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MESSAGE

FROM THE PROGRAM MANAGER

Fiscal year 2011 has seen the Global Partnership on Output-Based Aid (GPOBA) move forward on several fronts in a successful, if challenging, year. GPOBA's standing within the results-based community continued to grow, output-based aid (OBA) became more widely integrated within World Bank programs, and demand for GPOBA support from other donor organizations increased significantly.

GPOBA's portfolio of 30 OBA subsidy schemes is delivering impressive results, with increased disbursements and more beneficiaries reached. Disbursements now total \$48.3 million, double the cumulative total a year ago, and the amount disbursed this year, \$24.2 million, is equivalent to total disbursements for the previous four years. Altogether, the OBA pilot projects have reached nearly 1.9 million beneficiaries, an increase of over 1.1 million (148 percent) compared to fiscal year 2010.

GPOBA successfully implemented its first batch of OBA pilot projects (2006 to 2009) in mature sectors, such as information and communication technology, water supply, and energy, often with private sector providers. We have now enlarged our scope of action to include OBA subsidy schemes in less tested sectors, including education, irrigation, and sanitation, and in frontier and fragile countries, such as Liberia and Vanuatu. We expect these new projects to generate additional lessons and best

practices in areas such as targeting the poor, capacity of service providers, and independent output verification.

In addition to developing the subsidy portfolio, GPOBA is supporting adoption of OBA approaches by governments, other development partners, and the World Bank Group (WBG). With governments, we are working to mainstream OBA approaches through national OBA facilities and other scaling-up initiatives. Our partner countries include Kenya, Morocco, the Philippines, Uganda, and Vietnam. GPOBA is also working with other development partners, such as the Asian Development Bank, to help them design and implement their own OBA pilot projects. Within the WBG, GPOBA contributed lessons learned from OBA approaches to the design of a new Program-for-Results financing instrument, which is due to be launched in fiscal year 2012. GPOBA staff stand ready to provide advice and support to Program-for-Results initiatives, and to transfer knowledge to other development partners.

GPOBA's strategy to become a center of expertise on OBA made good progress this year. In addition to portfolio development and OBA mainstreaming work, GPOBA delivered a record 54 knowledge and learning activities in fiscal year 2011, up from 41 in fiscal year 2010, and reached over 1,400 people. To disseminate best practices more widely, GPOBA published 19 new papers and translations in its OBAApproaches series, as well as

new working papers on access-to-finance issues in OBA projects and the use of OBA for sustainable sanitation.

GPOBA's advocacy efforts, and its experiences designing OBA facilities, have attracted the interest of specialists looking for results-based solutions to broader development problems. To meet this demand, GPOBA staff supported the design of results-based World Bank projects using technical assistance. Three such projects launched in fiscal year 2011 offer the first experiences of creating results-based fiscal transfers using government systems and budgetary allocations, and incorporating OBA principles. Providing technical assistance to pilot results-based approaches will be a regular part of GPOBA's business going forward.

This year GPOBA's communications activities helped to position OBA within the results-based financing universe and to raise awareness of the advantages of OBA. GPOBA organized its first learning and dissemination workshop for donors, jointly with the Public-Private Infrastructure Advisory Facility (PPIAF), in Casablanca, Morocco. A highlight was a screening of GPOBA's new documentary film on the Morocco OBA urban water and sanitation pilots and a panel discussion with the project partners. We also organized a site visit for our donors which allowed them to see for themselves how the OBA water and sanitation connections are improving people's lives.

Looking ahead, GPOBA will continue to provide funding for new OBA pilot projects with potential for scaling up, as well as seed funding for OBA facilities. These activities will help us to ensure continuous learning, and will support our vision of becoming a center of expertise and mainstreaming OBA with the development partners.

While working on these many fronts, GPOBA also went through some important transitions this year. We appointed a new panel of experts to review OBA project proposals. And in January 2011, I was appointed acting program manager of GPOBA, following the departure of Patricia Veevers-Carter. Patricia's vision and leadership during her six years at the head of GPOBA have been crucial to the program's success and to the wider adoption of OBA approaches. I and the whole GPOBA team would like to thank her and Zoubida Allaoua, director of the World Bank's Finance, Economics, and Urban Development Department, for their support throughout the transition. We also wish to thank our donors for their continuous support and enthusiasm for GPOBA, without which we could not have achieved such positive results.



Adriana de Aguinaga de Vellutini
Acting Program Manager
October 2011



OVERVIEW

Nepal biogas project

Despite significant setbacks after the 2008-2009 economic downturn, exacerbated by the food and energy crisis, the world is making progress on reducing poverty and improving access to basic services for the poor. According to the Millennium Development Goals Report 2011, the global poverty rate is expected to fall below 15 percent by 2015. Every region of the world has made progress in improving access to clean drinking water, with Sub-Saharan Africa nearly doubling the number of people using an improved drinking water

source – from 252 million in 1990 to 492 million in 2008. Between 2000 and 2010, more than 200 million slum-dwellers around the world gained access to either improved water, sanitation or durable and less crowded housing. Aid to developing countries is also at a record high, with an increase of 6.5 percent in real terms between 2009 and 2010.

Despite real progress, many challenges remain. Progress has been uneven in improving access to safe drinking water, with rural areas lagging behind towns



and cities in all regions. Over 2.6 billion people still lack access to flush toilets or other forms of improved sanitation. Progress in improving slum conditions has not been sufficient to offset the growth of informal settlements, with slum dwellers now totaling some 828 million. Around the world, over 1.4 billion people are still without access to electricity, including about 550 million in Africa and over 400 million in India, and fumes and smoke from open cooking fires kill approximately 1.6 million people per year¹. Meanwhile, aid is expected to continue to grow, but at a much lower rate, with aid to Africa rising by only 1 percent a year between 2011 and 2013, compared to an average of 13 percent over the past three years.

Within this context, donors and development partners are giving increasing attention to improving the effectiveness of aid. This is where output-based aid (OBA) and other results-based financing (RBF) approaches come in. These mechanisms are designed to enhance access to and delivery of infrastructure and social services through the use of performance-based incentives, rewards, or subsidies. Funding is conditional on the service provider achieving a pre-agreed performance or outputs. Resources are disbursed not against individual expenditures or contracts on the input side, but against demonstrated and independently verified results that are within the control of the recipient.

OBA in particular links the payment of aid to the delivery of specific services or “outputs.” These can include, for example, connection of poor households to electricity grids or water supply systems, installation of solar home systems, or delivery of basic healthcare services. Under an OBA scheme, service delivery is contracted out to a third party, usually a private firm, which receives a subsidy to complement or replace the user fees. The service provider is responsible for “pre-financing” the project until output delivery. The subsidy is performance-based, meaning that most of it is paid only after the services or outputs have been delivered and verified by an independent verification agent. The subsidy is explicitly targeted to the poor, for example by focusing on areas in which poor people live.

Sectors in which OBA approaches are being used include education, energy, health, information and

communication technology (ICT), transport, and water and sanitation. The experience so far provides evidence that OBA can make aid more accountable, more effective, and more transparent. Whether the goal is to deliver clean drinking water in the Philippines and Kenya, solar home systems in Bangladesh and Bolivia, or basic healthcare in Lesotho and Uganda, the bottom line with OBA is value for money and lasting results for the poor.

GPOBA'S ROLE AND AMENDED STRATEGY

The Global Partnership on Output-Based Aid (GPOBA) is a World Bank-administered program with a mandate to improve delivery of basic infrastructure and social services to the poor in developing countries, using OBA approaches. Created in 2003 by the UK's Department for



Bolivia solar home systems project

1 See the World Bank's Energy website (<http://www.worldbank.org/energy>).

International Development (DFID) and the World Bank, GPOBA was originally intended to help assist in preparing OBA projects and to document and disseminate the lessons learned. In 2005, through an additional DFID contribution, GPOBA became able to fund actual subsidy schemes and has since built up a portfolio of OBA pilot projects in different countries and sectors. In addition to DFID and the World Bank, GPOBA's donors now include the Australian Agency for International Development (AusAID), the Dutch Ministry of Foreign Affairs (DGIS), the International Finance Corporation (IFC), and the Swedish International Development Cooperation Agency (Sida).

In 2008, GPOBA adopted a vision statement for the next five years which set out two main objectives: for OBA to become an approach that is regularly incorporated in the design of projects to support the sustainable delivery of basic services to target populations; and for GPOBA to become a recognized center of expertise, building on the knowledge and experience its staff have acquired through designing and implementing OBA approaches. The vision statement envisaged phasing out subsidy funding after fiscal year 2013. However, GPOBA's experience has shown that it is not possible to build a center of expertise without continuing to develop new pilot projects and provide support for scaling-up initiatives, to ensure continual learning. A revised strategy incorporating this was

approved by GPOBA's donors at the program council meeting in June 2011.

To achieve this revised strategy, GPOBA is working on four fronts:

1. Designing and implementing OBA pilot projects,
2. Building a center of expertise,
3. Piloting other results-based approaches, and,
4. Communicating with the development community

This report reviews progress towards these goals in fiscal year 2011 (July 1, 2010 to June 30, 2011). GPOBA's financial statement for fiscal year 2011 is presented in annex 1. A full list of the OBA pilot projects funded by GPOBA is given in annex 2. The GPOBA team is presented in annex 3.

SUPPORT FROM DONORS

Since the creation of GPOBA, the program's donors have provided a total of \$285.9 million in funding (contributions and pledges), of which \$266.9 million has been received. This includes a one-time pledge of \$2.2 million in 2009 from the European Union through its Water Facility for the African, Caribbean and Pacific countries. Contributions received in fiscal year 2011 include \$37.3 million from IFC, \$14.4 million from DFID, and \$2.2 million from Sida (see annex 1).



DESIGNING & IMPLEMENTING OBA PILOT PROJECTS

Morocco urban water pilot

GPOBA's grant funding is an essential catalyst for the design and implementation of OBA approaches. This includes funding for OBA pilot projects (subsidy schemes), technical assistance, and dissemination activities. This section reviews results achieved in fiscal year 2011, portfolio composition, GPOBA's work to monitor and evaluate the portfolio, lessons learned over the past 12 months, and work to develop new pilot projects.

RESULTS ACHIEVED

GPOBA has been developing OBA subsidy schemes since 2006, with the aim of building a robust sample of pilot projects from which to draw lessons and develop best practices in output-based approaches. These schemes are delivering impressive results, reflecting the maturity of the portfolio in which many pilots have now reached full implementation:

- As of June 30, 2011, the GPOBA portfolio has disbursed a total of \$48.3 million, double the total a year ago (see figure 1).
- The amount disbursed this year, \$24.2 million, is equivalent to total disbursements for the previous four years.
- Of total disbursements, 96 percent are against verified outputs and only 4 percent are for advances, compared to 79 percent for verified outputs and 21 percent for advances a year ago (see table 1).
- Altogether, the OBA pilot projects have reached nearly 1.9 million beneficiaries, an increase of over

1.1 million (148 percent) compared to a year ago (see figure 2).

- Of the 30 signed projects, 23 have now delivered verified outputs, up from 17 a year ago (see table 2).
- The verified outputs delivered this year include 141,053 electricity connections, 45,014 water connections, 21,558 medical treatments, 9,661 sanitation connections, 8,373 biogas plants, and 5,256 education enrollments.

Individual projects made significant progress in fiscal year 2011. The Bangladesh solar home systems (SHS) project delivered the most outputs, with 69,185 SHS installations, and disbursed \$7 million in less than one year. The Honduras water and sanitation services project, after a period of political unrest in the country, began delivering outputs for the first time since grant signing in 2007. The incentives in the Honduras scheme have attracted good implementers, including community-based cooperatives, nongovernmental organizations (NGOs), and private service providers. In Bolivia, the rural electricity access project is finally overcoming implementation delays and bids for eight contracts are being evaluated. In Ethiopia, the rural electrification project has begun its operations after a national moratorium on connections was lifted. More than 20,000 potential beneficiaries have applied for the service and around 500 households have been connected so far.

