was welcomed and IDA was encouraged to selectively scale it up. This paper provides an update of the progress made over the last three years.
- ii. **OBA is a results-based financing mechanism** under which service provision is contracted to a third party, usually a private sector operator, and subsidies (either one-off, transitional or continuing) are paid to the provider after the delivery of specific outputs. Basic services supported through OBA typically include improved water supply, energy, health care, education, information and communications technology (ICT) and transport. OBA schemes are often a component of public private partnerships (PPPs) with a specific focus on ensuring that the poor benefit from the PPP scheme.
- iii. **Increased use of OBA in IDA countries.** A recent review of the OBA approach has identified 127 projects, with a total subsidy value of about US\$3.5 billion which have been implemented or are underway in the World Bank Group (WBG). Out of these projects, 90 are located in IDA or blend countries with a subsidy value of about US\$1.6 billion. The sectors in IDA countries with most funding allocated to OBA are transport (45 percent) and health (30 percent), followed by education, energy, water and sanitation and Information and Communication Technology (ICT).
- iv. The use of OBA in IDA countries has increased over time – from 13 projects for a subsidy amount of US\$420 million approved during the IDA12 period (i.e., FY00-02) to 35 projects valued at US\$580 million approved during IDA14. Since the start of IDA15 in July 2008, six projects have been approved and an additional 10 are under preparation.
- v. **The use of OBA in the World Bank.** IDA and IBRD increased the use of OBA approaches in some sectors: between fiscal years 2000 and 2008, projects using an OBA approach were approved in the transport, ICT, health, water & sanitation, energy, and education sectors. The largest share of OBA projects within sectors was in the ICT sector (11.1 percent) followed by health, nutrition and population (7.4 percent), and transport (4.1 percent).
- vi. Beyond IDA and IBRD financing, the World Bank Group also helps pilot OBA projects through the Global Partnership on Output-Based Aid (GPOBA), a multi donor-funded Global Program with support from DFID, the Netherlands, Australia, and Sweden, and funding from the IFC through the Performance-Based Grants Initiative. GPOBA has undertaken pilots and scaling up of OBA in rural electrification, water and sanitation and health in IDA countries.
- vii. **OBA schemes have also been identified outside the WBG** – both in developed and developing countries. Donors are supporting OBA, such as KfW in the health and renewable energy sector or Directorate General of Development Cooperation (DGIS) with the Energizing Development program, implemented by GtZ in energy. OBA schemes that do not involve donor support are mainly found in middle-income (IBRD) countries which are able to fund the subsidy schemes largely from cross-subsidies or tax revenue.

viii. **OBA projects are delivering outputs.** The 32 ongoing or closed OBA projects for which information on beneficiaries reached is available, have reached 17.3 million people - increasing access to energy for 5.7 million beneficiaries, providing education to 2.7 million poor children, improving health care coverage for nearly 1m people and improving access to clean water for over 900,000 poor people. A total of 87,591 km of roads were or are being rehabilitated and maintained under projects that are currently active or closed. The 14 closed projects for which information is available have benefitted 12.5 million people (with 15 percent more beneficiaries than planned being supported, see Annex III). Out of 22 closed OBA projects with Implementation Completion and Result Report (ICR) ratings available, 90 percent of development outcomes were rated either ‘satisfactory’ or ‘highly satisfactory’.

ix. **OBA projects include a number of inherent characteristics which resulted in improved aid effectiveness.** In addition to the quantitative outputs from OBA projects, they also improved aid effectiveness through: increased transparency resulting from the explicit targeting of subsidies; increased accountability by shifting performance risk to service providers; increased engagement of private sector capital and expertise to serve the poor; innovation and efficiency; increased sustainability of public funding; and enhanced monitoring of results since payments are made against agreed outputs.

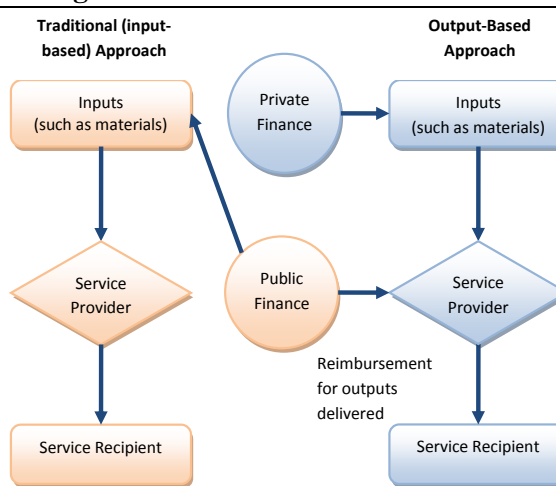
x. **Challenges.** One key country level challenge is the degree of development of the private sector, particularly, of the ability of service providers to pre-finance the outputs before being reimbursed by the OBA subsidy. Another challenge is the absence of enabling factors (including transparent legal or regulatory arrangements for tariff setting and adjustment) that support the development, monitoring and adjustment of output-based contracts. An important challenge for the World Bank to scale up OBA operations is to reconcile the Bank’s traditional approach of input-based financing (based on expenditures) to an output-based approach. There are currently important efforts underway in the Bank to facilitate a greater focus on results, and which should have a positive impact on the frequency of results based financing mechanisms, including OBA, being incorporated in project design.

xi. **OBA is consistent with IDA’s country-based model and results agenda.** OBA shows promise to help the poor gain access to basic services. The inclusion of OBA in Poverty Reduction Strategies, Country Assistance Strategies and investment lending operations can also help sharpen the focus on results and improve the accountability of project implementers for the achievements of those results. Finally, the use of OBA can also help with the pooling and coordination of donor efforts and provide an incentive for strengthening local systems of results monitoring and measurement. Some *strategic guidance* has been provided by including OBA in the 2008 Sustainable Infrastructure Action Plan (World Bank 2008), the 2009 Private Sector Development (PSD) Strategy Update (World Bank 2009), and the 2007 World Bank Strategy for Health, Nutrition and Population (World Bank 2007). The *Investment Lending Reform* (World Bank 2009) in the coming year is exploring the possibility of introducing a programmatic instrument that would be designed to support a government’s program in a particular sector or subsector with a clearly defined results framework.

I. Background

1. **OBA is a results-based financing mechanism¹** that supports the provision of basic public services by delegating the delivery of outputs, such as working water connections, to a third party (typically a private operator) in exchange for the payment of a “subsidy” upon delivery of specific outputs. OBA explicitly addresses a funding gap between the cost of service delivery and the beneficiaries’ ability and willingness to pay user fees for the service.² Subsidies are only disbursed after services have been provided and independently verified. OBA requires the service provider to pre-finance inputs and thus to bear some of the performance risk of the project (See Figure 1).

Figure 1. OBA vs. Traditional Aid



Source: Brook and Petrie, 2001, GPOBA

2. **History of OBA.** The idea of paying based on results achieved, rather than for inputs, is not new and the earliest OBA scheme identified provided reproductive health care services in South Korea in the 1960s. However, in recent years the concept of OBA was formalized to allow for systematic analysis and a review of lessons learned that could result in the wider use of output-based approaches. When OBA was launched in the WBG with the 2002 PSD Strategy³, 22 OBA projects with a total estimated value of about US\$100 million were identified.^{4 5} By the time that a 2009 review of the OBA approach,⁶ was conducted, there were 127 projects (37 in IBRD countries and 90 in IDA or blend countries) reaching 59.5 million beneficiaries

¹ In contrast to other results-based mechanisms, such as carbon finance, conditional cash transfers and results-based incentive schemes in the health sector, OBA explicitly addresses a funding gap between the cost of service delivery and the beneficiaries’ ability to pay.

² In some cases, for example for public goods such as roads, user fees may be zero.

³ World Bank. 2002. *Private Sector Development Strategy - Directions for the World Bank Group*. Washington DC: World Bank.

⁴ However, since the PSD Strategy, some additional projects of fairly large subsidy value have been identified that were approved before 2002, while some of the other projects identified at the time did not materialize or the OBA component was dropped.

⁵ World Bank. 2009. *Output Based Aid- A Compilation of Lessons Learned and Best Practice Guidance*. Internal Report, Washington DC: World Bank.

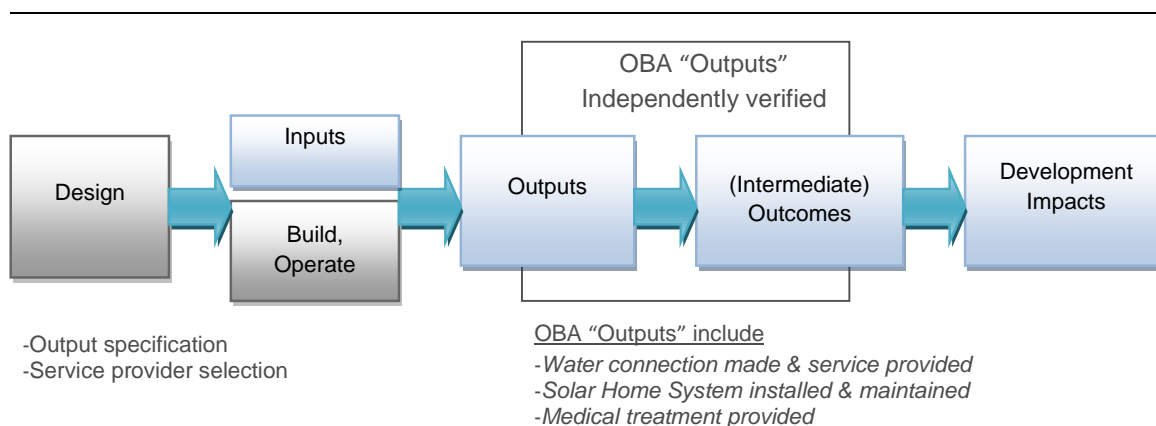
⁶ “Output-Based Aid – A Compilation of Lessons learned and Best Practice Guidance” (World Bank 2009). The review was jointly undertaken by the Global Program for Output Based Aid and the IDA/IFC Secretariat. GPOBA continues to identify OBA projects within and outside of the Bank; the figures here reflect projects identified up to April 30, 2009. For a summary of the review methodology, please see Annex IV. Much of the work was conducted in-house by the GPOBA monitoring and evaluation team (M&E team), which is tasked with documenting and disseminating lessons learned – both best practice and challenges – from OBA schemes in and outside the WBG.

worldwide⁷ at a total subsidy value of about US\$3.5 billion.⁸ However, the funding volume for OBA projects is concentrated in 13 projects in health and transport with a total subsidy amount of US\$2.46 billion. In a number of cases, OBA components are part of a larger traditional project and in such cases only the amounts for the OBA component were considered.

3. **Defining ‘Outputs’.** OBA aims to fund ‘outputs’ that are under the control of the service provider while being closely linked to the desired outcome or impact (Figure 2). Traditional procurement contracts services at the ‘input’ end of the spectrum, with the government purchasing specific ‘inputs’ and using these to build assets and provide services itself. Contracting ‘closer to the input end’ (e.g., the construction of water treatment plants) does not guarantee that the inputs the government purchases actually lead to the desired outputs (i.e., consumption of clean water), outcomes (a reduction in water-borne diseases) or impacts (improved long term health) intended by the project. However, contracting for the desired outcomes or impacts is usually not feasible, particularly when outcomes and impacts depend on factors outside the service provider’s control (e.g., reduced child mortality). A well-defined output that is linked to the desired outcomes and impacts, while being reasonably under the control of a service provider, could consist of connecting a household to the water network and providing water for a specified period of time, demonstrated through billing or collection records. While the connection indicates a household’s access, successful billing indicates that the household actually benefits from water provision.

4. **Contracting for Outputs.** Under OBA schemes, services are contracted out to a third party provider, and the contract or other legal arrangement is the mechanism through which the output-based disbursement criteria are established. The ‘third party’ in OBA schemes is typically a private enterprise, but could also be a public utility, Non-Governmental Organization (NGO), community-based organization, or a well-run publicly owned company.

Figure 2. Contracting Spectrum



⁷ Data on the number of beneficiaries is not readily available for all projects. It is particularly difficult to obtain for public access projects in ICT or roads transport.

⁸ This figure excludes related government subsidy co-financing of US\$2.8 billion, which raise total value of WBG OBA schemes including co-financing to US\$6.3 billion.

5. **Applications of OBA subsidies.** OBA schemes can provide subsidies in three ways: one-off subsidies such as connection subsidies; transitional tariff subsidies which taper off as user contributions increase; or, ongoing subsidies. The subsidy design chosen will depend on factors such as the sustainability of the funding source, the capacity for administering the subsidy scheme, the type of service to be subsidized, and the extent to which the service provider is willing and able to be paid over time.

- (a) *One-off subsidies* are the most common and used in 101 out of 127 projects. One-off subsidies buy down the capital cost required to obtain access to a given service, typically reducing the connection fees users have to pay in order to gain access to a service. The service provider will pre-finance part of the connection to be subsidized and is reimbursed through the OBA subsidy *after* the targeted beneficiaries are connected to a network and connections are independently verified.⁹
- (b) *Transitional subsidies* were identified in three projects, two of which combined transitional subsidies with one-off subsidies. Transitional subsidies can be used to support tariff reforms, where a subsidy is used to fill the gap between what the user is deemed able and/or willing to pay and the cost-recovery level (e.g., long-run marginal cost) of the tariff. Transitional subsidies are phased out over time as user contributions increase to a cost-covering level and/or utilities become more efficient so that tariffs can rise more slowly than beneficiaries' incomes and/or inflation.
- (c) *Ongoing subsidies* were identified in twenty-five of the reviewed projects. On-going subsidies may be required in cases where there is a continuous gap between affordability and cost recovery. They are mainly used in situations where there is some agreement that the public sector should have a long-term role in funding services (e.g., health care) or where cost-covering user charges are not deemed feasible (e.g., roads transport). As in the case of transitional schemes, ongoing subsidies should be paid out against pre-determined targeted outputs in order to be considered OBA.

6. **OBA in the context of the Results Agenda.** OBA is an important part of the WBG's spectrum of results-based solutions for development finance. For example, OBA is one key element of a broader universe of results-based financing (RBF) in the health and education sectors, where RBF is "a payment made to a provider, payer or consumer when measurable actions are taken or defined performance targets are achieved"¹⁰. Other results-based approaches include conditional cash transfers (CCTs – which can be a part of RBF in health, but are also used in education), performance-based contracting to improve the efficiency of utilities, and

⁹ Given that in OBA approaches the emphasis is on service delivery rather than on physical connections, even in the case of one-off subsidies a portion of the subsidy may be withheld and paid only after verification of a certain number of months of satisfactory service delivery (hence a mixture of 'outputs' and 'intermediate outcomes' against which one-off subsidies are disbursed to provide a measure of improved access).

¹⁰ Brenzel, Logan, Caryn Bredenkamp, Joseph Naimoli, Amie Batson, Rachel Skolnik, and Antony R. Measham. Taking Stock: World Bank Experience with Results-Based Financing (RBF) in Health. Washington, D.C.: The World Bank, 2009.

carbon finance, where payments are made based on demonstrated reduction of greenhouse gas emissions.

