GPOBA’s Evolution

- 2003: GPOBA Established UKAID and World Bank
- 2006: IFC joins and Subsidy projects are introduced
- 2008: DGIS and DFAT join
- 2007: Sida joins
- 2008: Expanded portfolio of pilots in new sectors
- 2012: PforR introduced as World Bank instrument
- 2019: Transitioned from output-based aid (GPOBA) to results-based approaches (GPRBA)

Additional notes:
- Pilot OBA to serve the most vulnerable
- Technical Assistance Activities

Timeline:
- 2003
- 2006
- 2008
- 2010
- 2012
- 2019
GPRBA Sectors

- Energy: 38%
- Water and Sanitation: 30%
- Education: 13%
- Solid Waste Management: 5%
- Telecommunications: 1%
- Health: 12%
- Land Administration: 1%
Water and Sanitation

30% of total funding
91 million (USD)
20 Projects
Development Challenge

• WSPs face growing populations and increased investment needs

• Financing gap to achieve universal access to clean water and sanitation

• Barriers to commercial lending for water and sanitation
Implementation Arrangements

- **Gov't. of Kenya**
  - Grant agreement
  - Results

- **Water Sector Trust Fund**
  - TA support
  - 50% OBA subsidy

- **Water Service Provider (WSP)**
  - Construction loan
  - Loan repayment
  - 50% partial credit guarantee

- **Commercial Lender**

- **Guarantor**

- **Verifier**
  - Reports to implementing agency
  - Verifies outputs

- **Customers**
  - Service delivery
  - Monthly bills

- **Independent Verifier**

The arrangement involves a grant agreement with the Gov't. of Kenya, TA support from the Water Sector Trust Fund, and a construction loan to the water service provider (WSP). The WSP provides water service, and the commercial lender offers a 50% partial credit guarantee. Verifier reports are sent to the implementing agency, and independent verifiers verify outputs.
Project Results

- $10 million RBF grant facilitated $15 million private capital
- 8 utilities secured loans from 3 local commercial banks
- 84,000 people provided access to clean water
- 40,000 people gained access to household sewerage
Bangladesh: microfinance for rural water and sanitation
Project Background
Bangladesh Output-Based Aid (OBA) Sanitation Microfinance Program (2016-18)

Objective
Increase access to hygienic sanitation for low-income households in rural areas through microfinance loans

Development Challenge
- Bangladesh nearly OD free
- “Improved” sanitation at only 61%
- Transition from basic to hygienic

Approach
Credit support to:
- consumers for purchase of materials and latrine construction
- small-scale local entrepreneurs
Rural Households

Local Construction Firms

Ministry of Finance

Palli Karma-Sahayak Foundation (PKSF)

Microfinance Institutions

Rural Households

Business Loans
Interest Rate: 10% p.a. (flat)
Loan Size: US$ 400-2,000
Tenor: 12-24 months

Household Loans
Interest Rate: 12.5% p.a. (flat)
Loan Size: US$ 45-128
Tenor: 12 months

Uses own capital for wholesale lending to MFIs and reimburses household subsidy payment when construction verified

Lends to households for toilet construction, subsidizing a portion of the capital cost

Provides training and certification program, in addition to access to SME loans

Builds toilet

Grant agreement

RBF grant

Global Partnership for Rリスク-Related Approaches
Project Results

$3 million RBF grant + $1 million technical assistance leveraged nearly $22 million in MFI lending for household sanitation

Over 170,000 households received sanitation loans and latrines constructed

850,000 people provided access to hygienic sanitation facilities

96% of loans provided to female borrowers

1,000 local sanitation entrepreneur loans

“One-stop shop” at doorstep of household
Maximizing finance for development

US$ 8 in additional funding for every US$ 1 of GPRBA grant funding

$7.3 in lending to households to purchase a toilet from a certified construction firm

$1 in GPOBA funds...

+ $0.33 in World Bank TA results in...

$0.2 in investments from household savings

$0.5 in lending to construction firms for business expansion
What next?
$25 million pilot → $550 million national program

Bangladesh Rural Water, Sanitation and Hygiene for Human Development Capital Project
($400 million AIIB + World Bank; $150 million GoB)

Development objectives

(i) improve access to ‘safely-managed’ water supply and sanitation in selected areas of rural Bangladesh
(ii) strengthen sector institutional capacity for water and sanitation
Key project details
Scale-up incorporates lessons and customer feedback from pilot

8 million beneficiaries + emergency response for 700,000

Sanitation (twin pit toilets):
• Upgrades to individual facilities
• Fully subsidized for extreme poor
• Microfinance loans for moderate/non-poor. Project covers cost of second pit

Water:
• Fully subsidized community-based piped water system; users cover O&M
• Microfinance loans for individual facility upgrades

Market development
Thank You!
Energy

38% of total funding
116 million (USD)
21 Projects
Solomon Island
Electricity Access Expansion Project

Interview with Renee Berthome
Energy Specialist, World Bank
Education

12% of total funding
36 million (USD)
4 Projects
Uzbekistan: Social Impact Bond for Early Childhood Development

Hiroshi Saeki
Senior Economist, World Bank
May 22, 2023
Project Background
Uzbekistan Output-Based Aid (OBA)
Promoting ECD (2019-24)

Development objective
Increase access to early childhood education, improve the quality of learning environments in selected public preschools, and enable a systematic measurement of education quality for informed decision-making