FIG 1 GPOBA PORTFOLIO: DISBURSEMENTS FY07 TO FY11

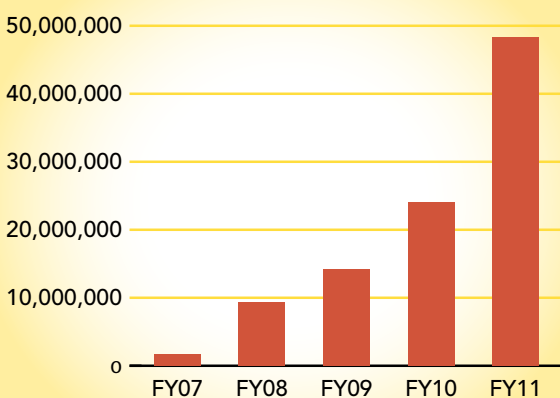
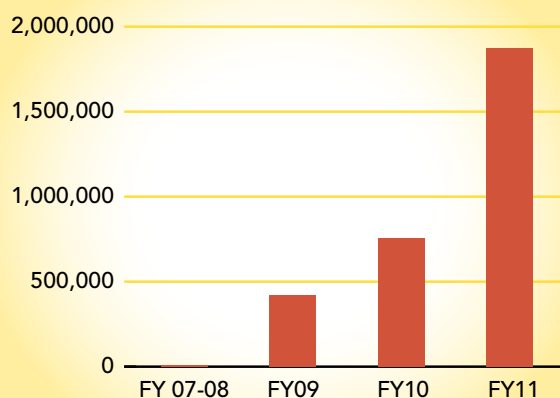


FIG 2 GPOBA PORTFOLIO: BENEFICIARIES REACHED FY07-08 TO FY11



PORTFOLIO COMPOSITION

As of June 30, 2011, GPOBA has signed 30 grant agreements for a total grant amount of \$130.7 million, expected to reach around 7.3 million beneficiaries² (see annex 2). Of these 30 subsidy schemes, 26 are active and 4 have completed their activities: Armenia heat and gas, Colombia natural gas, India rural community water, and Mongolia telecom. This fiscal year, GPOBA provided additional funding of \$6.75 million for an OBA subsidy scheme to improve access to renewable energy in rural areas of Bangladesh. This new grant brings GPOBA's funding commitment for

2 Two GPOBA grant agreements are not counted in this total: the Vietnam Service Expansion and Water Loss Reduction project, cancelled because the connection charge to be subsidized was waived by the Government of Vietnam; and the Cambodia Rural Telecommunication Access Project, cancelled because commercial operators already provided network coverage to the target areas that would have benefited from the project.

TABLE 1 DISBURSEMENTS AS OF JUNE 30, 2011 (US\$)

Country	Project Name	Advances	Disbursements against verified outputs	Total disbursements
Armenia	Access to Gas & Heat Supply for Poor Urban Households in Armenia		3,087,196	3,087,196
Bangladesh	Rural Electrification and Renewable Energy Development - SHS Project		7,200,000	7,200,000
Bangladesh	Rural Electrification and Renewable Energy Development - Mini Grid Project	170,116		170,116
Bolivia	Decentralized Electricity for Universal Access	50,000		50,000
Cameroon	Cameroon Water Affermage contract - OBA for coverage expansion		345,600	345,600
Colombia	Natural Gas Distribution for Low Income Families in the Caribbean Coast		4,880,382	4,880,382
Ghana	Solar PV Systems to Increase Access to Electricity Services in Ghana	382,853	390,000	772,853
Honduras	Extension of Water and Sanitation Services in Low income areas of Honduras	123,993	1,606,808	1,730,801
India	Improved Rural Community Water in Andhra Pradesh		834,276	834,276
Indonesia	Expansion of Water Services in Low Income Areas of Jakarta		1,689,187	1,689,187
Indonesia	Extending Telecommunications in Rural Indonesia	295,490		295,490
Indonesia	Expanding Piped Water Supply to Surabaya's Urban Poor	500,000		500,000
Kenya	Micro-finance for Small Water Schemes		890,414	890,414
Lesotho	Lesotho Health PPP Project		521,061	521,061
Mongolia	Mongolia OBA Pilot Project of Universal Access Strategy		257,335	257,335
Morocco	Morocco Urban Water and Sanitation		6,373,275	6,373,275
Mozambique	Mozambique Water Private Sector Contracts – OBA for coverage expansion		400,565	400,565
Nepal	Biogas Support Programme		3,377,960	3,377,960
Nigeria	Pre-paid Health Scheme Pilot in Nigeria		1,701,383	1,701,383
Philippines	Improved Access to Water Services in the East Zone of Metro Manila Project		756,153	756,153
Senegal	Senegal On-Site Sanitation Project		3,062,612	3,062,612
Uganda	OBA in Water Supply in Uganda's Small Towns and Rural Growth Centers		1,824,179	1,824,179
Uganda	Reproductive Health Vouchers in Western Uganda		2,869,247	2,869,247
Uganda	OBA in Kampala – Water Connections for the Poor		397,540	397,540
Vietnam	Vietnam Rural Water (EMW)		3,426,566	3,426,566
Vietnam	Vietnam Education Project		287,495	287,495
Yemen	Yemen Safe Motherhood Program	565,314		565,314
Total		2,087,767	46,179,235	48,267,001

TABLE 2 OUTPUTS DELIVERED AND VERIFIED AS OF JUNE 30, 2011

Country	Project Name	Output Description	Verified Outputs	Number of beneficiaries
Armenia	Access to Gas & Heat Supply for Poor Urban Households in Armenia	Households with access to heating either through individual connection or through local boiler systems	5,847	23,739
Bangladesh	Rural Electrification and Renewable Energy Development – Solar Home Systems Project	Solar Home Systems	140,000	700,000
Cameroon	Cameroon Water Affirmage contract - OBA for Coverage Expansion	Household Water Connections	4,094	24,564
Colombia	Natural Gas Distribution for Low Income Families in the Caribbean Coast	Households with gas connection	34,138	204,828
Ghana	Solar PV Systems to Increase Access to Electricity Services in Ghana	Solar Home Systems and Solar Lanterns	2,317	13,902
Honduras	Extension of Water and Sanitation Services in Low income areas of Honduras	Households with gas connection	7,041	42,246
India	Improved Rural Community Water in Andhra Pradesh	UV water purification system providing public access to clean water	25	77,878
Indonesia	Expansion of Water Services in Low income areas of Jakarta	Household Water Connections	5,042	25,210
Indonesia	Expanding Piped Water Supply to Surabaya's Urban Poor Project	Household Water Connections & Master Meters	161	1,460
Kenya	Micro-finance for Small Water Schemes	Households benefiting from increased access to water supply services	5,766	34,596
Mongolia	Mongolia OBA Pilot Project of Universal Access Strategy	1) Public access telephone network for herder community 2) Wireless network for soum	1 public access telephone network 2 wireless networks	22,315
Morocco	Morocco Urban Water and Sanitation	Households with water and sanitation connection	10,040	50,200
Mozambique	Water Private Sector Contracts – OBA for Coverage Expansion in Mozambique	Yard Taps	2,273	40,914
Nepal	Biogas Support Programme	Biogas plants for rural Nepalese households	19,241	134,687
Nigeria	Pre-paid Health Scheme Pilot in Nigeria	Health Insurance Packages	10,453	10,453
Philippines	Improved Access to Water Services in the East Zone of Metro Manila Project	Individual water service connection, after-the-meter piping and 2 faucets, & water closet	12,080	72,480
Senegal	Senegal On-Site Sanitation	Households benefiting from increased access to new sanitation facilities	6,240	56,160
Uganda	Uganda NWSC	Public Water Points and Water Yard Taps	6,584	53,400
Uganda	Uganda Small Towns	Water Yard Taps	1,426	45,114
Uganda	Uganda Reproductive Health	Safe Delivery and STD Vouchers	62,000	92,500
Vietnam	Vietnam Rural Water (EMW)	Households with piped water connections	26,745	133,725
Vietnam	Vietnam Education	Tuition Packages	5,256	5,256
Yemen	Yemen Safe Motherhood Program	Safe Delivery Packages	3,628	7,256
Total				1,872,883

the Bangladesh project to nearly \$14 million. It means an additional 175,000 households will be able to install individual SHS.

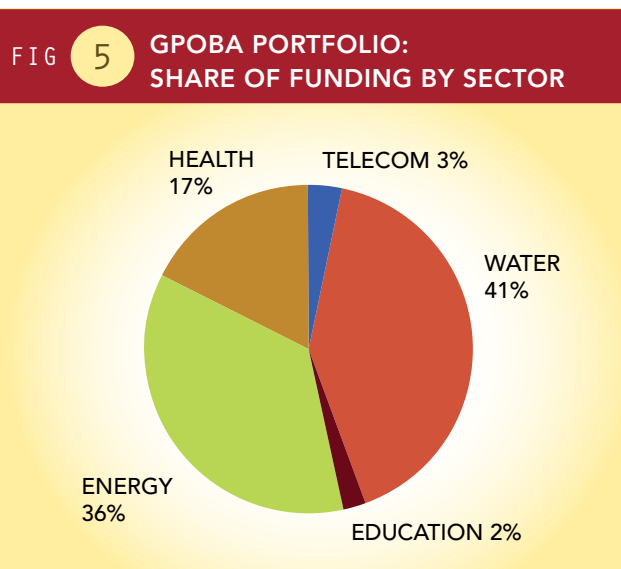
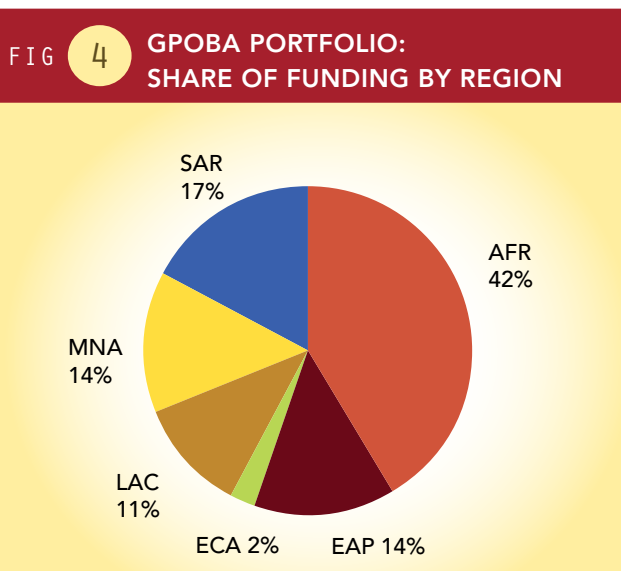
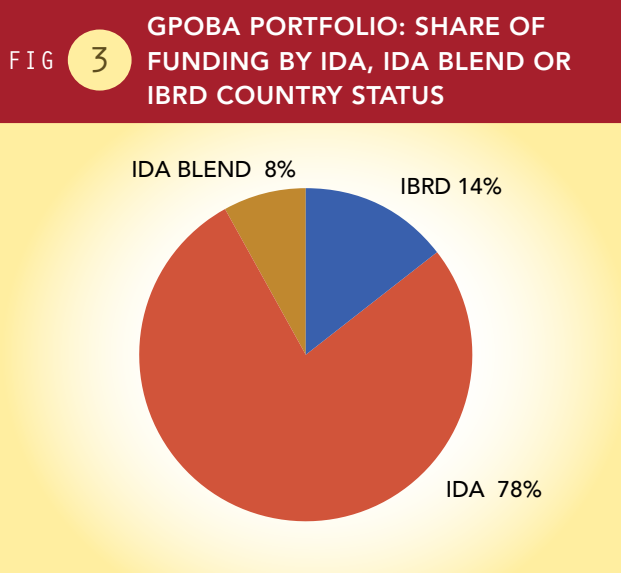
GPOBA's portfolio of pilot projects focuses on the poorer countries, with 92 percent of funding going to IDA or IDA blend countries (see figure 3). Eleven of GPOBA's 30 projects are in the Sub-Saharan Africa region, which has received the highest percentage of funding at 42 percent. Seven projects are in East Asia and the Pacific, five are in South Asia, three are in the Middle East and North Africa, three are in Latin America and the Caribbean, and one is in Europe and Central Asia. Figure 4 shows the percentage of funding for each region.