7. **OBA as part of a country-based development model.** The advantages of OBA discussed in this paper make OBA a good tool to be used as part of IDA's country-based development model.

- OBA can help donors to align around country-driven goals. While donor activities often focus on traditional project aid that uses complex centralized systems to finance inputs, such as drugs or salaries of medical staff, OBA focuses on funding based on results. Pooling donor funds to pay for results, such as medical treatments, delegates the coordination to qualified service providers with a financial incentive to find efficient solutions to reach those goals.
- OBA provides a mechanism of mutual accountability that can help the goal of the country-based development model of ensuring “that both national governments and donors are responsible for meeting their commitments to country-based development.”¹¹
- OBA can assist in the definition of outputs and outcomes in Bank Results-Based Country Assistance Strategies, especially in IDA countries that need to strengthen their results focus.

II. OBA Projects in the Bank and beyond

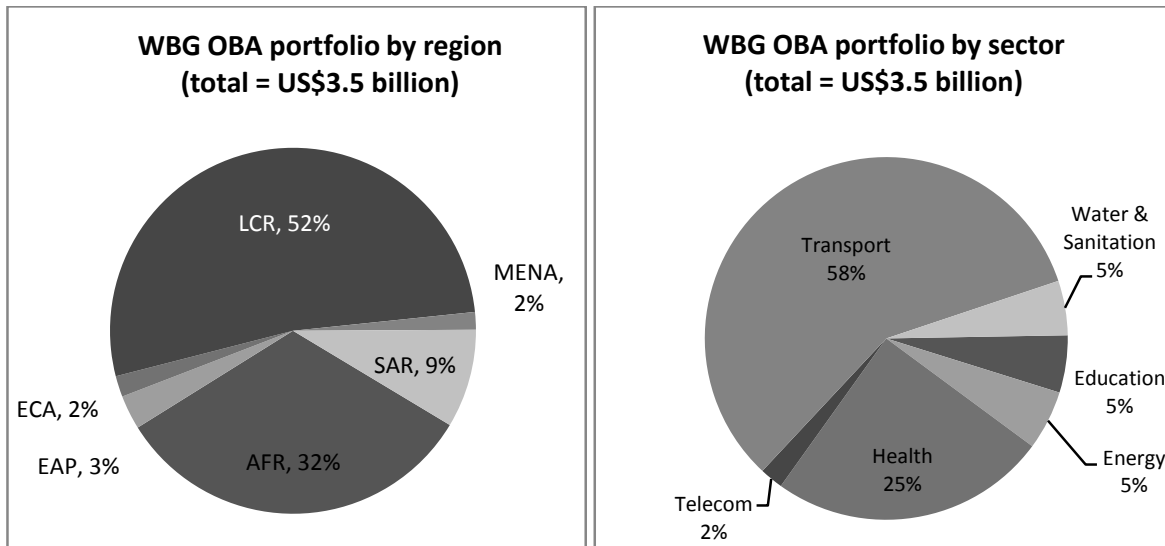
8. **Development of the OBA portfolio.** At the time of the PSD Strategy Implementation Progress Report in 2003,¹² 22 OBA projects with a total estimated value of about US\$100 million had been identified.¹³ By 2009 this had grown to about 127 OBA projects in the WBG; 35 are closed, 78 are under implementation and 14 are in design stage. This review draws mostly from the closed projects and those under implementation, although there are also some important lessons to be learned from project design. An additional 66 OBA schemes have also been identified outside the WBG, mostly in the ICT, transport (mainly roads), and energy sectors.

¹¹ World Bank. *The Country-Based Development Model and Scaling Up*. PREM Poverty Reduction Group Number 2, Washington, D.C.: World Bank, 2007.

¹² World Bank. *Private Sector Development Strategy - Implementation Progress Report*. Washington DC: World Bank, 2003.

¹³ Since then, the number of projects identified that were approved before 2003 has risen to 33, with a total funding amount of US\$1.3 bn.

Figure 3. Volume of OBA Subsidy by Sector and Region in the WBG



9. **Share of WBG operations using OBA.** While OBA projects have increased significantly since 2000, this is an approach which can be used only selectively and cannot be utilized for projects financing large upstream investments (e.g., power, mining, railways and ports). Consequently, the overall share of OBA in project volumes has ranged from between 0.28 percent and 8 percent of project volume approved each year. In some sectors, volume has been larger with 11.1 percent of funding volume in the ICT sector,¹⁴ 7.4 percent in the health, nutrition and population, and 4.1 percent in transport.

10. **OBA projects by region and sector.** The regional and sector breakdown of OBA projects and OBA components in projects is provided in Table 1 below. As the table shows, most of the projects in the WBG are currently in the Africa Region (due to recent piloting efforts by GPOBA) and in Latin America and the Caribbean Region (where the first OBA pilots in many of the sectors reviewed began).¹⁵ In terms of funding, LCR accounts for 52 percent of the total volume, while AFR accounts for 32 percent. (Figure 3).

¹⁴ However, the overall ICT portfolio is relatively small (US\$657 million), compared for example to transport (over US\$30 billion), which is both a result of the relatively small number of ICT projects funded and the fact that ICT projects are financed through levies on service providers, not donor funds. Therefore the exact subsidy amounts depend on service provider revenues and are unknown at the start of the project. The review identified at least US\$6.2 billion in levies that were used to fund universal access funds.

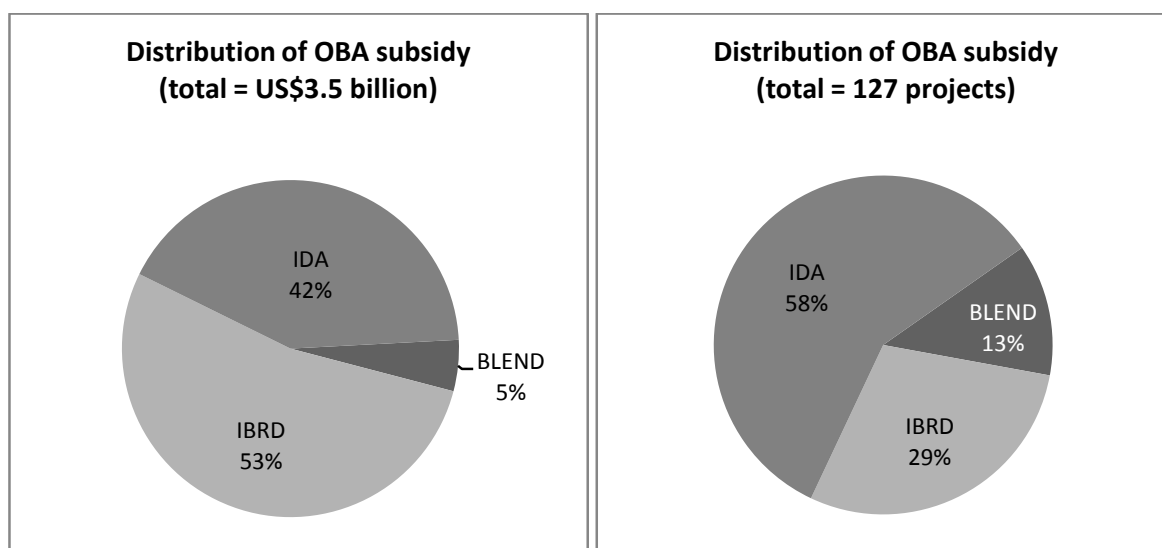
¹⁵ Projects outside the WBG were overwhelmingly in the ICT, transport (i.e., roads), and energy sectors, and predominantly in Latin America.

Table 1. Distribution of OBA Portfolio by Sector and Region

	Water & Sanitation	Energy	Transport	Health	Telecom	Education	Grand Total
AFR	11	7	9	11	6	0	44
LCR	7	5	11	3	6	1	33
EAP	7	6	0	3	5	0	21
SAR	3	6	1	4	2	3	19
ECA	0	3	1	0	1	0	5
MENA	3	0	1	1	0	0	5
Grand Total	31	27	23	22	20	4	127

11. **OBA in IDA and IBRD countries.** IDA and IBRD finance 80 of the 127 projects.¹⁶ Many of the WBG’s original OBA projects were in the Latin America and Caribbean Region and in the roads and ICT sectors. Subsequent roads and ICT schemes have built on the lessons from these schemes and expanded into other regions so that there are now a substantial number of roads and ICT schemes in regions such as Africa. Seventy-four projects (58 percent) are located in IDA countries, compared to 37 (29 percent) in IBRD countries. IBRD countries account for the largest share of OBA subsidies at US\$1.9 billion (53 percent) compared to IDA’s US\$1.4 billion (42 percent). Sixteen projects, accounting for US\$0.2 billion (5 percent of the subsidy volume), are located in IDA/IBRD blend countries. (Figure 4).

Figure 4. Comparison Portfolio vs. Number of Projects in IDA, IBRD and Blend Countries



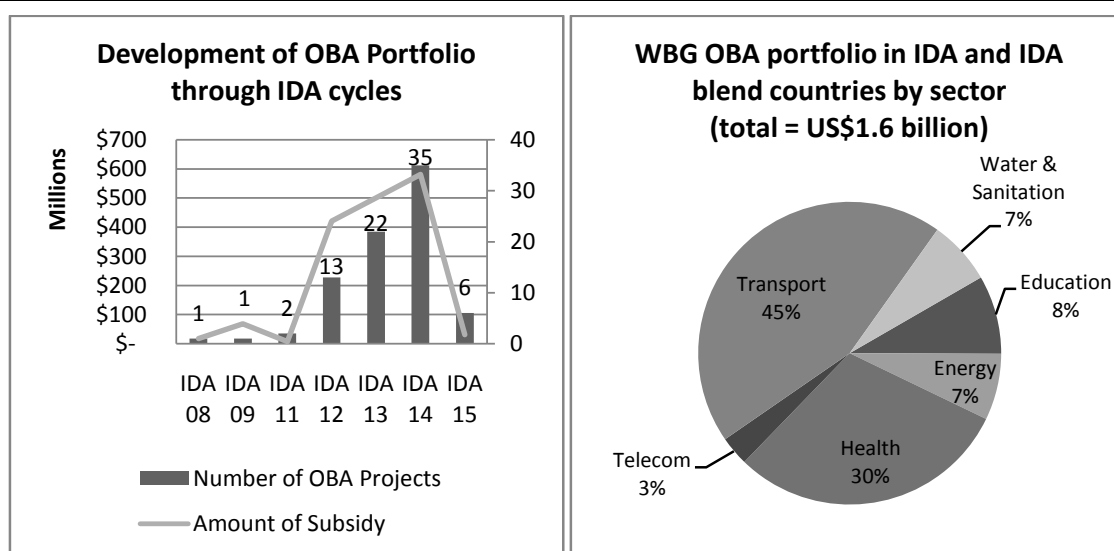
12. **The development of OBA in IDA countries.** The first OBA project identified in an IDA country was approved in 1989, during the IDA8 cycle. The use of OBA started picking up during the IDA12 period, growing in terms of both the number of projects and the funding volume. The number of projects with an OBA component grew from 13 projects for a subsidy

¹⁶ Excluding 46 projects funded by GPOBA subsidy funding or technical assistance and one project receiving support by MIGA.

volume of US\$420 million, approved during IDA12, to 35 projects for US\$580 million, approved during IDA14. From the start of IDA15 in July 2008 to April 2009, six signed projects were identified and an additional 10 are under preparation.¹⁷ The distribution of sectors in IDA countries is similar to the distribution of sectors in the overall sample of projects identified, with transport and health accounting for over 70 percent of the subsidy volume. (Figure 5).

13. Disbursement amounts are available for 60 projects funded by IDA that are under implementation or have closed. These projects have a total funding volume of US\$5.9 billion with an average size of the OBA component of 24 percent of the project amount (OBA subsidy amount US\$1.4 billion). The 60 IDA-funded projects have disbursed 70 percent of committed funding with 21 closed projects having disbursed 96 percent of the allocated funding.

Figure 5. Development of OBA in IDA Countries



¹⁷ There is a time lag when GPOBA identifies a new project, so that the number of approved projects and projects under preparation is expected to grow.

Table 2. OBA Portfolio in IDA Countries in IDA13, IDA14, and IDA15¹⁸

	IDA13			IDA14			IDA15 (in progress)		
	IDA only	BLEND	TOTAL	IDA only	BLEND	TOTAL	IDA only	BLEND	TOTAL
# IDA financed projects	12	5	17	15	3	18	1	0	1
# GPOBA projects	4	1	5	14	3	17	5	0	5
Total # projects	16	6	22	29	6	35	6	0	6
IDA funding (US\$m)	345	155	500	515	5	520	3	0	3
GPOBA funding (US\$m)	0	0	0	51	9	60	27	0	27
Total funding (US\$m)	345	155	500	566	14	580	30	0	30
Gvt. financing (US\$m)	54	23	77	110	14	124	0	0	0
Private financing (US\$m)	38	4	42	27	3	30	53	0	53

14. **Governments also finance OBA operations.** Some WBG projects have received substantial amounts (US\$2.8 billion) of complementary subsidy funding from recipient governments.¹⁹ The bulk of this government funding has been in the transport and health sectors, accounting for US\$1.7 billion (60 percent) and US\$810 million (28 percent) respectively. More than US\$2.2 billion (78 percent) of this funding came from IBRD governments, which accounted for 52 percent of the projects that received complementary subsidy funding from government. IDA country government contributed US\$640 million to OBA projects. The total OBA subsidy portfolio for WBG projects (including government co-financing) is US\$6.7 billion (including US\$0.3 billion from private investment).

15. **GPOBA-funded projects.** In addition to the 80 projects funded by IDA and IBRD, another 46 projects (total funding volume of US\$130 million) either received or are in the process of receiving funding from the World Bank-administered Global Partnership on Output-Based Aid (GPOBA). GPOBA has mainly focused on designing and developing OBA schemes in areas where OBA has been less tested, in particular the water and sanitation sector. Thirty-five GPOBA projects (76 percent) are in IDA and blend countries, accounting for 83 percent of GPOBA funding volume (US\$108 million). A majority of 24 GPOBA projects are in the water and sanitation sector (52 percent), followed by 11 energy projects (24 percent). The two sectors together account for US\$102 million, or almost 80 percent of the GPOBA subsidy volume.

¹⁸ An additional 10 projects are under preparation.

¹⁹ In addition, the review has identified US\$6.2 billion raised by ICT universal access funds for OBA-type subsidies.

Although OBA was originally envisioned as a tool to enhance private sector participation, GPOBA has also attempted to pilot OBA with commercially viable state-owned enterprises (SOEs) in sectors where public utilities have continued to play a dominant role in service provision.

16. **OBA schemes have also been identified outside the WBG²⁰** – both in developed and developing countries. In some cases donors are playing an active role, such as KfW in the health and renewable energy sector or DGIS with the Energising Development program, implemented by GTZ in energy. More generally, in developing countries, OBA schemes that do not involve donor support are mainly found in middle-income (IBRD) countries which are able to fund subsidy schemes largely from cross-subsidies or tax revenue.

