LESSONS LEARNED FROM WORLD BANK WATER PROJECTS
THEME OF PRESENTATION

- WHAT IS WB?
- 1993 WB WATER POLICY
- 1994 WB WATER STRATEGY
- WB WATER PORTFOLIO
- EVALUATION
- LESSONS LEARNED
- RECOMMENDATIONS
THE WORLD BANK GROUP

- IBRD
- IDA
- IFC
- MIGA
- WBI
- OED
WB LENDING

• About $25 bn/yr ($2-3 bn/yr for Water)

• Sources of funds:
  – Subscribed Capital ($188bn)
  – Borrowing outstanding ($110bn)
  – Net Income ($2bn)
WB STAFFING

• Headquarters:
  - 6000 permanent staff
  - 4000 short-term consultants

• Field offices: Numbers growing
WATER POLICY AND ASSOCIATED STRATEGY

- 1993 POLICY OVERDUE
- POLICY OBJECTIVE AND FRAMEWORK
- STRATEGY FORMULATION GUIDELINE
MAIN OBJECTIVE: REDUCE POVERTY

By Supporting Countries’ Efforts to:

• Promote Equitable, Efficient, and Sustainable Development;

• Establish a Comprehensive Analytical Framework for Formulating Water Policy
WATER POLICY FRAMEWORK

A Comprehensive Analytical Approach that:

• Is Suitable for Country’s Needs, Resource and Capacities;

• Takes Physical, Economic, Social and Environment Factors into Account

• Encourages Stakeholders Participation and Builds Capacity
WATER POLICY FRAMEWORK

- Establishes Strong Institutional and Regulatory Systems
- Supports Greater Reliance on Demand Management
- Promotes Decentralized Responsibility
WATER POLICY FRAMEWORK

- Adopts Water-Conserving Technology
- Protects Water Quality;
- Preserves Aquatic Ecosystems;
- Improves Management of Internationally Shared Waters
WATER STRATEGY FORMULATION

Critical Elements:

• Key Water-Related Policies
• Government Commitment
• Oversight Body
• Expert Team, Partners and Process
WATER STRATEGY
FORMULATION

Phase 1: Water Resources Assessment:

• Review of Policies
• Inventory of Resources
• Selection, Analysis and Ranking of Key Issues
Phase 2: Strategy Definition

- Develop Options
- Evaluate Options
- Recommendations
- Choice of Options
WB WATER PORTFOLIO (1988-1999)

- **LENDING:** $35 bn for 400 Projects to 70 countries (more than half to 5 countries (Brazil, Mexico, China, India, and Indonesia)

- **ECONOMIC AND SECTOR WORK:** 25-30 reports per year (with particular attention to pricing, private sector, and markets)

- **PARTNERSHIPS:** UNDP, GEF GWP, IPTRID, IUCN, WWC, etc.
EVALUATION

POLICY AND ASSOCIATED STRATEGY ONLY PARTIALLY IMPLEMENTED:

- Weak Treatment of Water Issues in CAS
- Only 20% of Projects considered Comprehensive Management at River Basin and National Scales
- Inadequate Attention to Mechanisms for Cross-Sectoral Coordination
EVALUATION:

POVERTY FOCUS:

- I&D STRONGLY FOCUSED ON POOREST COUNTRIES
- WSS OPERATIONS LESS ACTIVE IN POOREST COUNTRIES EXCEPT FOR UNDP-WB PARTNERSHIP
- SCANT ATTENTION TO DIRECT IMPACT OF OPERATIONS ON POOR
LESSONS LEARNED

- Comprehensive Water Management Inherently Difficult
- Water is Not Seen as an Important Economic Resource
- Transforming Policy into Action is Difficult
RECOMMENDATIONS

• Set-up Country and Sector Dialogue to Mitigate Social and Environmental Consequences ahead of Project Interventions

• Establish Leadership and Ownership

• Find Opportunities for Comprehensive Reform in Macroeconomic and Political conditions
RECOMMENDATIONS

• **Be Patient: Reform Takes Time:** Making Investments Conditional on Reform and Long-Term Programmatic Approach Frequently Leads to more Successful Outcomes

• **Use Partnership to Build Capacity:** Challenge is Converting Donor-led Partnerships into Country-led Partnerships