The projects in GPOBA's portfolio concern five sectors. Fourteen projects are in water and sanitation, which accounts for the largest proportion of funding (41 percent). Nine projects are in energy (see box 1), four are in health, two are in ICT, and one is in education (see figure 5). The projects concern rural, peri-urban, and urban areas, and most provide one-off subsidies i.e. capital subsidies for initial access to services. Nevertheless, because in OBA approaches the emphasis is on service delivery and not just physical connections, a portion of the subsidy is usually phased in after verification of a certain number of months of satisfactory service delivery. GPOBA is also developing pilot projects in other sectors, such as irrigation and solid waste management (see Developing New Pilot Projects below).

The average grant amount for the GPOBA portfolio is \$4.36 million. The average subsidy per person is \$17.97; however, the amount varies widely: from \$400 in the Vietnam education project and \$267.34 in the Nigeria health project to \$7.00 in the Ethiopia rural electrification project, \$6.18 in the Uganda Kampala water project, and only \$2.46 in the Indonesia rural telecommunications project (see Annex 2). There are also variations within sectors, as the amount of the subsidy per person depends on the unit cost of the services being subsidized in each specific situation.

FUNDING TECHNICAL ASSISTANCE AND DISSEMINATION ACTIVITIES

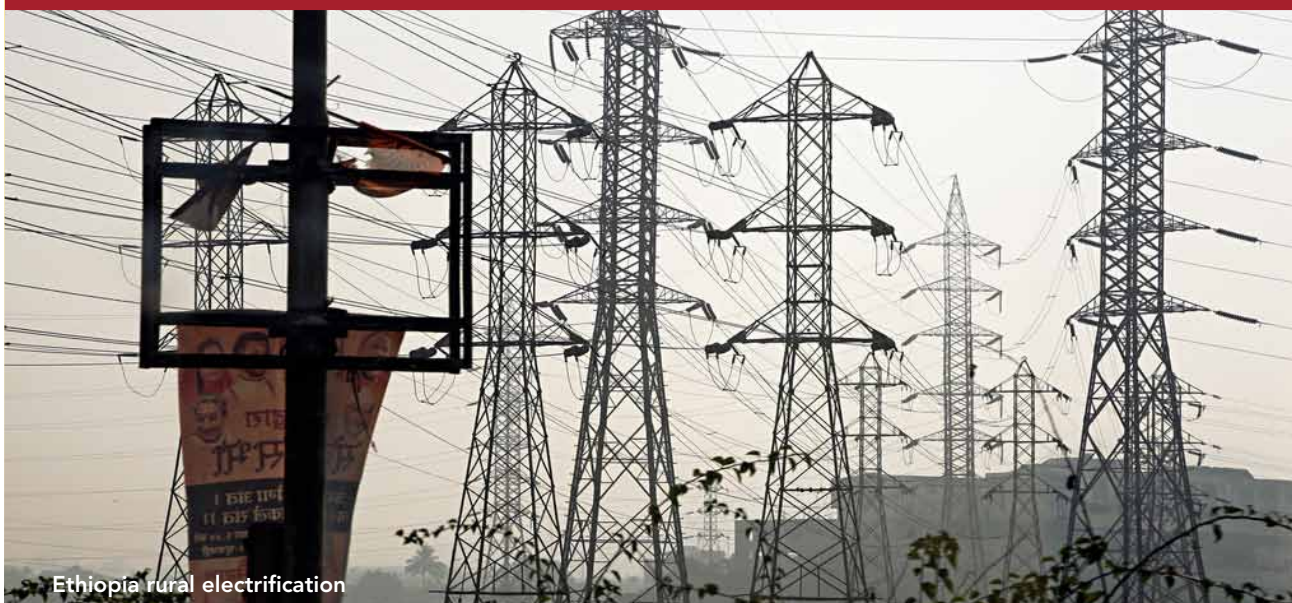
GPOBA approved a total of \$1.23 million for technical assistance in fiscal year 2011 (see table 3). This includes support for OBA pilot project design (\$445,000), OBA facilities and scaling-up initiatives (\$331,100), design of



BOX

1

OBA IN THE ENERGY SECTOR



Ethiopia rural electrification

Worldwide, nearly 1.4 billion people live without access to electricity. On the demand side, high up-front connection charges are a barrier to connecting the poor. On the supply side, low cost recovery and the resulting inability of utilities to spend on capital investments contribute to low access. Subsidies exist in the energy sector, but often are not targeted to the poor.

OBA approaches are currently being implemented in the energy sector to help improve access for poor households. A World Bank review published in 2010³ identified 30 OBA energy schemes in the WBG and several others outside, including projects funded by the Netherlands through the Energizing Africa Initiative.

The use of OBA is most widespread in individual off-grid systems for rural electrification. Public funding is often needed as grid expansion costs are typically high in rural areas, as demand tends to be small and widely dispersed. The “output” in an off-grid project is usually the installation of a functioning off-grid unit, such as a solar home system (SHS). GPOBA is funding SHS projects in Bangladesh, Bolivia, and Ghana.

OBA for grid-based extensions is also being used in a few projects to expand access to the urban and peri-urban poor. The “outputs” in grid-based systems typically are verified working connections to the network, but could also include a specified period of service delivery, demonstrated through billing or collection records. The OBA subsidy is generally used to buy down the capital cost to make access affordable, and is paid once installation and sustainable service delivery have been verified. Examples include a GPOBA-funded slum electrification project in India.

The World Bank review concludes that OBA provides a strong platform from which to target subsidies to the poor. Nearly all the OBA energy projects (28 out of 30) involve one-off capital subsidies enabling initial access, which is inherently more pro-poor since the poor are usually not connected in the first place. Most of these projects use a blend of geographic targeting (selecting poorer locations where subsidies should be channeled) and self-selection targeting (subsidizing outputs that the non-poor are less likely to use, such as smaller SHS).

OBA has also been successful in mobilizing expertise and funding from the private sector to poor areas they would not otherwise serve. All the energy OBA projects except one involve private service providers or PPPs.

3 Mumssen, Yogita, Lars Johannes and Geeta Kumar. 2010. *Output-Based Aid: Lessons Learned and Best Practices*. Washington, DC: World Bank.

results-based components for World Bank operations (\$200,000), and impact evaluations of OBA pilot projects (\$250,000). GPOBA also provided \$806,760 in grants for dissemination activities (see table 4).

MONITORING AND EVALUATION

Monitoring and evaluation (M&E) of OBA projects is an important part of GPOBA's efforts to document OBA approaches and gather evidence on their effectiveness.

GPOBA strengthened its M&E function this year through the creation of a dedicated portfolio team, with responsibility for monitoring the implementation and disbursement of the OBA pilot projects; sharing data on OBA schemes; and conducting impact evaluations of OBA pilot projects. Optimizing project performance was a priority this year and, where needed, GPOBA proceeded with strategic restructurings and extensions of grant agreements (see Identifying Lessons Learned below).

TABLE 3 TECHNICAL ASSISTANCE APPROVED IN FY11

Date of Approval	Country	Sector	Project Name	Description	Amount (US\$)
10/15/10	Bangladesh	Energy	Bangladesh SHS - Impact Evaluation	The purpose of the proposed study is to estimate the benefits of the SHS program, to assess its service and product delivery mechanism including the effectiveness of the OBA structure, and to measure its environmental and carbon-reduction benefits. This study will also investigate the growth potential of the SHS market, and finally, will develop an M&E framework for the SHS program.	250,000
12/17/10	India	Water and Sanitation	Identification and Design of Results-Based Components for the India Urban WSS Transformation Project	The purpose of the activity to support the identification and design of results-based components within a proposed India Urban Water Supply and Sanitation Transformation Project (UWSSTP) to be supported by the World Bank. UWSSTP is a one billion dollar lending operation whose development objective is to deliver continuous urban water and sanitation services in a sustainable manner.	200,000
8/11/10	Kenya	Water and Sanitation	Establishing an OBA Finance Facility to Expand Water Supply and Sanitation Services in Small and Medium-Sized towns in Kenya	The overall objective of this consultancy is to develop a detailed proposal for an OBA finance facility to be accessed by urban water services providers in Kenya. The facility aims to leverage subsidy funds of about USD 8 million (from various donors and the Government of Kenya) to access a minimum of USD 12 million in market finance from local banks, thereby providing at least USD 20 million in investment capital to increase water and sanitation coverage in targeted small and medium sized towns.	240,100
1/27/11	Mexico	Water and Sanitation	Design of Innovative OBD Scheme for Water Efficiency Improvements Project in Mexico	The objective of GPOBA support is to provide Technical Assistance to CONAGUA to support the development of detailed institutional, financial and technical procedures for implementing an innovative OBD scheme for meeting service gaps and promoting efficiency and quality gains in WSS service delivery.	91,000
2/28/11	Vanuatu	Energy	Improved Electricity Access in Vanuatu	This TA is support the preparation of the Vanuatu subsidy funding project under design. The deliverable will be a feasibility study including a financial and economic evaluation of the project, a willingness to pay assessment, the proposed institutional arrangements and a tentative implementation schedule.	350,000
8/19/10	Vietnam	Irrigation	Vietnam Small Scale Irrigation Project	The objective of the feasibility study is to design an output-based approach to engage IDMCs and/or FCs in improving access of the poor to irrigation water in selected communes. An associated objective is to promote agricultural practices that would economize on the use of water, reduce chemical fertilizer and pesticides, while gaining best prices for the produce, rice and vegetable through the use of bio-fertilizer. This combined objective will result in higher returns to investments, rising incomes for farmers, and improved environment protection.	95,000
Total					1,226,100

TABLE 4 DISSEMINATION ACTIVITIES APPROVED IN FY11

Country/Region	Activity	Amount (US\$)
Africa	OBA Diagnostic Tool - Testing	73,000
India/SAR	In-country OBA Training (India)	74,200
Philippines/EAP	In-Country OBA Training (Philippines)	74,000
Philippines/EAP	OBA for Energy Access	300,000
World	Access to Finance Scoping Study (SME Finance)	65,500
World	OBA Diagnostic Tool - Rolling out	38,000
World	Political Economy of RBF study	107,060
World	Development of a Strategy for PBC Implementation	75,000
Total		806,760

To facilitate sharing of data on OBA schemes, GPOBA launched the public version of its database, OBA Data, in January 2011. The online portal (www.oba-data.org) offers up-to-date information on GPOBA and World Bank OBA projects. It enables users to perform detailed analyses of project design features, such as risk transfer, and to find data on project performance, such as number of beneficiaries reached. At the launch event, Laurence Carter, Director for Public-Private Partnerships at IFC, expressed his hope that OBA Data would become the “go-to” resource for RBF practitioners.

As part of its efforts to enhance the available evidence on the effectiveness of OBA approaches, GPOBA is implementing rigorous impact evaluations of four OBA pilot projects (up from two in fiscal year 2010). These studies concern the Bangladesh SHS, India Mumbai slum electrification, Uganda Kampala water, and Uganda reproductive health projects. GPOBA approved \$250,000 in new technical assistance for these activities in fiscal year 2011 (see table 3). The impact evaluations of the Uganda projects have progressed to final household-level surveys and are expected to conclude in fiscal year 2012, while the other two evaluations have baseline studies underway. GPOBA also launched a beneficiary assessment for the India rural community water project.