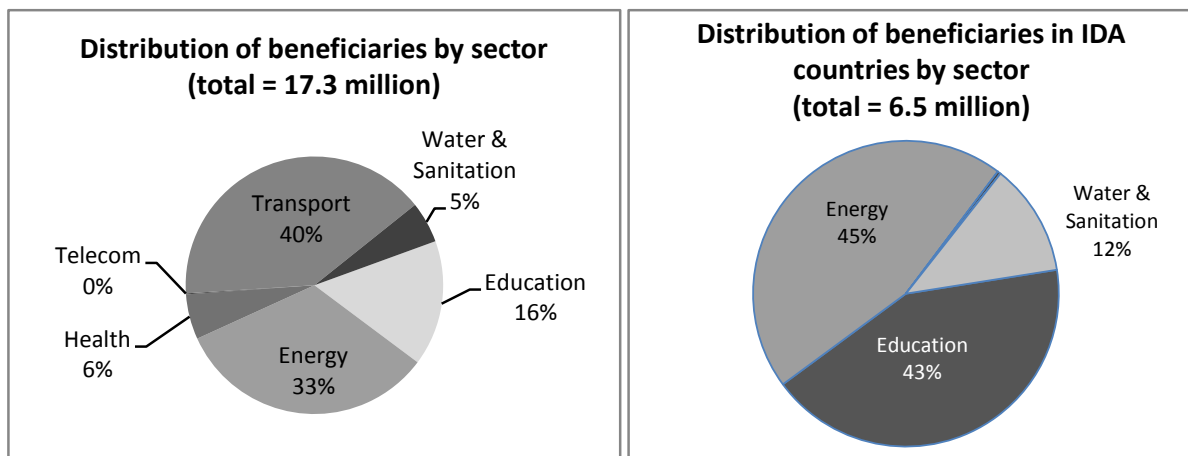
17. **Beneficiaries of OBA projects.** Table 3 summarizes the number of beneficiaries from OBA projects and Figure 6 provides information on the sectoral distribution of beneficiaries.

Table 3. OBA Project Beneficiaries

	All Countries		IDA countries	
	Projects	Beneficiaries (million)	Projects	Beneficiaries (million)
Total	127		90	
Planned beneficiaries	84	59.5	62	43.4
Actual beneficiaries	32	17.3	21	6.4

²⁰ While this review focused on OBA projects within the WBG, 66 projects were identified that were funded by other donors.

Figure 6. Distribution of Beneficiaries Reached by Sector²¹



18. For 14 closed projects for which information on the number of beneficiaries is available, benefits have reached 15 percent more beneficiaries than planned (see Annex III). In closed OBA transport projects, 64,379 km of roads were rehabilitated and maintained (including 440 km in IDA countries). An additional 23,212 km of roads are being rehabilitated and maintained under projects that are currently active (including 5,746 km in IDA countries). The number of planned beneficiaries was unavailable mainly in cases where it is methodologically difficult to estimate, such as projects providing public access to services (e.g., roads or public payphones) and for budget support operations. While the number of actual beneficiaries is frequently available on the project level, there has been no consistent mechanism to report outputs from the project level to the World Bank.²² This is expected to improve with the adoption of the IDA core indicators.

III. Review of OBA Projects

A. Evidence Relating to the Six Advantages of OBA

19. **OBA projects include a number of inherent characteristics which result in improved aid effectiveness including:**

- a) *Increased transparency through the explicit targeting of subsidies* and tying these subsidies to defined outputs;

²¹ This figure includes two large education projects in Bangladesh (two out of three projects in the sample). At the same time, most health projects in IDA countries are budget support operations for which the number of beneficiaries could not be obtained.

²² The issue of aggregate reporting is discussed in more detail in paragraph 51.

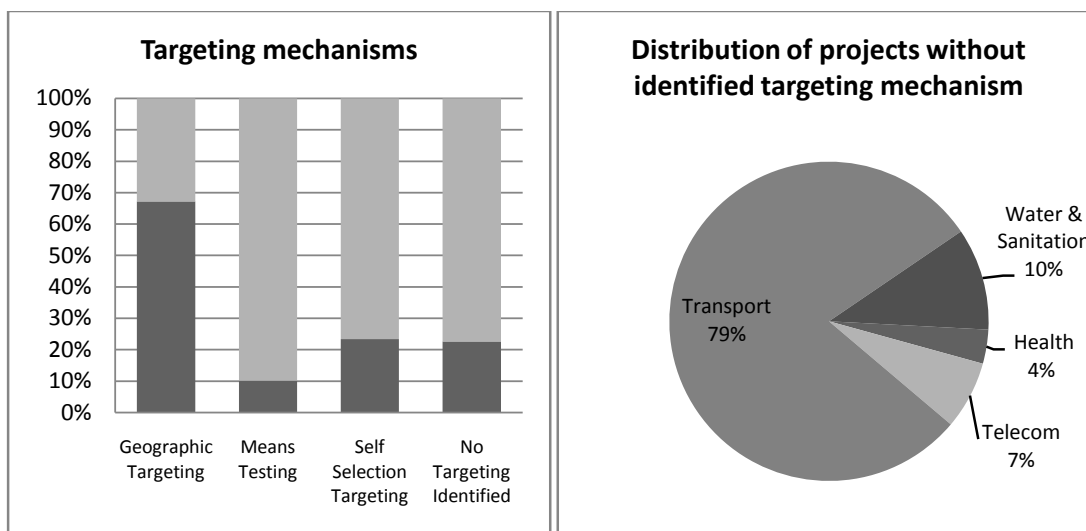
- b) *Increased accountability by shifting performance risk to service providers* by paying them only after they have delivered an agreed output;
- c) *Increased engagement of private sector capital and expertise* by encouraging the private sector to serve customers (usually the poor) they might otherwise disregard;
- d) *Encouraging innovation and efficiency* by leaving the service “solutions” partly up to the service provider and through least cost determination of subsidy required;
- e) *Increased sustainability of public funding* through the use of one-off subsidies and linking ongoing subsidies to sustainable service; and
- f) *Enhancing monitoring* of results since payments are made against agreed outputs.

Some of these characteristics were postulated in the PSD Strategy of 2002 and were also the basis of analysis in the IDA14 MTR discussion paper on OBA. These are the criteria/benchmarks used in evaluating the current portfolio of OBA projects.

i. Explicit targeting of subsidies

20. **Targeting mechanisms used.** All OBA schemes by definition must specify the outputs against which subsidies will be disbursed, and consequently beneficiaries can be identified more clearly than in traditional input-based schemes. Information on the targeting mechanism used could be identified for 97 out of 127 projects. (Figure 7). Out of the remaining 30 projects, 23 are transport projects that finance road infrastructure accessible to the general public, so targeting does not apply.

Figure 7. The Use of Targeting Mechanisms in OBA Projects



- More than two-thirds of OBA projects use *geographic targeting*. This form of targeting is useful when intended beneficiaries are concentrated in certain geographic areas and where few people outside the target group live. For projects in such areas, excluding unintended beneficiaries can be costlier than including them. It is less effective in cases where the poor and the non-poor live relatively interspersed.

Geographic targeting is particularly widespread in pilot projects that due to their size can only serve limited geographic areas.

- **Self-selection targeting**, used in 23 percent of projects, involves designing projects so that outputs chosen by poorer beneficiaries receive a higher share of subsidies. Subsidies can be targeted to the poor by providing higher subsidies for more basic services. Self-selection targeting is also widely used in the health sector. Because wealthier patients tend to favor more sophisticated up-market facilities, OBA projects usually finance more basic health care services.
- **Means-tested targeting** is used in 10 percent of OBA schemes, mainly in middle-income countries. Means testing involves measuring a beneficiary's wealth to assess whether a subsidy is warranted. Such schemes require more advanced administrative systems. For this reason, OBA schemes that rely on means-testing usually make use of broader welfare programs that identify poor households for a variety of public services. One approach used by some OBA projects includes *proxy means testing*, in which easily observable characteristics such as possession of indicative assets, for example a dwelling of a certain size, are used as a proxy for income.
- **Community-based targeting** relies on collaboration with the local community or its representatives to help identify the community members most in need of the service. This targeting mechanism was only identified in a few cases. Community involvement can increase ownership and reduce the risk of targeting criteria being rejected by the population in the service area. But community-based targeting may have drawbacks, such as the risk of being used to further special interests.

Box 1: Examples of Explicit Targeting of OBA Subsidies in IDA Countries

- In **Uganda**, an OBA water project is **geographically targeting** slum areas of Kampala, where most households are very poor and excluding the few non-poor households would be too costly.
- **Self-selection targeting** is used in a rural off-grid electrification project in **Bolivia** where smaller solar home systems (SHS) receive a higher subsidy.
- In **Mozambique**, **self-selection targeting** is used by subsidizing outputs such as external yard taps that are less attractive to the less poor who prefer indoor connections.
- The **Armenia** Access to Gas and Heat Supply for Poor Urban Households project funded by IDA/GPOBA uses an existing poverty classification based on the **means-tested** Poverty Family Benefit Program to target poor beneficiaries.
- The Reproductive Health Vouchers in Western **Uganda** project, jointly funded by KfW and GPOBA, uses a **proxy means-testing tool** consisting of a questionnaire assessing assets owned, number and quality of meals per day, and other indicators to determine eligibility for subsidized safe delivery. The output verification agent for the project ensures that only eligible households are reimbursed.
- **Community-based targeting** is used in the Water Access with Small-Scale Providers project in **Cambodia**.

21. **Role of output verification for targeting.** Eligibility criteria for beneficiary households are usually clearly defined and made a precondition for subsidy disbursements. The third-party verification that triggers disbursement of OBA funds can include verification that the poverty targeting criteria have been met.

22. **Conclusion:** In recent years several publications have raised questions as to whether the benefits of development aid reach the poor as intended.²³ OBA provides an effective basis for targeting, as it makes it possible to identify targeted beneficiaries, the benefit they receive and the cost of subsidizing the benefit. Output verification helps to assure that the benefits of the project reach the intended beneficiaries. As a result OBA can help improve the targeting effectiveness of development aid.

ii. Shifting Performance Risks to Providers

23. **Using OBA to shift performance risk.** By withholding payments until after pre-specified outputs are delivered, all OBA schemes shift performance risk to the service provider, the entity best able to respond to this risk. The components of performance risk include the following:

- Construction risk related to infrastructure and other investments made under the project, particularly the risk of cost overruns or benefit shortfalls due to non-delivery of outputs or delivery of inappropriate or insufficient outputs;
- Operational risk related to ongoing service delivery; and
- Demand risk related to whether the intended beneficiaries request the service provided (at the price provided).

24. **Construction risk and one-off subsidies.** There is anecdotal evidence that cost overruns and benefit shortfalls occur fairly frequently in international aid projects and infrastructure projects in general.²⁴ OBA can help mitigate some of the risk of cost overruns (or benefit shortfalls) related to project investments through one-off OBA subsidies for access. *OBA subsidies are fixed before project implementation* but paid after outputs have been delivered. This presents a credible cap on public funding available so that service providers are aware that they have to bear any cost overruns. Further, the *explicit nature of output and subsidy design* should result in clear allocation of the identified risks of a project. And, *OBA disbursements are usually not tied to the completion of project input milestones*, such as the completion of a telecom tower, but rather to the delivery of connections such as pay phones and tele-centers being operational and used. *The service provider only gets paid for the parts of the system that are actually being used.* Thus, there is a *disincentive* for creating excess capacity and an

²³ For example the 2004 World Development Report (World Bank 2004) states that "...while governments devote about a third of their budgets to health and education, they spend very little of it on poor people... Public spending on health and education is typically enjoyed by the non-poor" and a study on utility subsidies shows that tariff subsidies, the most common form of utility subsidies, have a regressive targeting incidence (Komives, et al. 2005).

²⁴ For a list of examples, refer (Flyvbjerg 2005).

incentive for increasing access. However, it is important that relevant running costs will be covered by tariffs or fees paid by the new.

25. **Operational risk transfer through on-going and one-off OBA subsidies.** In many PPP contracts – whether OBA or not – service providers do bear operational risk; however, OBA schemes can provide an additional hard incentive for performance by withholding payments until pre-identified outputs are delivered.

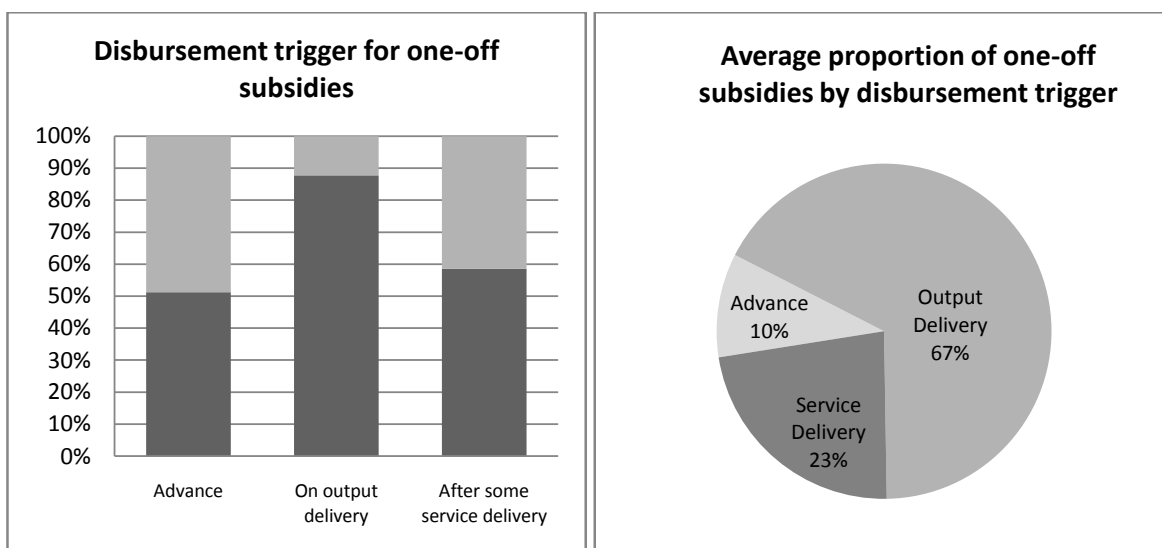
- With *ongoing OBA subsidy* schemes, particularly those in health and roads, performance-based payments to service providers are based on continuous service delivery of a stipulated quality. Performance contracts can define the minimum level of service to be delivered at an agreed payment. This shifts the performance risk of the project to the service provider who is to some extent free to decide how to reach performance targets and can therefore decide how best to address operational risks related to service delivery.
- On the other hand, *one-off subsidies* for access do not necessarily shift performance risk to service providers for the entire duration of their service contracts, unless the project involves significant investment by the service provider to be recouped through the tariff. In order to ensure more sustainable services, OBA projects involving one-off subsidies should take into account the nature of the longer-term service contract, including clear standards of performance, related penalties and regulatory rules and practices under which the OBA scheme is operating. OBA projects using one-off subsidies also usually retain some funds until service delivery targets are met, which provides an indication that the service provider is able to deliver services in an ongoing manner.