Project Financing

<table>
<thead>
<tr>
<th>Loan/Grant</th>
<th>Amount (US$)</th>
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<tr>
<td>IDA</td>
<td>59,500,000</td>
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<tr>
<td>GPE</td>
<td>9,500,000</td>
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<td>GPRBA</td>
<td>4,850,000</td>
</tr>
<tr>
<td>Total</td>
<td>73,850,000</td>
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</tbody>
</table>
Implement SIB in 5 regions of Uzbekistan based on

- Need for preschool education services
- Poverty level of region
- Availability of private preschool providers to become SIB partners
Implementation Arrangements

Approach

- SIB investor provides service provider upfront capital
- IVA verifies achievement of pre-agreed results
- Outcome payer repays investor
Outcomes

SIB component officially dropped in March 2023 through project restructuring

- Significant changes in ECD landscape
  - Access to ECD has significantly increased for the past few years from 30% to 70%
- Another government initiative in PPP
  - US$200M (soft loans) to PPP schools
  - US$100M for family-based preschools in rural areas
- Alternative models to close the access gap of 30% (Aqlvoy busses, home visiting, playgroups)
- Preparation of SIB took much longer than expected (e.g., SIB OM, legal and procurement agreements)
Lessons Learned

• Implement multiple approaches

• Institutionalize the preparation of a novel approach (e.g., legal and procurement framework)

• Advance a preparation for project implementation in detail (e.g., SIBOM) – the devils in detail

• Keep it simple – resilience to external shocks
Thank You!
Solid Waste Management

5% of total funding
17 million (USD)
4 Projects
West Bank and Gaza: Gaza Solid Waste Management Project (GSWMP)

Phoram Shah
Senior Urban Development Specialist, World Bank
May 23, 2023
Project Development Objective: Improve solid waste management services in the Gaza Strip through provision of more efficient, environmentally and socially sound waste management systems.

What

How

- Investment in Key Sanitary Infrastructures (disposal facility, transfer stations, ancillary facilities)
- Capacity Development and
- Results Based Funding through GPRBA
Provided funding support that **incentivized** the solid waste service provider (JSC-KRM) to improve its **service quality** and **cost recovery** thereby ensuring the **operational and financial sustainability** of the project.

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**Why RBF**

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**Outcome 1: Service Improvement**
- Improved Landfill Services
- Improved Transfer Station Service
- Improvement in Container upkeep and truck Maintenance
- Improvement in Medical Waste Management

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**Outcome 2: Cost Recovery Improvement**
- Increase in JSC Fee Collection Rate
- Reduction in Medical waste treatment cost
GPRBA: Implementation Arrangements

Municipal Development and Lending Fund (MDLF): Project Implementing Agency

JSC-KRM: Solid waste service provider/facility owner
Gaza Solid Waste Management Project:
$30.6 million infrastructure investment + $2 million from GPRBA

Key GPRBA Results

- **63% increase in secondary waste collection services** enabled expansion and improvement of services
  - Less than 3% of Overfilled Containers (from the threshold of 20%)
  - 94% Fleet Operational (due to regular maintenance and upkeep)
- The disposal and transfer station facilities **adopted improved operational standards**, resulting in notable service quality improvements (increased beneficiary satisfaction);
- Development and disclosure of **environmental monitoring reports** on JSC website
- Increase in JSC-KRM **cost-recovery** to 71% (from baseline of 50%);
- **90% reduction in infectious medical waste treatment cost** (from US$2.87/kg to US$ 0.29/kg - 800 kg/day Infectious Medical Waste Treated and safely disposed).

Project Results

- Over **1,000,000** people (~half the population of Gaza) were provided with safe sanitary disposal facilities
- **96%** of waste generated in southern Gaza sanitarilly disposed
- **Over 12.6 Ha** of dumpsites and contaminated land were closed and rehabilitated
- Restored improved livelihood for **16 waste-pickers**
91% of citizens reported satisfaction with solid waste related services provided by the service provider (JSC). GHG reduction, groundwater safety, air quality and other environmental improvements.
Institutionalization of the GPRBA results indicators and monitoring through Waste Information Management System (WIMS): first-of-its-kind WMIS in Palestine
Key Lessons Learned

- **Well-targeted incentives deliver good operational performance.** GPRBA funding was critical for the quality service improvements and cost recovery achieved under GSWMP.

- **Incremental improvement through telescopic and realistic targets:** performance targets should be designed in an incremental manner and aim for realistic outcomes.

- **Expand GPRBA area of support to outcomes:** such as climate change, gender etc.

- **Bridging operational cost gap:** GPRBA funding is instrumental in providing the initial funding for the increased operational cost due to newly constructed infrastructure, while building the capacity of implementing agency.

- **IVA as performance feedback tool:** beyond their monitoring function, IVA schemes should be actively utilized for improving implementation performance through constant feedback. This requires ensuring IVA services have sector familiarity and expertise to provide recommendations and corrective actions, serving as feedback tool.

- **Integrated Approach vs. Add-on:** Integrate GPRBA as part of larger investments at project design to allow for more strategic focus on results and sufficient time for the incentives to impact improvements at a meaningful scale.
Going Forward
Integrate the lessons learned from GSWMP incl. GPRBA led improvements ➔ Develop Solid Waste Sector Roadmap for West Bank & Gaza

Technical Assistance for Solid Waste Sector Assessment (GPRBA + PID-MDTF)

Develop an integrated roadmap that will enable sustainable management of solid wastes focused on the following pillars:

(i) minimizing waste disposal at landfills through diversion, recovery and achieving efficiency through appropriate policy actions, optimized collection and transfer for final disposal

(ii) maximizing Climate Change Considerations and NDCs in the Solid Waste Management sector through improved Landfill Management; and

(iii) achieving financial sustainability in the Solid Waste Sector.
Thank You