In connection with the impact evaluations, GPOBA has developed a dialogue with several researchers, both within and outside the WBG. For instance, independent academics from Georgetown and Columbia universities in the United States and Makerere University in Uganda were hired as the principal investigators to ensure the quality, academic rigor, and independence of the studies. GPOBA also worked closely with other partners, including the Spanish Impact Evaluation Fund, the Population Council, and World Bank experts.

IDENTIFYING LESSONS LEARNED

GPOBA's record level of disbursement in fiscal year 2011 demonstrates that many service providers are successfully overcoming the prefinancing hurdle associated with OBA schemes. Service delivery to around 1.1 million beneficiaries this year alone also validates OBA targeting mechanisms as successful tools for providing access to basic services to the poor.

In addition to corroborating these important OBA design features, GPOBA's project performance this fiscal year has also generated important lessons. GPOBA worked with several project and country teams to plan and execute project design modifications for restructurings and extensions. From this work, GPOBA and its regional partners have learned that OBA project design requires flexibility and continual monitoring to account for fluctuating supply-side and demand-side issues, as shown in the following examples.

SUPPLY-SIDE: SERVICE PROVIDER CAPACITY

While OBA successfully transfers fiscal risk away from the donor agency, other project stakeholders, particularly small operators, may be ill-prepared to handle the risk. GPOBA has worked to mitigate these capacity issues and account for external factors, such as insufficient interest in competitive tenders or unnecessarily stringent project procedures.

- The **Cameroon Water** project has delivered 28 percent of total planned connections, but is behind schedule due to service provider capacity issues and will need to be restructured.
- The **Mozambique Water** project may include partial cancellation and an extension since the bidding process for PPPs in the four cities targeted in the



Uganda reproductive health voucher scheme

north of the country failed. As a result, the project is under consideration for restructuring to deliver more household connections in the area where bidding was successful.

- The **Yemen Health** project has encountered service provider capacity issues, particularly understaffing of midwives at project clinic sites. GPOBA has revised the project development objectives to reduce the target beneficiaries from 40,000 to 30,000 and to include new maternal packages as eligible outputs for reimbursement to the grant recipient.
- The **Surabaya Water** project is progressing slowly due to stringent eligibility criteria for beneficiaries and a complicated fund channeling mechanism. Two other competing programs in the area have simpler eligibility criteria and application procedures. The project is being restructured to simplify the eligibility criteria and reduce the output target to a manageable level.

DEMAND-SIDE RISK MITIGATION

OBA projects are inherently demand-based since subsidy funds help remove the financial barriers that prevent low-income households from accessing services. Low beneficiary demand for services can reduce the pace of output delivery and project implementation in OBA projects. In fiscal year 2011, GPOBA provided

support for awareness campaigns and project output design modifications to help boost demand from potential beneficiaries.

- The **Senegal On-Site Sanitation** project implemented a program to boost demand and extend the project intervention zone to new areas. In fiscal year 2011 more than 3,500 sanitation facilities were installed in these new areas, representing nearly 80 percent of the overall achievement this fiscal year.
- The **Mumbai Slum Electrification** project has encountered insufficient demand from the initial targeted slum area. The team had focused its communications and awareness recourses on this initial area, but has since recognized that campaigns should be extended to other areas where residents are newer arrivals to the city and are therefore more willing to pay for new connections.
- The **Uganda Kampala Water** project has reduced the original target of yard taps and increased the target for public water points due to two main factors – affordability and practicability for project beneficiaries. Despite intensive mobilization, beneficiary communities have preferred community public water points to individual yard taps, most likely due to high poverty rates in the project area. The project closing date has been extended by two years to accommodate these changes.

TABLE 5
PORTFOLIO OF PROJECTS INVOLVING SUBSIDIES AS OF JUNE 30, 2011

Portfolio Status	Projects	Subsidy Funding (US\$m)	People Benefiting
Grant Agreement	30	130.7	7,249,519
Committed	5	29.0	670,000
Eligibility	4	18.5	TBD
Total	39	178.2	7,919,519

DEVELOPING NEW PILOT PROJECTS

While GPOBA already has a robust portfolio of OBA pilot projects, there is still a need to develop new schemes that can contribute to best practices and lessons learned. For instance, of GPOBA's 14 active pilot projects in the water and sanitation sector, all but 3 focus on water supply; therefore, sanitation is a sector in which GPOBA is seeking to develop more pilot projects. In accordance with its donors, GPOBA is also preparing pilots in untested sectors such as irrigation and in frontier or fragile countries such as Liberia.

All new OBA pilot project proposals have to be vetted by an independent Panel of Experts. The process is in two stages: eligibility (an initial assessment to ensure that the project meets GPOBA's eligibility criteria) and commitment (a review of the project to determine that it is ready for implementation and that in its final form it meets the eligibility criteria). As of June 30, 2011, there are 39 projects involving subsidy funding in GPOBA's portfolio at different stages of the approval and implementation process, including 5 at the commitment stage and 4 at the eligibility stage (see table 5).

GPOBA's Panel of Experts endorsed four new projects for commitment in fiscal year 2011:

- Kenya Electricity Expansion:** This scheme aims to improve access to electricity for slum communities in Nairobi and other urban areas in Kenya. The service provider, Kenya Power, is leveraging experience from piloting community projects in the Kibera slum (as part of its corporate social responsibility program) to design this project.
- Liberia Power:** This pilot will support the World Bank's Liberia Electricity System Enhancement project which is helping to address the severe lack of power supply due to heavily dilapidated electricity equipment and infrastructure resulting from 15 years of civil war. The World Bank project is being implemented by Manitoba Hydro International (MHI) through a five-year management contract signed in July 2010. The OBA component is expected to improve electricity access for around 18,000 low-income households.
- Philippines Health:** This scheme will contribute to ensuring universal access to public healthcare, with a focus on reproductive health services. The project has three goals: to expand access to health insurance coverage for the poor; to support service providers' efforts to meet the accreditation requirements of the national health insurance program, PhilHealth; and to improve financial protection of targeted beneficiaries by subsidizing costs related to co-payments charged by providers.
- Uganda Rural Electrification:** This project will help create an OBA facility for Uganda's electricity sector, embedded within the country's Rural Electrification Agency (REA). The facility will support the use of output-based subsidies by service providers offering pro-poor connections.

The fifth project at the commitment stage is the **Sri Lanka Wastewater** project (originally approved in fiscal year 2010). This pilot aims to improve access to sanitation services for poor households through three options: connections to centralized sewerage, connections to decentralized treatment plants or upgraded on-site treatment facilities. The pilot sites are in low-income communities in the metro Colombo area and the service provider is the National Water Supply and Drainage Board.

GPOBA's Panel of Experts also approved three new projects for eligibility in fiscal year 2011: a health public-private partnership (PPP) scheme in Uzbekistan, an electricity access project in Vanuatu, and a sanitation pilot in Vietnam. The fourth project at the eligibility stage is a small-scale irrigation scheme in Vietnam (approved in fiscal year 2010), GPOBA's first irrigation pilot. GPOBA is currently working with the project partners to bring these projects to the commitment stage.



BUILDING A CENTER OF EXPERTISE

Uganda reproductive health voucher scheme

Since 2008, GPOBA has been putting in place the building blocks for becoming a center of expertise on OBA, which is part of its vision for 2013. The aim is to provide a range of advisory services, in collaboration with other development partners, together with knowledge and learning services to support the adoption of OBA approaches by the WBG, governments, and other development partners; to provide training opportunities to policymakers and practitioners;

and to facilitate sharing of best practices. This section reports on progress in these areas in fiscal year 2011.

ADOPTION OF OBA APPROACHES BY THE WBG

GPOBA persevered in its efforts to achieve wider application of OBA approaches in World Bank operations this fiscal year through advisory work and transfer of knowledge on OBA:





Morocco urban water pilot

- GPOBA contributed to the rollout of the World Bank's investment lending reform. The operational experience of GPOBA-funded projects was highlighted in the concept note for the Program-for-Results as one of the potential applications for the proposed new lending instrument, which is due to be launched in fiscal year 2012. The Program-for-Results is designed to complement the WB's two existing lending instruments: investment lending, which supports specific projects and disburses against specific transactions, and development policy lending, which supports policy and institutional reforms. GPOBA staff stand ready to provide advice and support to Program-for-Results initiatives, and to transfer knowledge to other donors and international financial institutions.
- GPOBA worked to increase the visibility of OBA in World Bank country assistance strategies, focusing on 25 countries in which GPOBA is funding pilot projects or technical assistance activities. GPOBA also contributed to sector strategies, for instance by providing information on OBA and energy for the Energy Sector Strategy background paper "Addressing the Electricity Access Gap."
- GPOBA performed advisory work to facilitate the adaptation of the World Bank's fiduciary policies to OBA approaches, for instance, through inputs to a group working on governance and anticorruption

in infrastructure. An important result was the issuance of a "Guidance Note on Financial Management Issues in Structuring OBA Approaches" in October 2010.

ADOPTION OF OBA APPROACHES BY DEVELOPING COUNTRY GOVERNMENTS

Over the past 12 months, GPOBA continued its support to governments to encourage the scaling-up of successful OBA approaches. Scaling-up can involve extending an OBA pilot project to other geographical areas of a country, or applying the OBA approach to other sectors, or both. The goal is not simply to extend the approach but also to integrate it within a country's existing financing mechanisms and thus to "mainstream" it. A key vehicle for this is the development of OBA facilities – funds that would be managed by governments and used to finance OBA projects in a given sector. GPOBA's support for scaling-up includes advisory work in partnership with other development partners, technical assistance, and government training.

SUPPORTING OBA FACILITIES AND SCALING-UP INITIATIVES

In fiscal year 2011, GPOBA supported initiatives to scale up successful OBA pilot projects in six countries. Five of these initiatives are in the water and sanitation sector, and one is in the energy sector. In addition, AusAID took the lead in scaling-up a GPOBA-funded pilot project in the water sector in Indonesia. GPOBA provided \$331,100 in new technical assistance funds for scaling-up initiatives this year (see table 3).

- In **Honduras**, GPOBA provided ongoing support for the OBA facility launched in fiscal year 2008 to provide access to water supply and sanitation for low-income households. After a period of unrest, the new government resumed implementation of the GPOBA-funded project in December 2010. The next phase will be a dialogue to discuss the potential scaling-up of the facility.
- In **Indonesia**, AusAID built on the design of GPOBA's pilot water supply project in Surabaya to develop a national output-based performance grant facility – the Water and Sanitation Hibah. Projects under the Hibah scale-up began in July 2010 with a number of local governments that own the water utility service providers. The Hibah has a total of \$20 million in grant funding.

BOX

2

UGANDA: INCREASING ACCESS TO WATER SUPPLY IN SMALL TOWNS



Uganda small towns project

Before 1997, Uganda's central government ran all formal water supply systems in small towns and rural growth centers, with little involvement by local authorities. This approach was considered unsustainable, as decisions were made far from the users and revenues were not ring-fenced. Ensuing sector reforms emphasized improving service delivery by separating asset ownership from operation and developing PPPs. Today, private operators are managing 72 water supply systems. This has led to improvements in service quality and customer satisfaction; however, rising investment costs combined with affordability problems for users have limited the expansion of services to the poor.

In November 2005 Uganda's Ministry of Water and Environment approached GPOBA for help in designing and funding a pilot OBA scheme in small towns and rural growth centers. The aim was to provide affordable safe water to new customers among poorer groups while promoting effective implementation, value for money, and private participation.