26. **The amount of risk transferred to the service provider depends on the subsidy design.** All OBA projects transfer risks to service providers by withholding at least some payments until after outputs have been delivered. On-going and transitional subsidies transfer both investment and operational risks to service providers, as providing an on-going service requires both investing in infrastructure and on-going operations. Ongoing subsidies are found in 25 of the 127 projects reviewed and transitional subsidies are used in 3 projects.

27. For one-off subsidies, used in 101 projects,²⁵ the risk transferred to service providers depends on the conditions that trigger subsidy disbursement. Advances reduce the risk service providers have to bear, whereas tying disbursements to service delivery criteria increases risk transfer. Half of projects for which a disbursement schedule was obtained use some form of advances, 88 percent pay at least a part of the subsidy based on the delivery of an output such as a water or electricity connections and 58 percent withhold some money until service delivery targets are met. (Figure 8). Twelve percent of projects in the sample pay the entire subsidy only after service delivery targets have been met.

²⁵ Two projects are using more than one subsidy type.

Figure 8. Transferring Risk When Using One-off Subsidies



28. **Managing demand risk in OBA schemes.** Output-based projects frequently rely on users actively having to request the subsidized service from service providers and paying a substantial user fee. As a result, OBA service providers are exposed to an uptake risk, which is larger if the target group is not familiar with services (e.g., sanitation or specific medical interventions) or certain aspects of the services (e.g., payment schemes). This risk is not completely new to aid schemes and can be reduced through willingness/ability to pay studies. OBA enables the demand risk of a project to be shifted to the service provider, who can address demand risks by reaching out to beneficiaries to promote the use of the subsidized service and by managing investments and operations efficiently to meet required demand.

Box 2. Shifting Performance Risks Through Payment on Outputs

- A **water project in rural Uganda** funds both rehabilitation and extension of existing water schemes in **small towns** and green field projects in **rural growth centers**. The small towns component of the project disburses 80 percent of subsidies based on connections made and pays 20 percent based on satisfactory service provision and other indicators, whereas the green field projects in small towns disburse 55 percent of funds on intermediate outputs such as the installation of storage capacity, 20 percent on water connections, and 25 percent on satisfactory service provision.
- A **health project in rural Afghanistan** contracts out service provision in rural areas to NGOs, who take on responsibility for providing packages of basic health services at the province level. The NGOs receive a budget which they are free to allocate and receive a bonus of up to 10 percent if they meet performance indicators.
- Most of the **ICT contracts** identified provide one-off subsidies, but also include longer-term service provision requirements for about 5 to 10 years. Regulators can also revoke the operating licenses of service providers who do not fulfill requirements to serve target groups.
- A **natural gas distribution** project for low-income families in **Colombia** has subsidized natural gas connections. Even though natural gas is cheaper for cooking than the alternative used, some households were reluctant to commit to paying monthly bills and thus did not apply for connections. To mitigate this, the implementing agency conducted intensive outreach campaigns including promotional materials such as savings boxes to help beneficiaries save up for the gas bills.

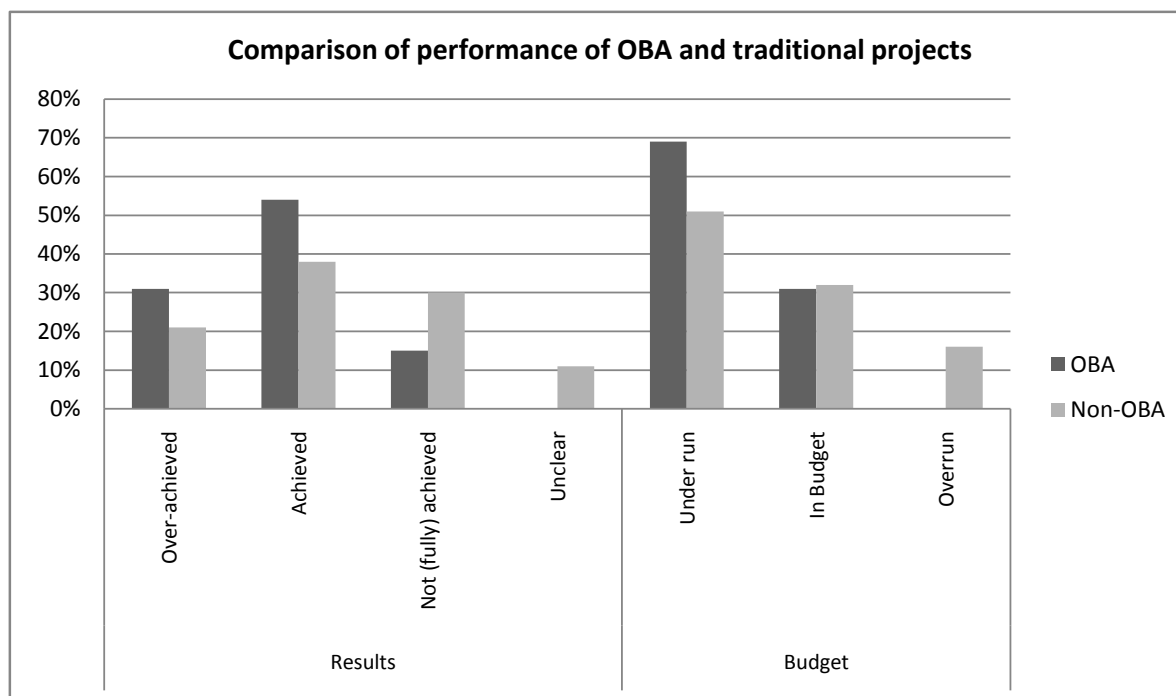
29. **Does OBA lead to a reduction in cost overruns and benefit shortfalls?** If the claim that shifting performance risks leads to more accountability is true, it should translate into OBA projects showing a lower proportion of cost overruns or benefit shortfalls than comparable projects. To investigate this, the review has analyzed a sample of all 37 available ICRs for World Bank-funded water, energy, and health projects closed in fiscal year 2007. This sample was reviewed to identify all projects that have quantifiable outputs as project development objectives (PDOs).²⁶ This sample was compared with 13 completed OBA projects in water, energy, and health for which results information was available.²⁷ (Figure 9). The review showed that a total of 85 percent of OBA projects achieved or over-achieved the desired results within or below budget, compared to 49 percent of traditional projects. Nearly 70 percent of OBA projects were completed under budget, compared to slightly more than half of the traditional projects. While some of the traditional projects recorded cost overruns, none of the OBA projects did. Similarly, 15 percent of the OBA projects did not achieve the intended results, compared to at least 30 percent of the traditional projects reviewed. The OBA projects that did not deliver all projected outputs, disbursed only a small proportion of the funds related to outputs actually

²⁶ Projects with PDOs relating to policy formulation/institutional strengthening or consisting of PDOs with higher level project impacts not exclusively under the control of the project implementer were excluded from the analysis due to the inability to compare against OBA.

²⁷ The analysis is based on information from ICRs for IDA/IBRD-funded projects and on information from the GEF website for projects funded by the GEF.

delivered.²⁸ While the number of projects available for review is still small, this provides some initial indication that OBA can help with mitigating the risk that a provider of public funding disburses substantial amounts for projects that do not produce the desired outputs.

Figure 9. Comparison of Performance of OBA and Traditional Projects



30. **The need to pre-finance outputs:** In order to effectively shift performance risk to service providers through OBA, service providers need to be able to pre-finance investments and services. This pre-financing can be funded by the service provider through its own cash flow, supplier credit and other aspects of working capital, and/or equity and debt financing. This finance must be available at reasonable cost in order to be affordable for the provider and to minimize the impact of financing costs on the tariff charged to the household. Access to finance constraints seem most binding for sectors or sub-sectors that rely on small and local/regional providers – as is the case with off-grid energy schemes. Access to finance can also become an issue for projects that involve significant investments. As a result, most of these projects include some element of up-front grants or advances.

31. **Conclusion:** The review provides some indication that by shifting the performance risk to a third party, OBA can help reduce the risk to the agencies funding aid projects. The preliminary evidence suggests that by shifting the performance risk to service providers, the likelihood of cost-overruns and benefit shortfalls can be reduced. The amount of risk that can reasonably be shifted to service providers depends on their ability to pre-finance outputs and on

²⁸ Funds disbursed included some fixed costs related to setting up the project.

the project context. For example, more risk can usually be shifted when working with an incumbent service provider to expand coverage. Incumbent service providers usually have good knowledge of the service area and can rely on existing cash-flows and upstream investments. Risk transfer is more difficult in rural green field projects, where neither beneficiaries nor service providers have experience with the service to be provided.

32. While shifting performance risk to service providers, OBA can raise some additional unintended risks, in particular, the risk that once outputs have been pre-financed and delivered as agreed, subsidy disbursements (or payments to the provider) are substantially delayed or not made. OBA design must incorporate measures to mitigate this potential risk.

iii. Mobilizing Capital and Expertise

33. **Mobilizing private capital.** The exact amount of private capital mobilized by an OBA project is difficult to estimate. Many projects involving one-off subsidies are extensions of existing infrastructure networks so that it is difficult to distinguish investments made as a result of the OBA project and investments that would have been made without the project. Estimating private investment is somewhat easier for green field or off-grid projects. On-going subsidies are not determined as a share of investment and have to be recouped over time. This means that the service provider has to pre-finance investments for a much longer period of time. In many cases project infrastructure is used to provide both commercial and subsidized services so that it is difficult to determine the incremental amount of investment resulting from the output-based subsidy.

34. **The amount of private financing mobilized** was identified for 22 GPOBA projects and 10 WB projects.²⁹ For the 32 projects, every dollar of subsidy mobilized about US\$1.72 of private sector financing in addition to any investment pre-financed and reimbursed through the OBA subsidy. The possibility of mobilizing private finance varies from sector to sector, with ‘established’ sectors such as ICT and energy usually being able to mobilize more than ‘pilot’ sectors such as water.

Table 4. Private Capital Mobilized by OBA Projects

Number of Projects	OBA Subsidy	Private Investment
32	US\$ 165,461,554	US\$ 284,451,850

35. **For network/utility services, private finance mobilized is wholly related to tariff reform.** Ultimately, the tariff charged must allow the service provider to recoup any investment that is not reimbursed by the OBA subsidy or paid for by up-front user fees. If the aim is to have a smaller amount of subsidy with more of the investment financed privately, the tariff would need to be able to absorb these costs. Because OBA schemes target the poor, who often are

²⁹ Out of the 10 WB projects for which private investments could be identified, 9 are off-grid or green field energy projects.

charged social tariffs or who consume small amounts, the possibilities of mobilizing investments to complement OBA funding are limited compared to non-OBA schemes which do not target the poor.

36. For rural green field projects, the amount of private financing used could be increased without increasing tariffs if the service provider were able to repay the loans he has taken out to finance the investments over a longer time period than normally accepted by lenders. Several OBA schemes have worked with micro-finance institutions that have been willing to offer longer loan tenors and to accept the OBA subsidy as part of the collateral for the loan.

37. **Mobilizing private sector expertise.** Even where OBA does not involve significant private investments beyond pre-financing output-based subsidies, it can help to mobilize private sector expertise to better serve the poor. For example, OBA can encourage private service providers to connect poor customers, who otherwise would not receive service, to existing networks. This can help to better utilize previous infrastructure investments that have excess capacity, even when service providers have no real incentive to serve additional (poor) customers. In such cases OBA interventions can connect poor households to a network that would otherwise be unreachable for low subsidy amounts.

Box 3. Mobilizing Private Finance and Expertise

- In **Guatemala's FONDETEL telecommunications** projects, each US\$1 of subsidy leveraged between US\$2 and US\$4 of private investment. In Peru's FIDEL projects, an average of US\$2 of private capital was raised for each US\$1 of subsidy.
- For the **Senegal rural electrification** concession, the winning bidder has proposed to more than double the minimum number of connections set in the tender—from 8,500 to 21,800 – by bringing in US\$9.6 million in private financing. This constitutes about 60 percent of the total financing, compared to the 20 percent minimum private financing requirement under the tender. IFC has recently been asked to participate, possibly with an equity stake.
- The **Nepal Biogas Project** subsidized the installation of biogas plants in beneficiaries' homes. Since its inception in 1992, the project has contributed to creating an industry of small and medium enterprises that have specialized in building biogas plants. It is difficult to estimate the amount that owners of such companies have invested.
- In the case of the **Manila Water** project, the Manila Water Company (MWC) is investing some US\$14 million in new water supply infrastructure in poor areas, but the low-income households cannot afford the connection charges set by MWC and the Regulator. An OBA project is helping to connect low-income households to the water network for a relatively modest amount of subsidy, thus making better use of the planned investments.

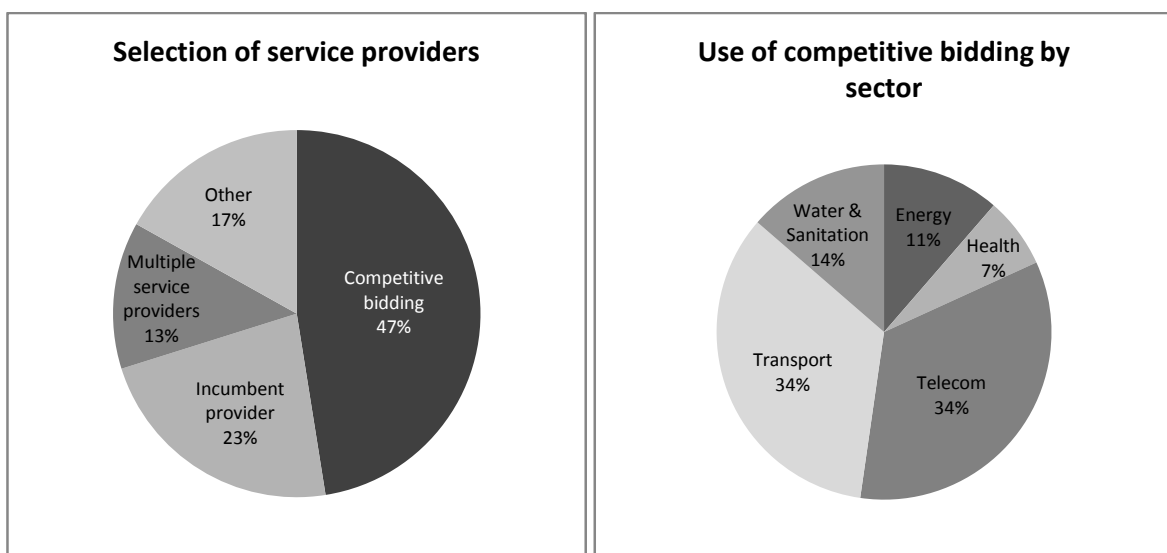
38. **Conclusion.** OBA's ability to mobilize private capital is constrained by the ability of customers to pay tariffs that cover some of the capital costs of investments in addition to the operations and maintenance costs. The ability of OBA projects to mobilize additional private financing can be improved by facilitating loans with longer repayment periods, for which future OBA payments could be used as collateral. OBA schemes mobilize private sector expertise and operate on a commercial basis, whether service providers are public or private, NGO or CBO, so that service providers are motivated to provide a good quality service as efficiently as possible.

iv. Innovation and Efficiency

39. **Use of competition in the context of OBA.** Forty-four projects, mainly in the transport and telecommunications sectors, used competitive bidding to select service providers. Competitive selection of service providers is also being used in the water and off-grid energy sectors, as well as in some health projects in which NGOs are contracted to provide basic services in a defined area. Competitive bidding has resulted in a reduction in the amount of subsidy required in most cases.³⁰ In some cases competitive bidding has shown that subprojects were commercially viable and that outputs could be provided without subsidy funding.