The scheme consists of 11 subprojects, 7 in small towns and 4 in rural growth centers. In each one, a private company was selected on a competitive basis to implement the project. In small towns the goal is to expand access by increasing active

connections and extending the distribution networks; in rural growth centers, the scheme involves installing new piped water supply systems. The cost is covered mainly through a US\$3.2 million grant from GPOBA and cofinancing of about 20 percent from user contributions.

As of June 30, 2011, the project has delivered 1,426 connections (yard taps and public kiosks), benefiting over 45,000 people. The OBA approach has shown clear benefits. For instance, the competitive bidding process (based on lowest subsidy required) resulted in a 20 percent average efficiency gain. Some challenges have emerged, such as access to finance for small private companies. Nonetheless, the pilot has shown that these companies are willing to take on prefinance and performance risk, and have strong incentives to roll out improved service quickly.

Given the successes so far, as well as lessons learned, the Ministry of Water and Environment has sought to explore OBA for its water supply development facilities. These facilities represent a shift from a segmented project approach toward a coherent national funding program and implementation framework for water supply in small towns and rural growth centers. GPOBA is providing technical assistance to support this scaling-up activity.

BOX

3

ASSESSING THE SUITABILITY OF OUTPUT-BASED AID

In fiscal year 2011, GPOBA published a Diagnostic Tool designed to provide high-level guidance to policymakers and practitioners when considering the suitability of OBA schemes in a given sector and/or country. The tool can be used as a basis for discussion with government counterparts, country teams, service providers, and others to facilitate a decision on the feasibility of OBA and its application in a given context.

The tool looks initially at two key areas affecting any scheme to be implemented:

- I. **Institutional Capacity and Arrangements:** The institutional set-up, how the institutions can support the proposed OBA scheme, and the overall implementation capacity of both the institutions and the proposed implementing agency, whether public or private.
- II. **Financial Mechanics:** The ability of the sector to support the scheme financially, meet the financing

and pre-financing needs, make effective use of subsidies, and link payment to performance.

Under these two headings, the tool focuses on six critical requirements that must be considered. Their collective absence or “low” presence would indicate that practitioners should not proceed with the scheme.

The tool is not meant to be prescriptive; rather, it allows practitioners ample room to exercise judgment, discretion, and informed decision-making about the particulars of the OBA scheme under consideration. While the tool focuses mainly on the application of OBA in infrastructure schemes, it can also be used to assess OBA schemes in other sectors, such as health and education.

The OBA Diagnostic Tool is available at: <http://www.gpoba.org/gpoba/diagnostictool>

SIX CRITICAL REQUIREMENTS

I. INSTITUTIONAL CAPACITY AND ARRANGEMENTS

SECTOR FIT

The proposed OBA scheme should have sufficient government ownership, and it should support sector priorities.

MONITORING AND EVALUATION

An effective monitoring and verification process should be established to ensure the delivery of the pre-specified performance standards and outputs, prior to reimbursement. Use of an independent verification agent (IVA) or institution would be seen to strengthen this process.

CAPABILITY OF THE IMPLEMENTER OR SERVICE PROVIDER

The potential implementer or service provider must be able to handle the technical, financial, and managerial requirements required by the scale and size of the operation appropriately.

II. FINANCIAL MECHANICS

SECTOR FINANCIAL SUSTAINABILITY

The sector should have a structure that ensures financial sustainability, with any Tariffs to include substantial — if not total — share of operating and maintenance (O&M) expenses.

SUBSIDIES AND GRANTS

Subsidies need to be (a) acceptable and practical within the sector context and (b) explicit, targeted, and performance-based.

PRE-FINANCING CAPACITY

There should be capacity and mechanisms within the market for pre-financing. This can range for total pre-financing by the Service Provider, or some commercial or public financing support.

- In **Kenya**, the grant for the GPOBA Microfinance for Small Water Schemes project is being extended to December 2013. The extension will facilitate a planned national scale-up, using grant financing from the European Union Water Facility. Twelve new subprojects are under review and consultants have been recruited to design the new OBA finance facility. GPOBA has provided \$240,000 in technical assistance to support the scale-up.
- In **Morocco**, the government is finalizing a national strategy to bridge the water and sanitation services gap in peri-urban areas and has expressed interest in building on the lessons learned from the existing OBA pilots. These include the GPOBA-funded OBA urban water and sanitation project and an OBA pilot in rural areas funded by Morocco's National Office of Clean Water (*Office national de l'eau potable, ONEP*). GPOBA is providing technical assistance to assess the feasibility of using an OBA approach for the government's national strategy.
- In the **Philippines**, GPOBA is providing technical assistance to support the government's plan for a National OBA Facility for the water sector, building on lessons from a successful GPOBA pilot project in Metro Manila. An operations manual for the OBA facility was prepared this year, incorporating suggestions from key stakeholders, and the government is working on an executive order to set up the facility and its funding mechanism.
- In **Uganda**, GPOBA provided technical assistance to the Ministry of Water and Environment (MoWE) to develop a strategy to scale up the Uganda Small Towns project (see box 2) and mainstream the OBA approach within the government's existing funding model. The MoWE and its development partners will establish a new funding instrument, the "Facilitative Fund."
- Also in **Uganda**, GPOBA is working with the World Bank, KfW, and the Ministry of Energy to incorporate an OBA mechanism into Uganda's rural electrification fund. The purpose of the fund is to help increase access to electricity for the poor in rural and peri-urban areas. The initial OBA connections would be funded by GPOBA and supplemented by IDA, KfW, and possibly other donors.
- In **Vietnam**, GPOBA continued working with the Ministry of Agriculture and Rural Development

(MARD) to mainstream OBA in the water sector, building on lessons from the ongoing Vietnam rural water pilot. As part of this pilot, GPOBA successfully tested the OBA approach in a limited area with the implementing agency, the East Meets West Foundation, acting as the OBA fund administrator and small private water operators taking the prefinancing risk. GPOBA also delivered a one-day government training workshop in Hanoi in December 2010, attended by over 40 government officials, as well as NGOs, donors, and World Bank staff. The World Bank is now leading discussions with MARD as the OBA approach is being considered for new projects in sanitation and irrigation, and as a sub-component in a new water supply project in the Red River Delta.

ADOPTION OF OBA APPROACHES BY OTHER DEVELOPMENT PARTNERS

Supporting other development partners, such as bilateral donors and regional development banks, that are interested in piloting OBA schemes is an important part of GPOBA's efforts to foster broader adoption of OBA approaches.

In fiscal year 2011, GPOBA provided technical assistance to the United States' Millennium Challenge Corporation (MCC) to design an OBA component for the MCC Jordan Compact. This resulted in the "Water Smart Homes Activity" which is designed to help poor households in Jordan connect to the wastewater network. MCC and GPOBA are also exploring opportunities for collaboration in Cape Verde and Lesotho.

Staff of the Asian Development Bank (ADB) participated in OBA training in the Philippines in October 2010, and since then there have been several meetings to explore how GPOBA could support ADB-funded OBA pilot projects. Potential schemes include a small towns water supply and sanitation project in Nepal, renewable energy projects in Lao PDR and Vietnam, a sanitation scheme in Samoa, and a rural health project in Papua New Guinea.

GPOBA and AusAID also increased their cooperation. For instance, they collaborated on two electricity projects in Vanuatu, one that GPOBA's Panel of Experts has approved as eligible for GPOBA subsidy funding and another designed and funded by AusAID. Similarly, AusAID designed and funded a sanitation project in

Vietnam that GPOBA is taking as the basis for a new pilot with potential for scaling-up and mainstreaming within government systems.

Other partners with which GPOBA is exploring collaboration include UNICEF WASH and the Gates Foundation (on OBA approaches in the sanitation sector), as well as the Technical Assistance Facility of the Private Infrastructure Development Group (PIDG).

To assist policymakers and practitioners in assessing the feasibility and suitability of OBA in a given context, GPOBA published a new OBA Diagnostic Tool this fiscal year (see box 3). The tool was disseminated via the GPOBA and World Bank websites and newsletters, and is being incorporated into GPOBA's OBA learning materials.

SHARING LESSONS LEARNED

GPOBA's knowledge and learning (K&L) program aims to build awareness of OBA among senior officials of governments, international financial institutions, and donor agencies, and to provide practical knowledge of tools and options for OBA design to practitioners. The overarching objective of the program is to help the WBG and other development partners adopt OBA as part of their funding mechanisms.

In fiscal year 2011, GPOBA delivered a total of 54 K&L activities reaching over 1,400 people in the WBG, governments, and other development partners. This compares with 41 K&L activities and 760 people reached in fiscal year 2010. Highlights included the formal launch of the OBA e-learning course to the general public; in-country OBA workshops in India, Indonesia, and the Philippines; and a new "training for trainers" course. This section reports on the results by type of activity: awareness building (participation in conferences, meetings, and events), broad learning (OBA workshops), and other K&L activities (e-learning, online resources, and training of trainers).

AWARENESS BUILDING

The increasing interest in results-based approaches gave GPOBA many occasions to highlight OBA at international events this fiscal year. Some were sector-specific, for instance, discussions of the use of OBA for sustainable sanitation took place at World Water Week in Stockholm, at a UNICEF meeting on

marketing sanitation, and at an "OBA convening" sponsored by the Gates Foundation and hosted by DFID in London. These discussions built on a working paper on OBA for sustainable sanitation published jointly by GPOBA and the Water and Sanitation Program (WSP), and the ideas and suggestions gathered are informing the development of new OBA pilot projects in sanitation.

In June-July 2010, GPOBA took part in the Africa Energy Forum in Basel, Switzerland, where the use of OBA and other RBF mechanisms in renewable energy was highlighted. A GPOBA poster presentation at a Symposium on Water and Health at the University of North Carolina at Chapel Hill generated a discussion of the political economy of RBF approaches, and GPOBA plans to research this topic further in fiscal year 2012. GPOBA also sponsored in-country awareness-building events, such as two advocacy workshops on the use of OBA to improve rural water supply in Vietnam.

Within the WBG, GPOBA staff and members of the OBA Community of Practice (see below) presented OBA and related RBF approaches at around 20 events and meetings. These included sector weeks on energy, water, and urban development; orientation sessions for new water staff; and a World Water Day event featuring Hillary Clinton. In September 2010, GPOBA staff contributed to discussions of a new glossary of RBF terms prepared by the World Bank's RBF in Health team, as part of GPOBA's ongoing collaboration with RBF experts working in the health sector. GPOBA also participated in cross-cutting events, such as a seminar on "Focusing on Results in the South Asia Region."

In October 2010, members of the Council of Microfinance Equity Funds (CMEF) and World Bank staff met in Washington, DC to launch a consultative process on access to finance and OBA. The meeting was convened by GPOBA and facilitated by Dr. Ira Lieberman, a former head of the Consultative Group to Assist the Poorest (CGAP). Participants included Acción, the Calvert Foundation, the Center for Financial Inclusion, CGAP, Omtrix, Opportunity International, Triodos, Triple Jump, USAID's Development Credit Authority, and Women's World Banking. The aim of this consultative process is to raise awareness of the OBA approach among potential financiers and help consider solutions so that OBA and other RBF mechanisms can be brought to scale and integrated into broader sector policy.

BROAD LEARNING

GPOBA diversified its learning activities this year by developing in-country OBA workshops held in India, Indonesia, and the Philippines. These events involved a variety of development partners. In the Philippines, for instance, participants came from the Department of Energy, the International Organization for Migration, the Japan International Cooperation Agency, the Manila Water Company, PPIAF, the United Nations Industrial Development Organization, and the World Food Program.

GPOBA also organized OBA workshops for other development partners and donors at their headquarters, including AusAID, DFID, the Energy Lab in Milan, Sida, and the Swiss Economic Development Agency (SECO). The exchange of knowledge at these events stimulated discussion on how lessons learned from OBA could be applied to these organizations' operations.

Within the World Bank, GPOBA delivered four two-day OBA workshops to TTLs which received positive evaluations, with attendees saying the workshops added value to their operations, particularly in the framework of the Bank's RBF and Program-for-Results agendas. GPOBA also delivered six learning sessions on the fiduciary aspects of OBA projects for headquarters and field-based staff.

OTHER K&L ACTIVITIES

The OBA e-learning course was launched to the general public via the GPOBA website in September 2010. As of June 30, 2011, 1,602 hits have been recorded and 126 accounts have been created by users. Within the WBG, 51 people have completed the e-learning course and 236 are in progress. GPOBA also continued to update the Resources for Practitioners section of its website with information on OBA training opportunities and the latest guidance publications on designing OBA schemes, fiduciary requirements, and M&E.

GPOBA also developed a new training course to prepare GPOBA staff to become trainers for the K&L program. This course was delivered for the first time in January 2011, in collaboration with the World Bank's Human Resources Leadership Office.

DISSEMINATING BEST PRACTICES

GPOBA strengthened its work to disseminate best practices in OBA this year, as the OBA pilot projects yielded more lessons to be shared and the group of interested practitioners was extended through GPOBA's K&L program and other outreach activities.

GPOBA published eight new papers in its OBA approaches series and 13 new translations in French, Spanish, Arabic, and Bahasa Indonesian, giving a total of 19 new papers and translations published in fiscal year 2011. Topics included overviews of the OBA universe and of OBA in the water and sanitation sector, and the energy sector (see box 1). Other papers presented experience with OBA projects in the water sector in Cameroon, Indonesia, and Uganda (see box 2); and the design of a program to strengthen fiscal transfers in Indonesia using an OBA approach (see box 4). GPOBA also published two working papers, on access-to-finance (A2F) in OBA projects and on OBA for sustainable sanitation. These studies were widely disseminated (see Awareness Building above).

The OBA Community of Practice (CoP) sponsored by GPOBA continued to provide opportunities for practitioners to share best practices in OBA through peer-learning, knowledge-sharing, and informal networking. GPOBA developed a series of new products to keep CoP members informed, such as regular updates on best practices materials and on OBA and RBF in the news. CoP members also took part in various events, including a discussion on how to use GPOBA technical assistance to pilot other RBF approaches (see next section).

To reach a wider group of practitioners, GPOBA increased its engagement with other communities of practice this year, notably the Africa CoP on Managing for Development Results. The Africa CoP, which brings together around 1,200 development practitioners, published several blog posts on OBA (in English and French) and GPOBA participated in the group's annual meeting in Nairobi. One of the results of this collaboration was that GPOBA was invited to share experience with OBA at a seminar on Linking Finance to Performance, in Rome, Italy. This seminar was co-sponsored by a CoP on Results-Based Management run by the Flemish European Social Fund Agency.

BOX

4

STRENGTHENING FISCAL TRANSFERS IN INDONESIA USING AN OUTPUT-BASED APPROACH



Indonesia: improved access to water services for the poor

Two options for project design were considered: (i) a traditional financing of input-based investment subprojects, with disbursements tied to individual expenditures or contracts; and (ii) an output-based approach with disbursements tied to the achievement of pre-agreed outputs. In assessing these options, the project drew important lessons from two core design principles in OBA projects funded by GPOBA: change in the financing paradigm (from inputs to outputs); and transfer of operational and investment risk (from the funding entity to the entities best positioned to deliver the desired outputs).

The World Bank loan will be implemented over four years using an output-based approach. The project will reimburse a slice of the existing DAK for infrastructure, based on delivery of independently verified physical outputs by selected local governments. Project funds will be used to reimburse the central government for infrastructure expenditures allocated to the selected local governments, and to reimburse the 10 percent counterpart funding which local governments are required to provide to participate in the DAK program.

The project, which became effective in January 2011, will be piloted in five provinces: Central Kalimantan, East Java, Jambi, North Maluku, and West Sulawesi. Provinces were selected based on geographic diversity, reporting capacity and performance, and success in delivering outputs financed by their DAK.

Over time, the project will be expanded through follow-on operations to strengthen downward accountability from local governments to communities, and to improve the efficiency and effectiveness of local government expenditures. Additional design features of OBA, such as targeting the poor, will be explored as part of the World Bank's programmatic engagement with Indonesia on results-based approaches.

Since 2001, Indonesia has gone from being one of the most centralized countries in the world to one of the most decentralized. Local governments now manage 38 percent of total public expenditure and carry out more than half of all public investment. Transfers from central to local governments include Specific Purpose Grants (Dana Alokasi Khusus, DAK) which are allocated to finance specific investment expenditures. Four infrastructure sectors are currently eligible for DAK funds: irrigation, roads, sanitation, and water supply.

In 2010, the World Bank approved a \$220 million loan for a Local Government and Decentralization project in Indonesia. The project aims to support local governments in improving the efficiency and effectiveness of their DAK-funded expenditures, and to strengthen central government systems for monitoring use of the DAK.



PILOTING OTHER RESULTS-BASED APPROACHES

Morocco urban water pilot



POBA's advocacy efforts, and its experiences designing OBA facilities, have attracted the interest of specialists looking for results-based solutions to broader development problems. This has led GPOBA to explore the structuring of other forms of government subsidies using RBF mechanisms and to extend the scope of its technical assistance to cover RBF projects. This section reviews results in fiscal year 2011.

SUPPORTING RBF APPROACHES IN WORLD BANK PROJECTS

While the OBA subsidies provided by GPOBA explicitly target improved access to services for the poor, other forms of results-based subsidies focus more on improving delivery of the services. Examples could be the creation and maintenance of service assets or increased efficiency standards in service provision, where poverty reduction or pro-poor access is implicit.



In fiscal year 2011, the World Bank launched three projects aimed at piloting RBF approaches for existing government subsidy programs, with support from GPOBA:

- In **Brazil**, GPOBA supported the development of the São Paulo Water Recovery Project (REAGUA) through technical assistance and expertise. A World Bank loan of \$107 million will be used to implement an output-based disbursement program to encourage investments aimed at increasing water availability in the state's most critical watersheds. The project is the first output-based specific purpose facility in Brazil and the first the World Bank has financed in the water supply and sanitation sector.
- In **Indonesia**, GPOBA supported the development of the Local Government and Decentralization Project. A World Bank loan of \$250 million will be used to improve the accountability and reporting of the central government's Specific Purpose Grants for infrastructure services (see box 4).
- In **Mexico**, GPOBA provided \$91,000 in technical assistance to support the National Water Commission (CONAGUA) in the preparation of a \$100 million World Bank loan for the Water Utilities Efficiency Improvement Project (PROME). The project, approved in November 2010, includes a pilot program to improve the efficiency of selected utilities by basing payments on results. The pilot, using key OBA principles, will reimburse the capital cost of investments required by the participating water utilities to deliver the agreed outputs.

Common features of the Brazil, Indonesia, and Mexico projects are that they finance specific sectoral expenditure programs; disburse upon results, not inputs;

strengthen institutional capacity; and ensure that funds are used appropriately and efficiently, while protecting affected people and the environment. The projects use the countries' own systems and engage multiple layers of government involved in service delivery, from planning and budget allocation to investment operations at the subproject level. The OBA core concept of risk transfer from the provider of funding to the recipient is incorporated in all three programs.

In addition, GPOBA approved \$200,000 in technical assistance this year to support the identification and design of results-based components for a proposed Urban Water Supply and Sanitation Transformation project in **India**, to be supported by the World Bank.

NEW TECHNICAL ASSISTANCE PROPOSALS

In agreement with its donors, GPOBA decided to allocate a greater portion of its technical assistance funds to the development of RBF approaches in future. GPOBA staff began designing a call for proposals, in consultation with other RBF experts within the World Bank, and funds will be made available in fiscal year 2012. Both WBG staff and other development partners will be eligible.

GPOBA also established a partnership on RBF in energy with the Energy Sector Management Assistance Program (ESMAP) and PPIAF. The partnership will support programs and projects that increase access to electricity in under-served areas of Sub-Saharan Africa with the participation of the private sector using an OBA approach. The partners issued their first call for technical assistance proposals and made a total of \$3 million in funding available.



COMMUNICATING WITH THE DEVELOPMENT COMMUNITY

Mongolia ICT universal access project



POBA reached out to the wider development community through a range of communication activities in fiscal year 2011. Highlights included a new documentary film on the Morocco OBA urban water and sanitation pilots, and a joint GPOBA-PPIAF workshop in Casablanca with donors, government officials, and service providers.

POSITIONING OBA

As part of its overall strategy, GPOBA works to position OBA in the RBF universe and the results agendas of its partners, and in broader international discussions on aid effectiveness and innovative finance. An important part of this is listening to GPOBA's stakeholders and contributing to relevant discussions, either face-to-face or online.



This fiscal year, GPOBA prepared its first learning and dissemination workshop for donors, jointly with PPIAF. The workshop on “Improving Access to Basic Infrastructure Services through OBA and PPPs” took place in Casablanca, Morocco in June 2011. It brought together representatives of the Moroccan Ministry of Economy and Finance, the Ministry of the Interior, the Moroccan Agency for Solar Energy, Suez Environnement, Veolia Environnement, and private and public water operators Amendis, ONEP, LYDEC, and RADEM.

A highlight of the workshop was the avant-premiere of GPOBA’s new documentary film on the Morocco OBA urban water and sanitation pilots (see below). This project, which is also being implemented in Meknès and Tangier, has provided water and sanitation connections to over 50,000 people so far. After the workshop, GPOBA took the donors to meet beneficiaries of the OBA pilot in Casablanca. Ms. Fatima Louada, who appears in the documentary film, and her neighbors welcomed the donor representatives to Lamkensa, an informal settlement on the outskirts of the city which has benefited from the project. The donors greatly enjoyed the visit which allowed them to see for themselves how the OBA water and sanitation connections are improving people’s lives.

GPOBA completed implementation of the first full perceptions survey on GPOBA and OBA in October 2010. Participants attached high importance to GPOBA’s work to facilitate sharing of best practices and lessons learned in OBA projects, and recommended that GPOBA do more to meet the needs of task team leaders (TTLs) of OBA projects, especially those based in the field. GPOBA has responded to these findings by creating new ways to share information with TTLs (see Disseminating Best Practices above).

Staff from GPOBA took an active role in discussions with donors on OBA and RBF, including providing feedback to DFID on its draft primer on results-based approaches and organizing a seminar on OBA for DFID staff. GPOBA also improved its monitoring of websites, blogs, and the media this year, and was thus able to respond promptly to relevant blog posts on OBA and RBF, for instance on the World Bank’s Private Sector Development blog. The Huffington Post published a blog post written by a GPOBA team member on the potential use of OBA or RBF in Pakistan.

GPOBA continued its efforts to collaborate with communications specialists in other development partners this year. For instance, the IFC Advisory Services on PPPs and the World Bank’s Africa Region contributed to a feature article on the Lesotho Hospital PPP project (see box 5). GPOBA is also working closely with the World Bank’s communications team in the Middle East and North Africa on dissemination of the Morocco documentary film.

COMMUNICATING RESULTS

To increase awareness and understanding of OBA approaches, GPOBA uses a range of communications tools, including its website and electronic newsletter, social media, multimedia, and print and online media. The aim is to generate interest in and engagement around OBA approaches by providing reliable and accessible information to a broad audience of development partners, academics, nongovernmental organizations, and others.

GPOBA’s website (www.gpoba.org) continued to provide attractive and topical content in a timely manner this year. GPOBA used the website to report not just on GPOBA-funded projects, but also on related RBF initiatives such as the Indonesia DAK and Mexico PROME projects, which incorporate OBA principles (see Piloting Other Results-Based Approaches). The password-protected Partner Forum for GPOBA donors was fully implemented this year and the website was used to launch flagship GPOBA products, including OBA Data, the OBA Diagnostic Tool, and the OBA e-learning course.