40. Another way OBA projects can use competition to increase efficiency is by working with a number of service providers who compete for clients on the basis of quality. This approach is used by 12 projects, mainly in health and infrastructure. A number of projects work with incumbent service providers, while some projects use other forms of selection, such as ranking proposed sub-projects based on expected project benefits.

Figure 10. Selection of Service Providers



41. **Lessons relating to the competitive selection of OBA service providers.** Competitive processes take time and can require extensive capacity building, including in relation to bidding or in obtaining access to finance. The transaction process can be costly both in terms of administrative costs and in terms of time required for the process, especially if capacity is low. Further, there is a risk of under-bidding during the tender process, followed by financial problems down the line, especially if growth in demand for the subsidized service does not materialize as expected. And for small-scale projects in particular, over-sophisticated (often donor-led) systems with a wide array of checks and balances may prove costly and cumbersome,

³⁰ Competitive bidding in GPOBA projects has typically led to a reduction of 20-30 percent in the subsidy needed compared to the initial estimates (see Box 4 for examples).

and lead to inaction. These costs should be weighed against the many obvious advantages of competition to drive down costs through efficiency gains.

42. **Improvements in operational efficiency.** OBA projects have led to other kinds of efficiency gains which may not be as easily quantified, for example quality enhancements or improvements in service delivery. The disbursement of funds *after* service delivery can create strong incentives to deliver outputs in a timely manner.

43. **Output-based innovations.** As OBA only defines certain minimum criteria outputs have to meet, it can be used as a mechanism to promote innovative technical solutions. One example is the energy sector where many OBA schemes are bid out as ‘technology neutral’³¹ and service providers can propose a technology to best provide service to the targeted beneficiaries.

44. **Lessons relating to the use of innovation.** The achievement of cost reduction through OBA relies on the flexibility allowed to service providers to bring their commercial and operational practices into the structuring of OBA schemes. The effectiveness of using outputs as disbursement triggers can be affected if procurement policies of donors and governments are not applied in a way that allows service providers some freedom when procuring inputs. An overly prescriptive approach can stifle the use of innovations. This is especially true for smaller service providers and may translate into higher cost. Lessons learned have demonstrated that it is important to specify essential inputs that cannot be left out, but to leave some degree of discretion beyond that. This is critical in the infrastructure sectors where outputs need to be supported by long-lived assets, but also in the health care sector where poor service quality can have a detrimental effect on project results. Hence, there is a need to find a balance between specifying key input requirements to ensure long-term sustainability and leaving service providers freedom to innovate and lower the cost of providing service.

³¹ In some cases, additional subsidies (e.g., from GEF) may favor the use of renewable energy technologies.

Box 4. Innovation and efficiency

- In an **ICT** project in **Mongolia**, competition resulted in 28 percent savings in the total subsidy required for the original areas/beneficiaries to be served. The savings were used to fund an additional subproject. Additionally, reaching nomadic herder communities required determining the adequate size of solar cells and the prediction of mobility patterns of beneficiaries. These difficulties were overcome within the first six months of project operations – and output-based payments most likely helped trigger such a speedy resolution.
- The IDA-funded **Bolivia Decentralized Infrastructure for Rural Transformation (IDTR)** project for **rural electrification** led to 25 percent more beneficiaries for the fixed subsidy than the minimum required under the tender; and a 40 percent reduction in SHS prices compared with a prior project. As of February 2009, the IDTR has installed 6,154 individual systems, benefiting over 30,000 people in rural Bolivia. In addition, 87 social systems were installed in schools and clinics. The IDTR project required service providers to provide credit to users, which led to a number of innovative solutions, e.g., working with micro finance companies.
- The bidding for **piped water supply in Uganda's Small Towns** has demonstrated that in some cases, extensions can be made on a commercial basis, with the private sector estimating that it can recoup cost related to new connections through the tariff: at least two towns received 'zero subsidies' requirements through competitive tendering.
- The **health** sector in post-conflict countries, for example in the **Democratic Republic of Congo** and **Afghanistan**, has shown that contracting out services to NGOs can lead to quicker and more comprehensive coverage than funding the sector through input-based health projects. In response to a shortage of skilled female staff, the Afghanistan project hired female health workers from neighboring countries to treat Afghani women, who could not be treated by men.
- For the **Armenia Access to Gas and Heat Supply for Poor Households Project**, there is evidence that timeliness of service delivery and quality of work has led to increased customer satisfaction.
- **Performance-based road contracts in Argentina** that pay based on rehabilitation and maintenance of roads have reduced the share of roads in poor condition from 25 percent to 5 percent, while at the same time allowing the government funding agency to save money.

45. **Conclusion.** There is evidence that competitive bidding has resulted in efficiency gains by reducing the amount of OBA subsidy required. Competitive bidding seems to work particularly well in some sectors such as roads, transport, and ICT. For other sectors, competitive bidding has been hampered by the time it takes to complete competitive procurement. As a result, for a number of pilots that involve competitive bidding, it has taken a long time to start service delivery, mainly due to factors unrelated to the use of OBA, such as lack of capacity within a country to manage a competitive bidding process. Another form of harnessing competition is working with a number of small service providers who have to compete for customers on the basis of quality. There is evidence that OBA leads to innovative solutions.

Sustainability

46. **OBA Design and Sustainability.** Sustainability of infrastructure and social services schemes implies that an intervention has a long-lasting positive impact rather than having short-lived and easily reversible results. Some OBA schemes have been running for many years – in ICT and roads in particular – and have been scaled up and replicated elsewhere in the respective regions and even in other regions. This is a testament to the sustainability (and replicability) of the model in these sectors. Two characteristics of OBA in particular help address the issue of sustainability: (a) nature of the subsidy design, and (b) performance risk shifted to the providers.

- **Nature of subsidy design:** OBA schemes predominantly involve one-off subsidies that buy down investment costs. Where tariffs cover the cost of sustainable service provisions, one-off subsidies do not rely on an ongoing source of subsidy funding: once a household has received the subsidy to connect to a network, for example, a subsidy is no longer required to provide service for that household.³²
- **Output-based performance risk:** By shifting performance risk to service providers, OBA provides an incentive for service providers to plan and implement schemes efficiently to ensure that performance expectations are met in order to be fully compensated. Incentives for more careful planning of capacity and final output delivery help enhance sustainability. Further, because demand risk of uptake is to a large extent shifted to service providers, service providers are taking more care in providing appropriate solutions for the targeted customers. By involving households and communities in the service expansion process, a greater sense of ownership can be developed, which in turn enhances sustainability.

47. **Setting tariffs and subsidy amounts.** When working with regulated utilities, OBA projects need to take existing tariff regimes into account. The sustainability of any OBA scheme depends on the relationship between the subsidy provided and the tariff charged to consumers for on-going service provision. For example, if the poor connected through OBA schemes benefit from subsidized social tariffs, this can create an additional burden on providers. On the other hand, OBA projects should avoid compensating utilities for meeting existing obligations, particularly if tariffs are designed to pay for such obligations.

48. **Sustainability of funding source.** Where on-going subsidies are being used, the sustainability of the funding source needs to be considered. For example, projects that fund road maintenance or health service delivery usually rely on an ongoing flow of subsidies.

- Road maintenance funds in developed countries may provide a certain degree of security and sustainability, but in developing countries they have a more mixed record.

³² However, to enhance the sustainability of services, one-off OBA schemes may withhold a portion of the subsidy disbursement until after some service delivery targets have been met.

- The health sector often does not have such an earmarked subsidy pool and therefore relies mainly on budget made available by the government. This makes it more difficult to ring-fence the health budget allocated to performance-based schemes – although this is a risk that also applies to traditional ways of providing health care.
- The ICT sector, where most of the service is provided on a commercial basis, has more robust sources of funding such as levies on operators or spectrum auctions which are often used in addition to government funding.

Box 5. Designing OBA Schemes to Enhance Sustainability

- **Rural energy projects in Sri Lanka and Bangladesh** have been operational for over a decade. In Sri Lanka, as of June 2008, some 120,000 households were using solar home systems, with 750 installations occurring monthly. In Bangladesh by mid-2008, the Solar Home System sales reached 8,000 units per month with total sales of about 180,000. Both projects continue to use subsidies, but increasingly to reach the poorest segments of the population.
- The IDA-funded **Senegal On-site Sanitation Project** involves an extensive network of NGOs and CBOs working together to ensure both demand for the on-site sanitation systems and proper use and maintenance. The project resulted in 63,000 household sanitation facilities built between 2003 and 2005, compared to an initial target of 60,000, and was two years ahead of schedule.
- The **Nepal Biogas Support Program** was started in 1992. The project involved extensive capacity building for local small- and medium-sized biogas companies capable of building and maintaining household-size biogas plants at minimum cost. A 2008 project report showed that over 95 percent of a sample of plants installed after 2000 were still operational.
- A **rural grid-based** energy project in **Ethiopia** includes the distribution of energy-saving light bulbs. The light bulbs help to reduce the consumption of energy for which households pay a subsidized social tariff. As a result, the project is expected both to help poor customers and to increase the financial viability of the energy company.

49. **Conclusion:** OBA schemes using one-off subsidies are designed to bridge an affordability gap that prevents the target group from gaining access to a service. They can ensure sustainability in cases where fees for ongoing service provision are affordable for the beneficiary and cover the cost of providing the service for the service provider. Transitional subsidy schemes need to make sure that beneficiaries are able to afford subsidized services after the subsidy is phased out, in order to prevent them from losing access. On-going subsidies require a long-term source of funding to ensure sustainability. OBA can contribute to improving the efficiency of public services and help to increase sustainability by reducing the funding required to reach desired outcomes.

v. Monitoring and Results

50. **OBA can help to make M&E an integral part of project design.** The 2009 Annual Review of Development Effectiveness by the World Bank's Independent Evaluation Group

(IEG) highlights results monitoring as an area of concern.³³ IEG ratings of M&E systems “from projects closing in fiscal 2007 and 2008 show that only 37 percent of projects exiting the portfolio received ratings of high or substantial, while the remaining 63 percent were rated modest or negligible.” One possible explanation brought forth in the report is that the project approval process does not sufficiently focus on results monitoring, so staff are not rewarded for implementing good M&E systems. The reports states that “if M&E is seen as a secondary issue, simply a tax on overburdened Bank staff, mandates and requirements are unlikely to result in the collection and use of more meaningful information.” OBA schemes can contribute to addressing this issue, as they make output verification prior to disbursement of subsidies an integral part of project design and thus the approval process. This helps to internalize monitoring and make it a key design element essential to the project design process. However, the effectiveness of monitoring depends on defining the output appropriately and on identifying suitable verification agents.

51. **Output data can be used for aggregate reporting.** While OBA collects output and disbursement information as part of project implementation, such information needs to be aggregated at an institutional level if it is to be used for broader analysis and reporting to donors. The experience with GPOBA-funded projects shows the potential for programmatic reporting. However, many Bank-funded OBA projects do not involve reporting of outputs achieved in a consistent manner and the way indicators are recorded does not necessarily allow for systematic aggregation. Instances where information on outputs was collected by recipient governments but not reported back to the Bank have been observed both for small OBA components of larger projects and for Development Policy Operations that disbursed on policy measures taken. To exploit the advantages of output- and results-based approaches fully, the World Bank would have to require recipients to report such information and to adapt reporting systems to allow for reporting in a consistent way.

Box 6. Monitoring for Results

- A **rural energy** project in **Bangladesh** co-opts local officials such as school teachers for an initial verification of solar home systems installed.
- Some **performance-based roads** schemes are attempting to encourage users to report on issues with the quality of roads.
- The **Argentina Maternal Child Health Insurance Program** (Plan Nacer), providing health care for poor mothers and children, introduced a monitoring system to make it possible to pay on outputs which include both the number of treatments performed and indicators related to health outcomes. Based on the success of this system, the Government of Argentina decided to expand the provincial health insurance system, with financial and technical support from the World Bank.

52. **OBA is consistent with IDA core indicators.** The adoption of IDA core indicators is one step towards aggregated reporting. So far IDA core indicators have been issued for only

³³ World Bank. *Achieving Sustainable Development*. IEG Annual Review of Development Effectiveness, Washington DC: World Bank, 2009.

four sectors³⁴ and OBA projects in those sectors mostly disburse subsidies based on output indicators that are consistent with the IDA core indicators. Examples of indicators on which OBA projects disburse include the number of household connections made (water supply), km of roads constructed (roads transport), and the number of women receiving ante-natal care (health). Education is the only sector in which most core indicators measure results more towards the input end of the contracting spectrum, such as teachers trained or a decrease in the shortage of classrooms. OBA projects in education disburse on the number of students enrolled or on educational attainment measured by tests.

53. Output verification can be used for evaluation of quality and impact. The projects reviewed use a number of different ways to verify outputs. A typical way is to hire specialized consultants with technical expertise to conduct field visits to verify a number of reported outputs, but some projects integrate data gathering in the context of impact evaluations into the verification process. Where specialized output verification agents are used, their mandate can include additional data gathering on quality standards or development results that can inform future project design or help in gathering additional results information.

54. Independent monitoring and verification for OBA schemes require capacity and resources. Verification agents must be appropriately trained and incentivized. GPOBA uses for the most part independent consultants as verification agents to enhance transparency and ensure that outputs are verified swiftly. It is important to balance the independence of output verification with the broader sector monitoring needs, and to ensure ownership on the part of the relevant regulatory or government agency. Recent reports of inflating outputs under performance contracts between the Global Alliance for Vaccines and Immunization (GAVI) and several recipient countries show that without proper monitoring and verification the advantages of results-based schemes can be called into question.

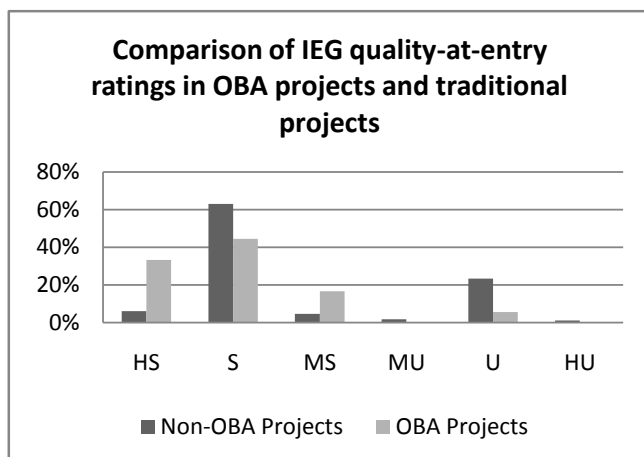
55. Conclusion. Monitoring and reporting are key design elements in OBA schemes, and the use of independent verification agents gives validity to results reported and disbursed upon. Progress is being made in IDA operations by the requirement of core indicators which will allow for more systematic reporting.