GPOBA published four editions of its “OBA Connections” e-newsletter this year and continued to cross-promote its content on partner sites, including the IFC Advisory Services, PPIAF, and WSP sites, and the Bank’s Sustainable Development and Water portals. GPOBA is also active on Flickr, Slideshare, and Twitter and the program’s Facebook page is a lively, interactive platform with a growing number of followers. These social media platforms provide alternative entry points to GPOBA content and news, and are enabling GPOBA to engage with a more diverse audience.

GPOBA’s flagship multimedia product this year was a new documentary film on the Morocco OBA urban

BOX

5

LESOTHO: VISIT OF WORLD BANK VICE PRESIDENT FOR AFRICA TO HOSPITAL PPP PROJECT



Delivery ward at Likotsi Clinic, one of three filter clinics that have improved access to affordable, quality health services in Maseru, Lesotho.

In November 2010, World Bank Vice President for the Africa Region Obiageli K. Ezekwesili visited Lesotho, a small landlocked country surrounded by South Africa, to discuss Lesotho's economic priorities and visit World Bank-financed development projects.

During her visit, Ezekwesili took the opportunity to visit the Likotsi Filter Clinic which is part of an innovative PPP that is boosting provision of quality health care services in under-served areas of Lesotho.

The partnership, part of a larger US\$100 million health sector program, involves the Ts'epong Consortium, managed by one of Africa's largest private health care providers in South Africa, Netcare. The

World Bank provided technical assistance and IFC acted as lead advisor to the Government of Lesotho throughout the planning, structuring, tendering, and implementation phases of the PPP agreement.

As part of this PPP, GPOBA is providing a \$6.25 million grant to help subsidize the cost of access to health services for the residents of Maseru District, the capital city and home to nearly one-third of the country's population. The GPOBA funds are being used to support the delivery of services through filter clinics, including Likotsi, and a new hospital to replace the main public hospital in the country, Queen Elizabeth II. The output-based subsidy will allow more patients to be seen at a higher level of service at both the filter clinics and the new hospital.



Morocco urban water pilot

water and sanitation project in Arabic, English, and French. The film tells the story of the OBA pilots through the voices of the project partners and beneficiaries in three cities: Casablanca, Meknès, and Tangier. It shows how the OBA approach is helping to refocus service provision on the households, which has increased accountability, strengthened partnerships between local authorities and operators, and made monitoring of service delivery a priority. The World Bank is now working with the Government of Morocco on a scale-up program.

GPOBA also published multimedia feature articles on OBA pilot projects in the water and health sectors in India, Lesotho, and Uganda. GPOBA's earlier videos (on Colombia Natural Gas and Kenya Community Water) continued to be used in OBA training sessions and shown at events such as the World Bank's special event for World Water Day 2011 with Hillary Clinton.

Various specialized media outlets published articles on OBA this year, including Africa Energy and Global Water Intelligence. In April 2011, a chapter on OBA was published in the book *Private Utilities and Poverty Alleviation: Market Initiatives at the Base of the Pyramid*, edited by Patricia Márquez and Carlos Rufin. The chapter contributed by GPOBA discusses experience in delivering utility services to the poor using OBA approaches. GPOBA staff also wrote an annex on OBA for the OECD's *Handbook on Contracting Out Services in Fragile States* which was published this year. The *Programme Solidarité Eau*, a network of French-speaking water sector professionals, continued to disseminate French-language content on OBA in the water and sanitation sector through its website and online database, in partnership with GPOBA.

LOOKING TO THE FUTURE

As outlined in this report, GPOBA has achieved substantial progress toward its vision for 2013:

- GPOBA's portfolio of OBA subsidy schemes is delivering impressive results, with big increases in disbursements and number of beneficiaries reached this year; monitoring and evaluation of the portfolio has been strengthened.
- GPOBA has enlarged its scope of action to include OBA subsidy schemes in less tested sectors and in frontier and fragile countries, as well as technical assistance to pilot other results-based approaches.
- GPOBA continues to develop the building blocks for the center of expertise through its mainstreaming, learning, and knowledge management activities.
- GPOBA's communications activities are helping to position OBA within the results-based financing universe and to raise awareness of the advantages of OBA.

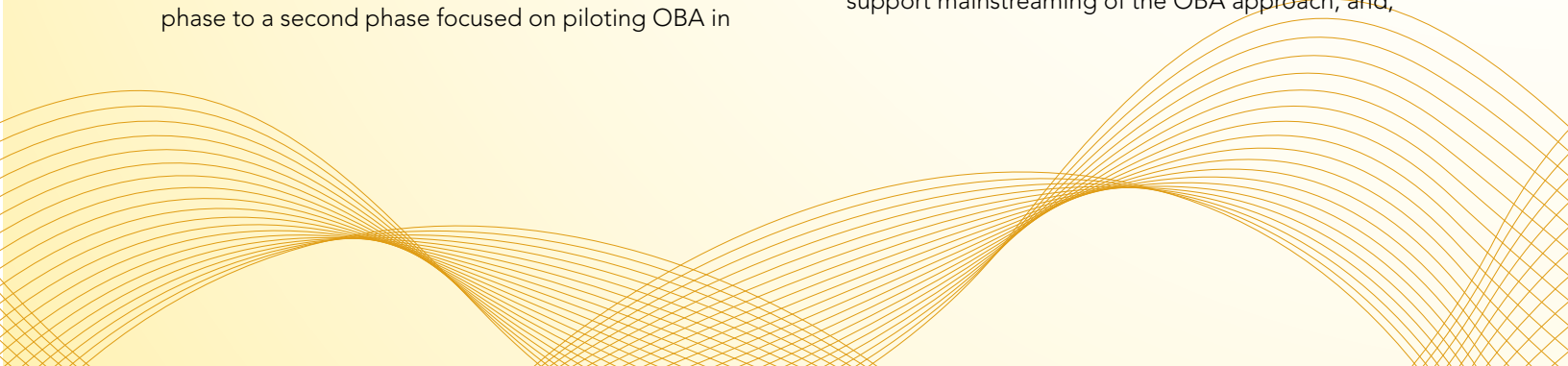
Since approval of the vision statement in 2008, GPOBA has been piloting OBA mainly in mature sectors and creating the building blocks for the center of expertise, while supporting selected initiatives to scale up successful OBA pilot projects. GPOBA's strategy for fiscal year 2012 aims to consolidate GPOBA's move from this first phase to a second phase focused on piloting OBA in

less tested sectors, especially where there is potential for mainstreaming; working with governments to scale up and mainstream successful OBA pilots through their own systems; and strengthening GPOBA's role as a center of expertise. At GPOBA's program council meeting in Casablanca in June 2011, the donors endorsed this strategy and agreed that GPOBA could continue to fund new OBA subsidy schemes and provide seed funding for OBA facilities. These activities will help GPOBA to ensure continuous learning, and will support its vision of becoming a center of expertise and mainstreaming OBA with the development partners.

To implement its strategy for fiscal year 2012, GPOBA has regrouped its activities into four areas, with the following priorities:

1. NEW BUSINESS

- Continue to develop GPOBA's portfolio of pilots with a balanced sectoral approach, while testing OBA principles in new sectors like sanitation and irrigation;
- Work with governments to mainstream OBA in their systems by setting up national OBA facilities and results-based fiscal transfer mechanisms;
- Seek cooperation and collaboration with other funding agencies, particularly GPOBA donors, to support mainstreaming of the OBA approach; and,



- Secure commitment of recipient country governments to scale up successful pilots.

2. PORTFOLIO MONITORING AND EVALUATION

- Continue to monitor the project portfolio, including delivery of semi-annual monitoring reports and maintenance of the OBA database;
- Help to overcome recurring factors that hinder project implementation through systematic and periodic portfolio review, and dissemination of lessons learned from implementation;
- Continue to implement impact evaluations for approved activities and execute new evaluations as appropriate.

3. CENTER OF EXPERTISE

- Create an operational framework for the center of expertise which will allow it to deliver advisory and analytical work, knowledge products, knowledge exchanges, and learning activities to other development partners, governments, and the WBG;
- Create a knowledge management function within GPOBA;
- Further develop the OBA Community of Practice to include a broader group of practitioners.

4. COMMUNICATIONS

- Build GPOBA's influence and reputation among the development partners;
- Improve the positioning of OBA within the RBF universe, the aid effectiveness debate, and the results agendas of the WBG and other development partners;
- Enhance GPOBA's responsiveness to the external environment for OBA;
- Raise awareness among the wider development community of OBA, and of GPOBA as the primary source of information and expertise on OBA.

Testing innovative approaches such as OBA is necessarily challenging and involves setbacks and obstacles. GPOBA recognizes these issues and is prepared to be a leader, piloting OBA in untested sectors and countries, supporting results-based solutions to broader development problems, and sharing lessons learned and best practices with an ever-wider group of development partners. In all these efforts, GPOBA will seek to enhance its own effectiveness and efficiency, and to collaborate closely with other partners to support the delivery of basic services in developing countries.



ANNEXES

Bangladesh solar home systems project



ANNEX 1 FINANCIAL STATEMENT

GPOBA derives its resources from donor contributions which are channeled through trust funds administered by the WBG. The WBG recovers an administrative fee for costs associated with this task. GPOBA's budget and accounting processes are aligned with the WBG fiscal year, which runs from July to June.

CONTRIBUTIONS RECEIVED

As of June 30, 2011, GPOBA's donors have pledged a total of \$285.9 million to the program, of which \$266.9 million (93 percent) has been received by GPOBA (table A1). This includes \$53.9 million received in fiscal year 2011 from three donors: DFID, IFC, and Sida (table A2).

GPOBA's Operating Principles (revised on September 8, 2009) stipulate that, unless there is a separate agreement, all donors are required to make a minimum annual

TABLE A1 DONOR CONTRIBUTIONS TO ALL GPOBA ACTIVITIES (CUMULATIVE) IN US\$M

Donor	Pledged	Received	To Be Received
DFID ¹	109.4	91.5	17.9
IFC	97.8	97.8	0.0
DGIS	28.3	28.3	0.0
AusAID	29.1	29.1	0.0
Sida	18.0	18.0	0.0
EU ²	2.2	1.1	1.1
World Bank	1.2	1.2	0.0
TOTAL	285.9	266.9	19.0

1 The pledged amount differs slightly from the figure reported in FY10 because amounts are pledged in GBP and then converted to USD at the time of transfer.

2 The EUR pledge and receipt amounts are expressed in USD equivalent as of June 30, 2011 as the holding currency is not in USD.

TABLE A2 RECEIPT OF DONOR CONTRIBUTIONS (CUMULATIVE) IN US\$M

Donor	FY04 ¹	FY05	FY06	FY07	FY08	FY09	FY10	FY11	Total
DFID	2.5	3.4	6.8	21.7	13.3	10.2	19.2	14.4	91.5
IFC			35.0		25.5			37.3	97.8
DGIS				11.0	8.0	9.3			28.3
AusAID				0.3	4.2	24.6			29.1
Sida					6.9		8.9	2.2	18.0
EU ²						1.1			1.1
World Bank				0.7	0.3	0.3			1.2
TOTAL	2.5	3.4	41.8	33.6	58.2	45.4	28.1	53.9	266.9

1 The FY04 total contribution of \$2.5 million includes \$1.1 million for FY03 and \$1.4 million for FY04.

2 The FY09 EUR contribution is expressed in USD equivalent as of June 30, 2011, as the holding currency is not in USD.

contribution to the partnership equivalent to \$250,000. The WBG may meet this requirement through a combination of administrative budget and in-kind contributions.

DISBURSEMENTS

GPOBA disbursements totaled \$30.6 million in fiscal year 2011 (table A3). Disbursements were made for activities approved in fiscal year 2011 as well as for activities approved in prior years, which are implemented over multiple years. In accordance with the administration agreements entered into by the World Bank and GPOBA donors, \$0.8 million was collected as an administration fee.