B. Assessment of the portfolio of OBA projects

56. Assessment of quality at entry. IEG rates the quality-at-entry of all Bank projects as part of the ICR review. Quality-at-entry scores are available for 18 of the 35 closed OBA projects. Thirty-three percent of these projects have a quality-at-entry rating of ‘highly satisfactory’ and 44 percent have a ‘satisfactory’ rating, compared to 6 percent ‘highly satisfactory’ and 63 percent ‘satisfactory’ for all WBG projects in ‘OBA sectors’ approved since FY89. (Figure 11). It should be noted, however, that in comparison to the 18 closed OBA projects, there is a significantly much higher number of non-OBA projects.

³⁴ As of July 1, 2009, core indicators have been introduced for road transport, water supply, health, and education.

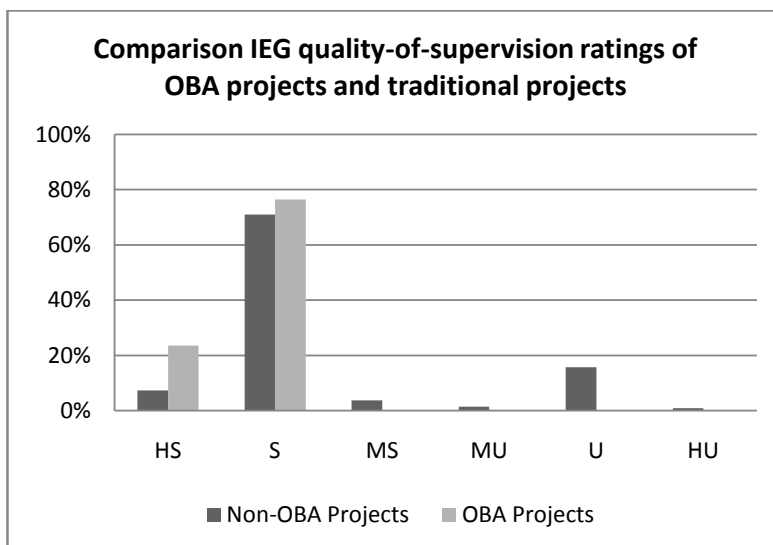
Figure 11. Comparison of IEG Quality-At-Entry Ratings



Rating	Non-OBA projects	OBA projects
HS	6 %	33%
S	63%	44%
MS	5%	17%
MU	2%	0%
U	23%	6%
HU	1%	0%

57. **Quality of supervision.** All 17 OBA projects for which IEG ratings of quality of supervision were available were rated either ‘satisfactory’ or ‘highly satisfactory,’ compared to 82 percent of projects in similar sectors approved since FY89. (Figure 12).

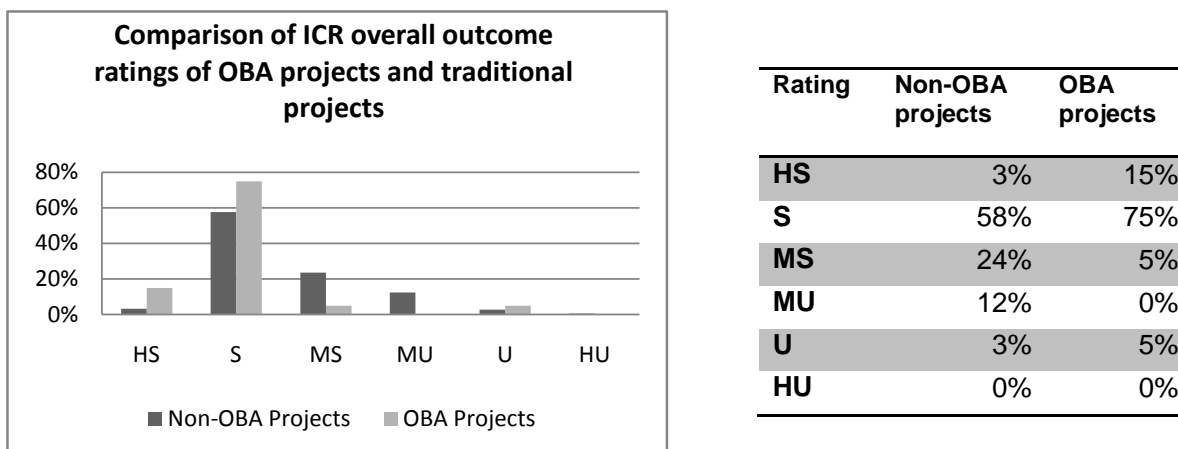
Figure 12. Comparison of IEG Quality-Of-Supervision Ratings



Rating	Non-OBA projects	OBA projects
HS	7%	24%
S	71%	76%
MS	4%	0%
MU	1%	0%
U	16%	0%
HU	1%	0%

58. **Assessment of development effectiveness.** Preliminary evidence from projects reviewed indicates that OBA projects are more effective in achieving development outcomes, as rated by the World Bank’s ICRs, than traditional projects. This finding is based on the ratings of all OBA ICRs available, compared to all ICRs submitted in OBA sectors in FY07. Both in the overall outcome rating of the ICR and the IEG outcome rating, OBA projects are rated on average half a category higher than traditional projects. (Figure 13).

Figure 13. Comparison of ICR Overall Outcome Ratings



59. **Conclusion.** While the number of closed OBA projects available for analysis is still too small to draw definitive conclusions or make comparisons, the consistent pattern of high performance ratings in this small sample is encouraging.

IV. Challenges and Lessons Learned

60. **A number of OBA operations are being implemented successfully.** The analysis of project outcome ratings and the degree to which outputs are achieved within or under budget shows that OBA performs at least as well as other project approaches. In transport and ICT it has become a common instrument. The lessons learned regarding the use of OBA approaches have demonstrated that there are clear advantages of an OBA approach in efficiently targeting subsidies and mobilizing the private sector to serve poor households. OBA has also demonstrated that monitoring for results is possible – if appropriate reporting systems are put in place.

61. **OBA is not a substitute for sector reform.** The experience of government contracting with the private sector, and to some extent the existence of legal or regulatory practices that are more supportive of private sector risk-taking, are part of the environment that enables OBA to be more successful in some contexts than others. In turn, OBA is one of the main mechanisms through which efficiency gains from sector reform have been shared with users through improved access and standards of service.

A. “External” challenges and possible responses by the WBG

62. **Access to finance.** Access to finance can be a hurdle for OBA schemes in all sectors – even in mature sectors with a high number of financially sound private service providers such as ICT. The current financial crisis is likely to have exacerbated this problem. Access to finance can present a hurdle for both providers and users, resulting in the following challenges: (a) difficulty in shifting sufficient performance risk to service providers under an OBA arrangement

if the cost of pre-financing the outputs would put an undue burden on the provider and/or if the resulting fees to users (e.g., tariffs) would be unaffordable; and, (b) limitations on the development of a private sector that take risks and invest in business expansion, even with the availability of targeted subsidies to help defray the costs.

Box 7. Addressing access to finance

Some OBA projects, particularly when working with small local service providers in very difficult settings, have been designed around access to finance constraints. A GPOBA **community-based water project** in **Kenya** works with a microfinance bank that provides loans to community-based water operators to pre-finance investments. The OBA project repays part of that loan based on outputs delivered. To reduce collateral requirements, the microfinance institution purchased a partial credit risk guarantee from USAID. The project involved extensive capacity building with the community-based water utilities and the microfinance bank. Other projects, such as a **small towns water project** in **Uganda**, pay part of the subsidy on the delivery of project milestones and withhold only a part of funding until after outputs have been delivered.

63. **Enabling environment.** A supportive enabling environment is critical for scaling up and mainstreaming the OBA approach. The following aspects of an enabling environment seem to play a particularly important role in the success of OBA in any given region or sector; many are inter-related and are common requirements for successful PPP in the sector:

- Extent of experience with the private sector in service provision.
- Market structure and experience with competitive processes to encourage efficiency.
- Regulatory or legal/contractual framework for the sector, including tariff setting and adjustment policies.
- Capacity of implementing agencies (e.g., to handle procurement and transaction processes, monitoring and verification, and funds flow, but also in relation to understanding and being willing to work with performance-based arrangements).
- A secure source of funding and an administrative framework that allows for swift disbursement when outputs have been achieved.

64. **Targeting.** As the size of projects increases, more refined targeting mechanisms will be required. These can be costly to administer and require additional capacity, but the benefits of reducing the 'leakage' found in large geographically targeted schemes may outweigh these costs.

65. **Way forward.** There is clearly a role for the WBG in enhancing the effectiveness of OBA schemes to improve the reach of basic services to the poor.

- The Bank and IFC could work together to provide financial solutions to help mitigate the access-to-finance constraint by encouraging banks to improve lending conditions for service providers, both for pre-financing of outputs and for longer-term project finance.

- Capacity building and technical assistance for countries (e.g., for transaction support, tariff design and subsidy policy, and monitoring and evaluation) can be provided by the WBG and the multi-donor programs such as GPOBA, PPIAF, ESMAP, and WSP.
- Donor funding is key to secure and sustain sources of funding for OBA. The Bank is well placed to transfer lessons from country to country and between sectors – for example between universal access and service funds in ICT, road maintenance funds, and rural electrification funds. This will help OBA practitioners across sectors and regions to benefit from the lessons learned over the past decade, while tailoring them to specific contexts.
- The Bank should continue work on regulatory reform – for example, through the newly created Regulatory Thematic Group – and on pushing the agenda for sustainable tariffs and subsidy policies that are pro-poor. OBA can help provide the starting point for these discussions in some cases.
- The WBG also plays a pivotal role in donor coordination through its work on sector-wide approaches (SWAPs) and development policy lending (DPL). Mainstreaming OBA would require working closely with WBG clients to better understand how performance-based arrangements such as OBA could best work in their specific context, and would also require close co-ordination with other donor initiatives to ensure additionality and harmonization.
- Finally, GPOBA is increasing its efforts to facilitate sharing of experiences and best practices in OBA, and to provide WBG staff and other development partners with the practical knowledge they need to assess when OBA is suitable and to design and implement OBA schemes. This is in line with GPOBA's strategy to evolve within the coming three to five years from a funding source for subsidies to acting primarily as a center of OBA expertise. This effort includes activities such as training events for WBG staff, development of online resources and an E-learning course on OBA, and development of a diagnostic tool which would provide more guidance to project teams on issues such as project design and the relevant characteristics of an enabling environment for OBA schemes.

B. “Internal” challenges and possible responses by WBG

66. **“Mainstreaming” OBA in the WBG.** In order for OBA approaches to be scaled up more widely within the WBG, policy guidance and operational guidelines have to be put in place to support Bank staff so they can actively develop OBA schemes in their sectors. Sector strategies need to provide guidance on how these approaches will be adopted in different sectors. Some steps have already been taken:

- The SDN Sustainable Infrastructure Action Plan, which has been endorsed by the Board, states that the WBG should “pilot and ramp up innovative financing options for the private sector, including OBA...”³⁵
- The PSD Strategy Update 2009 endorses mainstreaming OBA in the WBG.³⁶
- The 2007 World Bank Strategy for Health, Nutrition, and Population calls for an increase in the “proportion of output-based lending in health.”³⁷

67. More needs to be done, however, to translate these strategies into policies on the ground, for example by incorporating OBA into Country Assistance Strategies³⁸. Furthermore, there are currently important efforts under way in the Bank to facilitate a greater focus on results, which should have a positive impact on the frequency of results-based financing mechanisms, including OBA, being incorporated in project design. **Identification of appropriate lending instruments.** Although OBA is used extensively within Standard Investment Loans (SIL), there is limited experience of OBA as part of other instruments. For example:

- In Morocco, the Urban Water OBA project (funded by GPOBA) and the first sector reform DPL funded by IBRD together helped galvanize the government to reach for OBA-type approaches: the Government of Morocco has expressed interest in requesting a Bank loan to scale-up OBA in the sector.
- Output-based schemes that involve performance-based intergovernmental transfers are being piloted in Latin America with the support of IBRD loans (e.g., Guanajuato, Mexico) and an OBA facility is being piloted in the water sector in Honduras. These are important steps to take OBA from project intervention to wider sector programs.

68. **OBA and fiduciary policies**³⁹. The nexus between OBA and Bank fiduciary operations and policies needs to be considered further. Here too, important steps have been taken. OPCS and GPOBA issued a Guidance Note on ‘Procurement Issues in Structuring Output-Based Aid (OBA) Operations Financed by the World Bank’ on April 11, 2008, including a procurement capacity assessment checklist. A ‘Guidance Note for Staff on Structuring Output-Based Aid (OBA) Approaches in World Bank Group Operations’ was issued on November 7, 2005. In 2003 the Bank adopted a Sample Bidding Document for OBA road contracts. A Financial Management Guidance Note on OBA is under preparation and will be issued in FY10. It will

³⁵ World Bank. *Sustainable Infrastructure Action Plan - 2009-2011*. Washington DC: World Bank, 2008.

³⁶ World Bank. *Private Sector Development Strategy - Mid Cycle Implementation Progress Paper*. Washington, DC: World Bank, 2009.

³⁷ World Bank. *Healthy Development: The World Bank Strategy for Health, Nutrition, and Population Results*. Washington DC: World Bank, 2007.

³⁸ The paper, “Innovating Development Finance” (Girishankar 2009), proposes “using country-based platforms to broaden the use of innovative finance to countries and sectors where they can add value (for example, mainstreaming OBA) ...”

³⁹ References to fiduciary policies in this paper are to those involving procurement and financial management.

feed into the revised Financial Management Practices Manual, which is also to be issued in FY10.

69. **Bank Staff Incentives.** Incentives will be needed to encourage staff to adopt OBA approaches. Training will also need to be provided to staff to enhance financial skills for OBA approaches. Finally, staff will need upstream advisory support when designing OBA schemes.

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Annex II. Summary of OBA Benchmarks

Advantages/benchmarks	Project results
A. Explicit targeting of subsidies	Targeting mechanisms used: Geographic targeting (85 projects), Self-selection targeting (13 projects), Means tested targeting (13 projects) and No targeting used/no targeting identified (29).
B. Shifting performance risk to providers.	All OBA projects by definition withhold some payments until an output has been delivered, thus shifting performance risks. The 25 projects using on-going subsidies by definition transfer both construction risks and operational risks. 101 projects use one-off subsidies. Half of projects involving one-off subsidies for which a disbursement schedule was obtained use some form of advances, 88 percent pay at least a part of the subsidy based on the delivery of an output such as a water or electricity connection, and 58 percent withhold some money until service delivery targets are met. 12 percent of projects in the sample pay the entire subsidy only after service delivery targets have been met.
C. Innovation and efficiency	47 percent of projects for which information on the selection method was available involve competitive bidding and an additional 13 percent involve multiple service providers competing for customers. 23 percent of projects involve incumbent service providers.
D. Private financing and expertise	Of the 127 projects, private funding figures are available for 32, which involve US\$284 million of private investments.
E. Sustainability	The nature of OBA subsidy design (normally one-off for access as opposed to on-going) and the shifting of performance risk to service providers, as well as the demand-driven nature of output delivery (e.g., payments to providers only on output/connection delivery which require applications and co-payments from users) provide the platform for relatively sustainable interventions. All 13 OBA projects for which either the ICR sustainability rating or the IEG sustainability rating is available are rated as likely to be sustainable.
F. Monitoring results	All OBA projects by definition are required to internally report outputs achieved in order to disburse money. The number of actual beneficiaries reached could be located for 32 out of 127 projects. Information on the number of km of roads maintained could be identified for 20 transport projects that are closed or under implementation. The experience with GPOBA-funded projects shows the potential for programmatic reporting. However, many Bank-funded OBA projects do not involve reporting of outputs achieved in a consistent manner and the way indicators are recorded does not necessarily allow for systematic aggregation.