Of the total disbursements this fiscal year, \$27.2 million (89 percent) were related to the annual work program. Most of this amount (\$24.2 million) was disbursement of subsidy funding by pilot projects under implementation, with the rest going to technical assistance, and

preparation and supervision of projects. At \$3.4 million, program management and administration represented 11 percent of total disbursements; nearly half of this amount was for center of expertise activities, such as knowledge and learning.

SINGLE AUDIT PROCESS

The WBG has instituted an annual "single audit" exercise for all trust funds. As part of this exercise, the GPOBA program manager signs a trust fund representation letter attesting to the correctness and completeness of the financial process for all GPOBA trust funds. The task manager for each approved activity is required to confirm that due diligence has been exercised with respect to the administration, management, and monitoring of the funds awarded for the activity; and has ensured that all expenses and disbursements are made in accordance with World Bank procurement and administrative guidelines.

TABLE **A3** GPOBA DISBURSEMENTS
IN FY11, IN US\$

Program Management and Administration	
a) Program Management	960,548.54
b) Administration Fee	812,552.87
c) Center of Expertise (CoE)	1,579,880.52
Sub-total	3,352,981.93
Disbursements Related to FY11 Annual Work Program	
d) Technical Assistance (W1&W2)	1,414,783.13
e) Portfolio (W3 – Preparation & Supervision)	1,650,676.75
f) Subsidy Funding	24,175,947.00
Sub-total	27,241,406.88
Grand Total	30,594,388.81

ANNEX

2

GPOBA PORTFOLIO OF SIGNED GRANT AGREEMENTS AS OF JUNE 30, 2011

Country	Project Name	IDA	Grant Amount (US\$m)	# of people benefiting	Average subsidy per person (US\$)	Grant Signing Date	Description
Armenia	Access to Gas & Heat Supply for Poor Urban Households in Armenia	IDA Blend	3.10	23,739	130.59	04/28/06	This project closed on December 31, 2009, having improved access to gas and heating services for 5,847 poor households in urban multi-apartment buildings, by subsidizing the cost of new service connections.
Bangladesh	Rural Electrification and Renewable Energy Development – Mini Grid Project	IDA	1.10	20,000	55.00	05/12/10	This project aims to help about 5,000 households, shops, and small and medium enterprises in rural Bangladesh to gain access to electricity by reducing the capital cost of mini-grid systems. The GPOBA grant will mean providers can charge a tariff that is affordable to the connected beneficiaries.
Bangladesh	Rural Electrification and Renewable Energy Development – Solar Home Systems Project	IDA	13.95	1,575,000	8.86	05/12/10	This project aims to increase access to energy services for poor people in rural areas of Bangladesh by addressing the issue of insufficient grid capacity through the installation of solar home systems (SHS). Over 315,000 rural households are expected to benefit.
Bolivia	Decentralized Electricity for Universal Access	IDA Blend	5.18	45,000	115.00	06/26/07	This project will lead to direct connections and affordable access to electricity for at least 7,000 poor Bolivian households and micro-enterprises in remote rural areas of Bolivia, benefiting some 35,000 people.
Cameroon	Cameroon Water Affermage contract - OBA for coverage expansion	IDA	5.25	240,000	21.88	04/07/08	This project will subsidize the cost of new connections to piped water for low- to middle-income households currently without access, and is expected to benefit around 240,000 people.
Colombia	Natural Gas Distribution for Low Income Families in the Caribbean Coast	IBRD	5.10	210,000	24.29	05/19/06	This project closed on July 31, 2008, having successfully connected 34,138 families to the natural gas distribution network along the Colombian Caribbean Coast.
Ethiopia	Ethiopia Electrification Access Rural Expansion Project	IDA	8.00	1,142,857	7.00	10/30/08	This OBA scheme will help EEPCo, a state-owned national utility, finance the cost of providing access to electricity for poor customers in rural towns and villages with grid access. It is expected to benefit over 1.1 million Ethiopians.

Country	Project Name	IDA	Grant Amount (US\$m)	# of people benefiting	Average subsidy per person (US\$)	Grant Signing Date	Description
Ghana	Solar PV Systems to increase access to electricity	IDA	4.35	90,000	48.33	10/10/08	The GPOBA grant will provide increased electricity access through renewable energy technology for poor households in remote rural regions of Ghana, benefiting some 90,000 people.
Honduras	Extension of Water and Sanitation Services in Low income areas of Honduras	IDA	4.44	240,000	18.50	06/19/07	This project aims to develop an OBA facility to establish an efficient and transparent mechanism for financing infrastructure in water and sanitation projects in Honduras. This project is expected to improve access to water and sanitation services for approximately 40,000 households.
India	Improved Rural Community Water in Andhra Pradesh	IDA Blend	0.85	77,878	10.91	05/16/07	This project closed on December 31, 2009, having provided access to safe drinking water for 77,878 poor inhabitants of Andhra Pradesh through the development of 25 community water supply schemes.
India	Mumbai Improved Electricity Access to Indian Slum Dwellers Project	IDA Blend	1.65	104,000	15.87	04/27/09	The GPOBA grant will subsidize the cost of electricity connections and wiring for inhabitants of the Shivajinagar slum in Mumbai, and is expected to benefit around 104,000 people.
Indonesia	Expanding Piped Water Supply to Surabaya's Urban Poor Project	IBRD	2.41	77,500	31.06	02/12/09	The objective of this OBA scheme is to extend piped water connections to around 15,500 low-income households in Surabaya.
Indonesia	Expansion of Water Services in Low income areas of Jakarta	IDA Blend	2.57	55,824	46.09	11/01/07	This project aims to bring water services to communities in low-income areas of Jakarta by funding one-off connection subsidies for an estimated 11,630 poor households.
Indonesia	Extending Telecommunications in Rural Indonesia	IBRD	1.87	758,210	2.46	03/30/09	This project will facilitate access to the Internet and associated telecommunications and data services through "community access points" in poor areas, benefiting an estimated 758,210 people.
Kenya	Micro-finance for Small Water Schemes	IDA	2.93	60,000	48.86	12/06/06	The objective of this scheme is to increase access to and efficiency in water supply services for the poor in rural and peri-urban areas of Kenya through investments in around 21 community water projects.
Lesotho	Lesotho Health PPP Project	IDA	6.25	500,000	12.50	02/23/09	The GPOBA grant will provide subsidies for inpatient services at a new 390-bed National Referral Hospital, and outpatient services at three semi-urban filter clinics that have been refurbished.
Mongolia	Mongolia OBA Pilot Project of Universal Access Strategy	IDA	0.26	22,315	11.62	05/19/06	This project closed on October 31, 2008, having provided telephony services to around 20,000 members of herder communities, and telephony and internet services to around 22,315 residents of Tariat and Chuluut soum centers.

Country	Project Name	IDA	Grant Amount (US\$m)	# of people benefiting	Average subsidy per person (US\$)	Grant Signing Date	Description
Morocco	Morocco Urban Water and Sanitation	IBRD	7.00	56,000	125.00	01/29/07	The objective of this OBA scheme is to provide connections to water and sanitation services for about 11,300 low-income households in disadvantaged peri-urban and rural neighborhoods of Casablanca, Meknes, and Tangiers.
Mozambique	Mozambique Water Private Sector Contracts – OBA for coverage expansion	IDA	6.00	468,000	12.82	04/03/08	This project aims to provide subsidized water connections for domestic consumers in Mozambique through the construction of shared yard taps, expected to benefit up to 468,000 people.
Nepal	Biogas Support Programme	IDA	5.00	261,000	19.16	10/04/07	The aim of this scheme is to subsidize approximately 37,300 biogas plants for rural Nepalese households to increase access to clean and affordable energy for cooking and lighting.
Nigeria	Nigeria Pre-Paid Health Scheme Project	IDA	6.02	22,500	267.34	10/23/08	This OBA scheme aims to provide affordable pre-paid health insurance plans for up to 22,500 beneficiaries (employees and their families) who belong to the Computer and Allied Products Association (“CAPDAN”) at the Ikeja IT village in Lagos.
Philippines	Improved Access to Water Services in the East Zone of Metro Manila Project	IBRD	2.85	37,600	75.80	10/19/07	This project aims to provide affordable piped potable water to poor households in Metro Manila, benefiting around 37,600 people.
Senegal	On-Site Sanitation Project	IDA	5.76	135,900	42.41	07/06/07	This OBA subsidy scheme aims to help offset the cost of new sanitation facilities for an estimated 15,100 poor households.
Uganda	OBA in Kampala – Water Connections for the Poor	IDA	2.53	409,000	6.18	02/28/08	This scheme will provide a one-off connection subsidy to partially fund the cost of new domestic metered connections. The project envisages making about 19,000 new yard tap connections and installing about 800 new public water points over a period of three years.
Uganda	OBA in Water Supply in Uganda’s Small Towns and Rural Growth Centers	IDA	3.21	55,511	57.77	02/12/07	This project seeks to increase access to sustainable water supply services for the poor living in selected small towns and rural growth centers, benefiting around 55,511 people.
Uganda	Reproductive Health Vouchers in Western Uganda	IDA	4.30	135,912	31.64	10/23/07	This project aims to improve women’s access to trained medical professionals throughout pregnancy and provide subsidized STD treatment for up to 135,912 poor Ugandans.
Vietnam	Vietnam Rural Water (EMW)	IDA	4.50	150,000	30.00	11/30/07	This project aims to bring safe water services to an estimated 30,000 poor families in rural Vietnam.

Country	Project Name	IDA	Grant Amount (US\$m)	# of people benefiting	Average subsidy per person (US\$)	Grant Signing Date	Description
Vietnam	Vietnam Upper Secondary Education Enhancement Project	IDA	3.00	7,500	400.00	05/21/10	This pilot aims to increase access to secondary education at semi-public and private schools for around 7,500 poor students. Subsidy payments to participating schools will be made on condition of pre-agreed indicators that demonstrate both a student's attendance and educational attainment.
Yemen	Yemen Safe Motherhood Program	IDA	6.23	80,000	77.90	06/10/08	The objective of this project is to provide sustainable maternal health services, including up to 40,000 safe child births, to poor women of reproductive age (15-49) in Sana'a, Yemen.
Yemen	Yemen Water for Urban centers- Output-based service provision by private operators	IDA	5.00	210,000	23.81	04/12/10	This OBA scheme will pilot the provision of water services to low-income households through private operators willing to construct and operate the infrastructure for several years. Around 210,000 poor people are expected to benefit.
Total			130.7	7,271,246	17.97		

ANNEX

3

GPOBA TEAM



Adriana de Aguinaga de Vellutini	Acting Program Manager
Carmen Nonay	Senior Infrastructure Specialist
Cathy Russell	Communications Officer
Constance Polite	Administrative Assistant
Daniel Coila	Information Specialist
Esther Loening	Infrastructure Specialist
Iain Menzies	Senior Infrastructure Specialist
Inga Murariu	Knowledge and Learning
Jacqueline Sibanda	Communications
Leslie Villegas	Infrastructure Specialist
Luis Tineo	Senior Operations Officer
Luisa Mimmi	Monitoring and Evaluation
Mario Suardi	Senior Infrastructure Specialist
Mark Njore	Knowledge and Learning Assistant
Patricia Veevers-Carter	Program Manager (<i>until January 2011</i>)
Tafadzwa Dube	Portfolio Information Management
Wajiha Ahmed	Portfolio Monitoring and Quality
Zenaida Chavez	Resource Management Analyst



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DFID Department for
International
Development

 **IFC**
International
Finance
Corporation
World Bank Group

 Buitenlandse Zaken
Ontwikkelings
samenwerking



Australian Government
AusAID

 Sida