Annex III. Outputs delivered by closed projects

OBA project name	Country	Sector	Total WB subsidy (in US\$ m)	Planned beneficiaries	Actual beneficiaries	IDA/IBRD
Natural Gas Distribution for Low Income Families in the Caribbean Coast	Colombia	Energy	5.1	200,000	204,842	IBRD
OBA Pilot Project of Universal Access Strategy	Mongolia	Telecom	0.3	22,315	22,315	IDA
Rwanda - Comparison of OBA Health Schemes (OBA Pilot)	Rwanda	Health	3.6	70,000	70,000	IDA
Second Water Supply Project	Guinea	Water & Sanitation	16.9	138,000	138,000	IDA
Guanajuato Water Project	Mexico	Water & Sanitation	38	90,640	90,640	IBRD
On-Site Sanitation Project (IDA Project)	Senegal	Water & Sanitation	28	540,000	567,000	IDA
Southern Provinces Rural Electrification Project	Laos PDR	Energy	1	23,000	24,870	IDA
Female Secondary School Assistance Project (FSSAP I)	Bangladesh	Education	68.1	1,600,000	1,540,000	IDA
Female Secondary School Assistance Project (FSSAP II)	Bangladesh	Education	67.8	1,450,000	1,200,000	IDA
Renewable Energy Development	China	Energy	27	1,600,000	1,600,000	IBRD
Energy for Rural Transformation Phase I	Uganda	Energy	1.4	37,500	18,330 ⁴⁰	IDA
Second Rural Roads Project	Peru	Transport	23.2	3,500,000	3,500,000	IBRD
Rural Road Rehabilitation and Maintenance Project	Peru	Transport	7.4	1,500,000	3,500,000	IBRD
Energy Services Delivery Project	Sri Lanka	Energy	5.7	75,000	104,765	IDA

⁴⁰ Number obtained before project closing.

Annex IV. Review Methodology

This paper draws from data gathered for a review paper on “Output Based Aid – A Compilation of Lessons Learned and Best Practice Guidance” that has been conducted by GPOBA and the IDA/IFC Secretariat. Much of the work has been conducted in-house by the GPOBA monitoring and evaluation team (M&E team), which is tasked with documenting and disseminating lessons learned – both best practice and challenges – from OBA schemes in and outside the WBG. Guidance and peer review has been provided by sector experts who have worked on both OBA and non-OBA projects in the Bank.

The methodology broadly involved the following:

- a) Identify the universe of OBA projects including projects funded outside of GPOBA and the WBG.
- b) Gather information on project design and implementation.
- c) Obtain data on results indicators, outputs delivered, and funding disbursed from the World Bank Business Warehouse and project reports.
- d) Compile sector-specific lessons learned and best practices in OBA, as well as lessons from the various applications of OBA such as one-off subsidies, transitional subsidies, and ongoing subsidies.

For this review, 193 OBA projects were identified and analyzed. They are classified as follows based on the OBA funding source (a few of which involve co-financing and some of which are now under consideration for scaling-up):

- **GPOBA projects** – This includes 46 projects that have received either technical assistance and/or investment subsidy funding (or are in the process of receiving funding) from GPOBA.
- **World Bank projects** – This includes 80 OBA projects that are funded by the WBG, independently of GPOBA.
- **Non-Bank Projects** – This includes 66 OBA projects that are funded either by other donors such as KfW and GtZ or by governments themselves such as the OBA scheme for water and sanitation services in Chile. This also includes OBA projects in developed countries such as the special education voucher scheme in the United States. It is not possible to conduct an exhaustive search, but the review attempts to capture a representative sample. Further, the review has largely focused on developing countries.

For each project, the following information was sought:

- **Project design**: Design elements captured include output definitions, payment triggers, financial sustainability/tariffs, targeting, total costs, funding source, role of private sector, transfer of performance risk to service providers, and administration and monitoring of the OBA scheme.
- **Project implementation and results**: This includes results of bidding (where applicable), efficiency gains, delivery of outputs and disbursement of funding, lessons learned and problems encountered during project preparation and implementation. Where possible, direct comparisons were made with input-based projects.

OBA projects were identified with the help of OBA practitioners and experts both within and outside the WBG (e.g., the consulting firm Castalia for additional ICT and transport projects). The team also relied on several in-depth studies separate from this review exercise, such as the extensive Regulatel study (Stern and Townsend) undertaken by the WBG’s Global ICT practice.

For WBG (including GPOBA) projects, information on project design and results was obtained from the Business Warehouse and from the following standard documents. The review team also contacted task managers and other team members for any additional information and clarifications.

- Project Appraisal Document (PAD)
- Project Information Document (PID)
- Operations Manual (OM)
- Implementation Status Report (ISR)
- Unaudited Interim Financial Reports (IFR)
- Implementation Completion and Results Report (ICR)

In addition, the following documents that are specific to GPOBA were analyzed:

- GPOBA Semi-annual Reports
- Independent Verification Agent Reports
- Post Project Reports

For non-Bank projects, information is typically limited. The M&E team relied heavily on internet searches and discussions with sector experts to gather information on these projects.

Annex V. List of identified Bank projects

Project Name (PO Number)	Country (Region)	Funding Source	Type of output	World Bank Subsidy amount including GPOBA ¹	Planned Number of beneficiaries	Project Status (Latest information on actual # Beneficiaries) ²	
Telecommunications							
1	OBA Telecommunications. (P081250)	Azerbaijan (ECA)	N/A	N/A	N/A	Design	
2	Competitiveness & Enterprise Development Project (P071443)	Burkina Faso (AFR)	IDA	Payphones and POPs	\$1,039,724	485,146	Implementation
3	Rural Telecommunication Access Project (P102475)	Cambodia (EAP)	GPOBA	Beneficiaries	\$2,500,957	261,000	Implementation
4	Infrastructure for Territorial Development (P076807)	Chile (LCR)	N/A	Public Phones	N/A	N/A	Implementation
5	Power and Communications Sectors Modernization and Rural Services Project PROMEC (P063644)	Ecuador (LCR)	IBRD	Payphones and Internet Stations	\$4,150,000	N/A	Closed (0 ³)
6	OBA and Regulatory Frameworks for Rural and Peri-Urban Telecommunications (P094321)	Guatemala (LCR)	IBRD	Public Phones	\$16,000,000	3,500,000	Implementation
7	Rural Telecommunications Development (P093925)	India (SAR)	IDA	Public Phones & Internet	N/A	N/A	Design
8	Extending Telecommunications in Rural Indonesia (P102476)	Indonesia (EAP)	GPOBA	Direct Users	\$1,868,338	500,000	Implementation
9	Rural Infrastructure Services Project (P057761)	Malawi (AFR)	IDA	Pay phones, telecenters, and Internet Stations	\$1,500,000	N/A	Implementation
10	OBA Pilot Project of Universal Access Strategy (P102488)	Mongolia (EAP)	GPOBA	Pay phones, telecenters, and Internet Stations	\$257,335	21,312	Closed (22,315) ⁴
11	Information and Communications Infrastructure Development Project (P092965)	Mongolia (EAP)	IDA	Pay phones, telecenters, and Internet Stations	\$5,450,000	45,000	Implementation
12	Mozambique Communication Sector Reform Project (P073479)	Mozambique (AFR)	IDA	Payphones and Internet PoPs	\$3,000,000	2,600,000	Implementation
13	Telecommunications Sector Reform Project (P050671)	Nepal (SAR)	IDA	Access lines	\$11,900,000	4,000,000	Implementation
14	Telecommunications Reform Project (P055853)	Nicaragua (LCR)	IDA	Payphones	\$900,000	323,000	Closed
15	Rural Telecommunications project (P089989)	Nicaragua (LCR)	IDA	Payphones and Internet PoPs	\$7,900,000	376,000	Implementation
16	Privatization Support Project (ICT) (P070293)	Nigeria (AFR)	IDA	Payphones and Internet Stations	\$6,130,000	2,657,422	Implementation
17	Telecommunications and Postal Sector Reform Project (P075739)	Samoa (EAP)	N/A	Payphones and Internet Stations	N/A	N/A	Implementation
18	Telecommunications and ICT Development Project (P088448)	St Lucia (LCR)	IDA/IBRD	Access lines & Internet	\$1,000,000	N/A	Implementation

¹ This amount does not include the government subsidy contribution, which amounts to nearly \$1.7 billion.

² Latest information on actual # of beneficiaries is only available for projects that have received technical assistance and/or investment subsidy funding from GPOBA, as well as for a few other WBG projects.

³ According to the ICR, the OBA component of the project was cancelled in June 2008. The operator failed to meet the technical specifications and comply with the deadlines for installation of the telecenters. The Project had paid \$1 million of the \$4.15 million committed as advances and for the reported installation of half of the telecenters. None of telecenters are in operation.

⁴ For Mongolia Telecom, the number of final beneficiaries increased due to competitive bidding.

	Project Name (PO Number)	Country (Region)	Funding Source	Type of output	World Bank Subsidy amount including GPOBA ¹	Planned Number of beneficiaries	Project Status (Latest information on actual # Beneficiaries) ²
19	Energy for Rural Transformation Project (P069996)	Uganda (AFR)	IDA	Internet POPs and Public phones	\$6,695,981	3,600,000	Implementation
20	Increased Access to Electricity and ICT Services Project (P077452)	Zambia (AFR)	IDA	Public telephones, POPs, Access Centers	\$3,125,000	N/A	Implementation
Transport							
1	Road Maintenance and Sector Rehabilitation Project (P006003)	Argentina (LCR)	IBRD & Govt	11,667 km	\$248,300,000	N/A	Closed
2	National Highway Asset management (P088153)	Argentina (LCR)	IBRD & Govt	8,188 km	\$182,800,000	N/A	Implementation
3	Provincial Road Infrastructure Project (P070628)	Argentina (LCR)	IBRD & Govt	2,204 km	\$96,400,000	N/A	Implementation
4	National Highway Rehabilitation and Maintenance (P052590)	Argentina (LCR)	IBRD & Govt	19,885 km	\$295,775,000	N/A	Closed
5	Federal Highways Project (P006532)	Brazil (LCR)	N/A	3,500 km ⁵	\$247,700,000	N/A	Closed
6	Rio Grande Do Sul Highway Management Project (P034578)	Brazil (LCR)	IBRD & Govt	2,200 km	\$70,000,000	N/A	Closed
7	Transport Sector Project (P074030)	Burkina Faso (AFR)	IDA	1,021 km	N/A	N/A	Implementation
8	OBA in Road Network Management and Maintenance 2 (P087004)	Cape Verde (AFR)	IDA	225 km	\$6,900,000	N/A	Implementation
9	Chad - National Transport Program Support Project (P035672)	Chad (AFR)	IDA	440 km	\$11,088,000	N/A	Closed
10	Chad - Road Network Management & Maintenance (P079736)	Chad (AFR)	IDA	600 km	\$24,000,000	N/A	Implementation
11	India - Annuity Road Projects (N/A)	India (SAR)	N/A	N/A	N/A	N/A	Implementation
12	Kenya Northern Corridor Improvement Project (P082615)	Kenya (AFR)	IDA, ND F, Govt	300 km	\$207,000,000	N/A	Implementation
13	Madagascar - Transport Infrastructure Investment Project (P082806)	Madagascar (AFR)	IDA	N/A	\$27,600,000	N/A	Implementation
14	Nigeria - Federal Roads Development Project (P090135)	Nigeria (AFR)	IDA	1,800 km	\$330,000,000	N/A	Implementation
15	Paraguay - Road Maintenance Project (P082026)	Paraguay (LCR)	IBRD	968 km	\$39,270,000	N/A	Implementation
16	Uruguay - Transport Project II (P049267)	Uruguay (LCR)	IBRD & Govt	856 km	\$42,237,000	N/A	Closed
17	Second Rural Access Project (P085231)	Yemen (MNA)	IDA & Govt	950 km	\$40,000,000	250,000	Implementation
18	Transport Sector Support Program (P055120)	Tanzania (AFR)	IDA	\$708	\$3,000,000	N/A	Design
19	Tanzania - Road Network Management & Maintenance P088645 (GPOBA); P078387 (Bank)	Tanzania (AFR)	IDA	850 km	\$26,000,000	N/A	Implementation
20	Peru - Regional Transport Infrastructure Decentralization Project (Provias Descentralizado) (P078813)	Peru (LCR)	IBRD & IADB & Govt	4,906 km	\$50,000,000	N/A	Implementation

⁵ In effect, over the 1998-2005 period, about 4,000 km of rehabilitation works on the federal road network were undertaken under the World Bank funding, out of which about 3,500 km with a result-based approach. An additional 3,000 km of rehabilitation works were financed by the IADB loans, and about 1,300 km by the Federal Government itself.

	Project Name (P0 Number)	Country (Region)	Funding Source	Type of output	World Bank Subsidy amount including GPOBA ¹	Planned Number of beneficiaries	Project Status (Latest information on actual # Beneficiaries) ²
21	Peru - Second Rural Roads Project (P044601)	Peru (LCR)	IBRD & IADB & Govt	14,950 km	\$23,154,000	3,500,000	Closed (3,500,000)
22	Peru - Rural Road Rehabilitation and Maintenance Project (P037047)	Peru (LCR)	IBRD & IADB & Govt	10,881 km	\$7,390,000	1,500,000	Closed (3,500,000)
23	Serbia & Montenegro - Transport Rehabilitation Project (P075207)	Serbia & Montenegro (ECA)	IDA & Govt	1,200 km	\$55,000,000	N/A	Implementation
Energy							
1	Renewable Energy in the Rural Market Project (P006043)	Argentina (LCR)	IBRD	Household Connections	\$30,600,000	180,000	Implementation (48,000)
2	Access to Gas & Heat Supply for Poor Urban Households (P103071)	Armenia (ECA)	GPOBA	Individual Gas connections	\$3,100,000	18,676	Implementation (11,120)
3	Heating and Gas (IDA Project) (P095329)	Armenia (ECA)	IDA, Govt.	Individual Gas connections	\$3,000,000	21,924	Implementation (7,000)
4	Rural Electrification and Renewable Energy Development (IDCOL SHS) (P071794)	Bangladesh (SAR)	GEF, IDA, ADB, IDB, KfW, GTZ	SHS installations	\$8,200,000	1,221,960	Implementation (1,800,000)
5	Decentralized Infrastructure for Rural Transformation (P073367)	Bolivia (LCR)	IDA	SHS installations	\$10,000,000	106,746	Implementation (30,776)
6	Bolivia Rural Access with Small-Scale Providers (P102479)	Bolivia (LCR)	GPOBA	SHS and Pico PV systems	\$5,175,000	45,000	Implementation
7	Rural Electrification and Transmission (P071591, P064844)	Cambodia (EAP)	GEF	Household Connections	\$5,600,000	316,200	Implementation
8	Renewable Energy Development (P046829)	China (EAP)	GEF	Photovoltaic SHS	\$27,000,000	1,600,000	Closed (1,600,000)
9	Natural Gas Distribution for Low Income Families in the Caribbean Coast (P102095)	Colombia (LCR)	GPOBA	Household gas connection and a gas stove	\$5,085,000	210,000 ⁶	Closed (210,000) ⁷
10	Rural Energy Access (P105651)	Ethiopia (AFR)	GPOBA	Household Connections	\$8,000,000	1,142,857	Implementation
11	Solar PV Systems to Increase Access to Electricity Services in Ghana (P105617)	Ghana (AFR)	GPOBA	SHS installations	\$4,350,000	90,000	Implementation
12	Guatemala PER- Rural Electrification (MIGA guarantee)	Guatemala (LCR)	MIGA	Individual Household connections	- ⁸	1,100,000	Implementation (946,915)
13	Improved Electricity Access for Indian Slum Dwellers (P104649)	India (SAR)	GPOBA	Household Connections	\$1,570,000	110,000	Design

⁶ The verified connections in Colombia serve 204,852 beneficiaries. The remaining 5,000 beneficiaries were connected but the connections were not verified as they were made after the deadline.

⁷ Includes beneficiaries from unverified connections.

⁸ The WBG contributed to this project in the form of a MIGA guarantee, providing insurance coverage for the privatization of two state-run power distribution companies in Guatemala (Distribuidora Electrica de Oriente S.A. and Distribuidora Electrica de Occidente S.A.). The \$96.6 million guarantee was extended to Union Fenosa Internacional S.A., of Spain, to protect the investment against the risks of transfer restriction, expropriation, and war and civil disturbance. In addition to assuming management and operational control, the privatization was part of the Guatemala's rural electrification framework.

	Project Name (PO Number)	Country (Region)	Funding Source	Type of output	World Bank Subsidy amount including GPOBA ¹	Planned Number of beneficiaries	Project Status (Latest information on actual # Beneficiaries) ²
14	Home Solar Systems Project (P035544)	Indonesia (EAP)	GEF	SHS installations	\$5,200,000	35,438	Closed
15	Southern Provinces Rural Electrification Project (P044973)	Lao PDR (EAP)	IDA	Household Connections	\$1,000,000	50,000	Closed (51,805)
16	Liberia Electricity Access (P110723)	Liberia (AFR)	GPOBA	Household Connections	\$5,000,000	91,241	Design
17	Household Energy and Universal Access Project (P073036)	Mali (AFR)	IDA, GEF	Household Connections and SHS installations	\$19,300,000	178,700	Implementation (178,685)
18	Biogas Support Programme (P103979)	Nepal (SAR)	DGIS , KfW, GPOBA	Biogas plants	\$5,000,000	261,000	Implementation (33,404)
19	Off-grid Rural Electrification (Perza) (P073246)	Nicaragua (LCR)	IDA	Household Connections	\$1,850,000	42,000	Implementation (46,445)
20	Rural Power Project (P066397)	Philippines (EAP)	GEF	SHS installations	\$1,800,000	50,000	Implementation
21	Rural non-Grid Power Supply (P090238)	Philippines (EAP)	Local Govt. TA from GPOBA	Electricity supplied (kWh)	N/A	360,000	Implementation
22	Electricity Services for Rural Areas Project (P085708)	Senegal (AFR)	IDA, GEF, AfDB, KfW	Household connections	\$18,000,000	377,622	Implementation
23	Renewable Energy for Rural Economic Development (P076702)	Sri Lanka (SAR)	GEF	SHS installations	\$3,900,000	425,000	Implementation (500,000)
24	Energy Services Delivery Project (P010498)	Sri Lanka (SAR)	IDA	SHS installations	\$5,700,000	75,000	Closed (104,765)
25	Pamir Private Power Project (P075256)	Tajikistan (ECA)	IDA	Electricity consumed (in kWh)	\$4,000,000	178,126	Implementation (178,126)
26	Energy Development and Access project (TEDAP) (P101645)	Tanzania (AFR)	GEF	Rural Household Connections	\$2,300,000	75,000	Implementation
27	Energy for Rural Transformation Phase I (P069996)	Uganda (AFR)	GEF	SHS Installations & Institutional systems	\$1,400,000	37,500	Implementation (18,330)
Water and Sanitation							
1	Multi-sector Project for Basic Services in Rural Areas (P053578)	Bangladesh (SAR)	IDA	Water connections	\$314,743	26,000	Implementation (5,510)
2	Design of Innovative OBD Schemes for Water Supply and Sanitation Projects in Two Brazilian States (P114151)	Brazil (LCR)	N/A	Water connections	N/A	N/A	Design
3	Water Affermage contract - OBA for coverage expansion (P104526)	Cameroon (AFR)	GPOBA	Water connections	\$5,250,000	240,000	Implementation (4,302) ⁹
4	Second Water Supply Project (P001044)	Guinea (AFR)	IDA	Water connections	\$16,900,000	138,000	Closed (138,000)
5	Extension of Water Services (P102474)	Honduras (LCR)	GPOBA	Water connections	\$4,440,000	240,000	Implementation
6	Improved Rural Community water in Andhra Pradesh (P102472)	India (SAR)	GPOBA	HH Water Connections	\$850,000	75,000	Implementation (43,422) ¹⁰

⁹ Includes beneficiaries from unverified connections.

¹⁰ Includes beneficiaries from unverified connections.

	Project Name (P0 Number)	Country (Region)	Funding Source	Type of output	World Bank Subsidy amount including GPOBA ¹	Planned Number of beneficiaries	Project Status (Latest information on actual # Beneficiaries) ²
7	Jakarta PT Thames/Suez (P102529)	Indonesia (EAP)	GPOBA	Household water connections	\$2,573,140	55,824	Implementation (15,955) ¹¹
8	Expanding Piped Water Supply to Surabaya's Urban Poor (P105590)	Indonesia (EAP)	GPOBA	Water connections and Master Meter installation	\$2,407,500	77,500	Implementation
9	Micro-finance for small water schemes (P104075)	Kenya (AFR)	GPOBA, EU	HH Water Connections	\$1,151,300	60,000	Implementation (2,232) ¹²
10	Extension of Water and Sanitation in Low Income Areas in Kisumu (P098285)	Kenya (AFR)	GPOBA	Water Connections	\$350,000	72,000	Design
11	Small Towns Water Supply (P099575)	Lao PDR (EAP)	GPOBA	Water Connections	\$2,350,000	124,000	Design
12	Guanajuato Water Project (N/A)	Mexico (LCR)	IBRD	water Connections	\$38,006,000	90,640	Implementation
13	National OBA Facility for Wastewater Sector (P111610)	Mexico (LCR)	N/A	Water Connections	N/A	N/A	Design
14	Rural Water Supply and Sanitation Project (P086877)	Morocco (MNA)	TA from GPOBA	Water Connections and Flush Latrines	N/A	51,840	Design
15	Urban Water and Sanitation (P102527)	Morocco (MNA)	GPOBA	Water Connections	\$7,000,000	55,704	Implementation (14,475) ¹³
16	Water Private Sector Contracts - OBA for coverage expansion (P104945)	Mozambique (AFR)	GPOBA	Household yard taps	\$6,000,000	468,000	Implementation
17	Second National Urban Water Sector Reform Project (P071391)	Nigeria (AFR)	IDA	Household Water Connections	\$13,350,000	300,000	Implementation
18	Fourth Rural Water Supply and Sanitation Project (P039983)	Paraguay (LCR)	IBRD	Household Water Connections	\$834,880	27,625	Closed
19	National Project for Rural Water and Sanitation (P065256)	Peru (LCR)	IBRD	Household Water Connections	\$2,500,000	N/A	Implementation
20	LGU Urban Water and Sanitation Project APL2 (P069491)	Philippines (EAP)	IBRD	Household Water Connections	\$2,300,000	N/A	Closed
21	Manila Water (P106775)	Philippines (EAP)	GPOBA	Water Connections	\$2,900,000	100,463	Implementation (26,372)
22	On-Site Sanitation Project (P095587)	Senegal (AFR)	GPOBA	On-site sanitation solutions	\$5,764,032	135,900	Implementation (3,267) ¹⁴
23	On-Site Sanitation Project (IDA Project) (P041528)	Senegal (AFR)	IDA	Household sanitation connections	\$28,000,000	540,000	Implementation (567,000)
24	Colombo Wastewater (P111161)	Sri Lanka (SAR)	GPOBA	sewer connections	\$1,100,000	35,000	Design
25	National Water Sector Fund (P104335)	St. Lucia (LCR)	GPOBA	Sanitation connections	\$1,600,000	25,600	Design
26	Water Supply in Secondary Towns (P097290)	Tanzania (AFR)	GPOBA	Household Water Connections	\$7,000,000	100,000	Design
27	OBA in Water Supply in Uganda's Small Towns and Rural Growth Centers (P102462)	Uganda (AFR)	GPOBA	Public Water Points and HH Yard Taps	\$3,169,001	55,511	Implementation
28	Kampala - Water Connections for the Poor (P104943)	Uganda (AFR)	GPOBA	Public Water Points and Yard Taps	\$2,527,100	409,050	Implementation (9,150) ¹⁵

¹¹ Includes beneficiaries from unverified connections.

¹² Includes beneficiaries from unverified connections.

¹³ Includes beneficiaries from unverified connections.

¹⁴ Includes beneficiaries from unverified connections.

	Project Name (P0 Number)	Country (Region)	Funding Source	Type of output	World Bank Subsidy amount including GPOBA ¹	Planned Number of beneficiaries	Project Status (Latest information on actual # Beneficiaries) ²
29	Rural Water (EMW) (P104528)	Vietnam (EAP)	GPOBA	Working House connection to network	\$3,000,000	150,000	Implementation (13,630)
30	Service Expansion and Water Loss Reduction (P106450)	Vietnam (EAP)	GPOBA	Individual Household water Connections	\$7,745,000	249,561	Implementation
31	Al Qabel Village Water Supply (P111757)	Yemen (MNA)	GPOBA	Household sanitation connections	\$1,400,000	15,000	Design
Health							
1	Health System Emergency Reconstruction and Development - Supplement (P098358)	Afghanistan (SAR)	IDA	Medical treatments	\$30,000,000	2,250,000	Implementation
2	Provincial Maternal-Child Health Invest (P071025)	Argentina (LCR)	IBRD, Govt	Medical treatments for mothers and children	\$90,400,000	582,292	Implementation (527,305)
3	Provincial Maternal-Child Health Invest. Loan - Phase II (P095515)	Argentina (LCR)	IBRD, Govt	Medical treatments for mothers and children	\$277,400,000	1,700,000	Implementation (388,188)
4	Contractual Approaches for Improving Health Services Delivery (P088751)	Congo, DR (AFR)	IDA	Medical treatments	\$5,000,000	1,500,000	Implementation
5	Health Zone Project: Health Zone Administration and Facilities Contracting Component (P057296)	Congo, DR (AFR)	IDA	Immunization coverage	\$5,000,000	10,000,000	Implementation
6	Rajasthan Health Systems Development Project (P050655)	India (SAR)	IDA, Govt	Medical treatments	\$89,000,000	3,034,000	Implementation
7	Lesotho New Hospital PPP (P104403)	Lesotho (AFR)	GPOBA	Medical treatments	\$6,250,000	500,000	Implementation
8	Pre-paid Health Scheme Pilot in Nigeria (P104405)	Nigeria (AFR)	GPOBA	Medical treatments	\$6,015,165	22,500	Implementation
9	Poverty Reduction Support Credit - PRSC (P078806)	Pakistan (SAR)	IDA	Medical treatments	N/A	N/A	Closed
10	Poverty Reduction Support Credit - PRSC II (P090690)	Pakistan (SAR)	IDA	Medical treatments	N/A	N/A	Closed
11	Mother and Child Basic Health Insurance Project (P082056)	Paraguay (LCR)	IBRD	Mother-Baby Treatment Package	\$7,304,000	737,000	Implementation
12	Comparison of OBA Health Schemes (P092944)	Rwanda (AFR)	IDA, Govt	Medical treatments	\$3,600,000	1,070,000	Closed
13	Poverty Reduction Support Credit I (P085192)	Rwanda (AFR)	IDA, Govt	Medical treatments	\$13,000,000	N/A	Closed
14	Poverty Reduction Support Credit III (P098129)	Rwanda (AFR)	IDA, Govt	Medical treatments	\$8,250,000	N/A	Closed
15	Poverty Reduction Support Credit IV (P104990)	Rwanda (AFR)	IDA, Govt	Medical treatments	\$8,400,000	N/A	Closed
16	Health Sector Development Program (P058627)	Tanzania (AFR)	IDA	Medical treatments for maternal and childhood illnesses	267486000	N/A	Closed
17	Health Sector Development Project II (P105093)	Tanzania (AFR)	IDA	Medical treatments to prevent Malaria	\$65,000,000	N/A	Implementation

¹⁵ Includes beneficiaries from unverified connections.

	Project Name (PO Number)	Country (Region)	Funding Source	Type of output	World Bank Subsidy amount including GPOBA ¹	Planned Number of beneficiaries	Project Status (Latest information on actual # Beneficiaries) ²
18	Reproductive Health Vouchers in Western Uganda (P104527)	Uganda (AFR)	GPOBA, KfW	Sexually Transmitted Disease and Safe Delivery Vouchers	\$4,300,000	135,912	Implementation
19	Mekong Regional Health Support Project (P079663)	Vietnam (EAP)	IDA	Health Insurance	\$8,000,000	N/A	Implementation
20	Northern Upland Health Support Project (P082672)	Vietnam (EAP)	IDA	Medical treatments	\$10,000,000	N/A	Implementation
21	Health Support to the Poor of the Northern Upland (P110251)	Vietnam (EAP)	IDA	Medical treatments	\$14,140,000	N/A	Implementation
22	Safe Motherhood Program (P104946)	Yemen (MNA)	GPOBA	Mother-Baby Treatment Package	\$6,232,100	80,000	Implementation
Education							
1	Female Secondary School Assistance Project - FSSAP I (P009555)	Bangladesh (SAR)	IDA, Govt	Female Students Enrolled	\$68,100,000	1,600,000	Closed (1,540,000)
2	Female Secondary School Assistance Project - FSSAP II (P044876)	Bangladesh (SAR)	IDA, Govt	Female Students Enrolled	\$67,807,143	1,450,000	Closed (1,200,000)
3	Lifelong Learning and Training Project (P068271)	Chile (LCR)	IBRD, Govt	Students Enrolled	\$41,140,000	177,874	Implementation
4	Balochistan Education Support Project (P094086)	Pakistan (SAR)	IDA, Govt	Students Enrolled	\$2,100,000	34,500	Implementation