

A Review of FY04 World Bank Investment in Rural Infrastructure

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Introduction

Infrastructure plays a key role in promoting economic growth and poverty reduction in rural areas, where the majority of the world's poor live. Basic infrastructure –such as transport, water and sanitation, communications, and energy–can give people access to markets, political processes and social services.

As underscored in the Agricultural and Rural Development Department strategy for rural development, which commits the Bank to supporting infrastructure investments in rural areas, rural infrastructure is highly heterogeneous.¹ Different institutional, financial and technical aspects must be taken into consideration when seeking to promote universal access while guaranteeing the sustainability of investments. Since the early 1990s, strategic directions for investing in infrastructure have included: a) promoting decentralized arrangements; b) facilitating private sector involvement; c) ensuring accountability of projects; d) ensuring adequate cost recovery as well as encouraging upfront contributions from beneficiary groups.

Currently, close to two-fifths of Bank lending in the rural sector is spent on infrastructure and more than half the rural projects financed by the Bank include an infrastructure component. Combined investments in transport and agriculture account for 23 percent of rural sector projects in FY04. Although lending to infrastructure dominates rural investments, there are more projects in FY04 with a smaller share of their total project cost devoted to infrastructure (less than 15 percent) than in the previous years.

In order to understand how well Bank infrastructure investments in FY04 are responding to some of the challenges associated with providing universal access to rural infrastructure, this note reviews FY04 projects and draws broad conclusions on project content and design. The review starts by providing quantitative estimates of total lending commitments and number of projects devoted to rural infrastructure for FY04. It then summarizes key characteristics of infrastructure investments in FY04. Finally, it concludes by highlighting trends for the past four fiscal years, emphasizing that problems remain when seeking to determine impact and extract lessons for

¹ Reaching the Rural Poor: A Renewed Strategy for Rural Development. World Bank, 2003.

future rural investment in infrastructure. Conclusions in this review are limited to the extent that this review focuses on quality at entry rather than on the outcome and impact of projects. Also, because this review focuses on ‘economic’ infrastructure (such as transport, energy, telecommunications, water supply and sanitation), none of the investments in “social” infrastructure such as health and education are included.

About this review

This review is based on the inventory of all new Bank projects that included a rural infrastructure component for fiscal year (FY) 2004. It is based on the annual survey of new IBRDA/IDA lending in rural areas undertaken at the end of each fiscal year on behalf of the Bankwide Rural Portfolio Quality Team to inform management of investment trends and keep track of the implementation of the Bank’s Strategy, *Reaching the Rural Poor*.² The appraisal documents (PADs) of all projects approved for the particular fiscal year under consideration are reviewed to identify rural investment activities and according to specific questions or criteria given by each thematic groups. To shed light on the characteristics of infrastructure investment, the thematic group on rural infrastructure identified six specific questions that served as guidelines when reviewing appraisal documents of rural projects with investment in infrastructure:

1. Is the relevant sector ministry and/or agency involved in project delivery?
2. Does the project involve the participation and empowerment of communities?
3. Are there explicit maintenance arrangements for management and financing of the infrastructure service?
4. What percentage do users contribute to capital and recurrent/O&M costs?³
5. What types of RIS are supported by the project?

The Bank and rural infrastructure in FY04

New rural infrastructure lending in FY04 encompasses 110 projects and a lending commitment of \$2,778 million, representing both the highest number of projects and the biggest lending commitment among new investment made in rural areas (Table 1). Rural infrastructure lending increased despite a reduction in the share of rural investments in total Bank lending in FY04 (Table 2).

² “Agriculture and Rural Development – Portfolio Review for Fiscal Year 2004, Agriculture and Rural Development Department, The World Bank, November 2004.

³ New question in the FY02 and FY03 survey.

Investment in rural infrastructure is better estimated in FY04 than in the previous three fiscal years (Table 3); this may help explain the increase in infrastructure lending and in the total number of rural projects with infrastructure components within the rural space. In the past, the amount of rural lending to infrastructure was underestimated for a number of projects. Rural lending going specifically to infrastructure was left undetermined for as much as 15 percent of total rural lending in FY03 and 25 percent in FY02.

As in previous years the majority of infrastructure investments consists of big components, with 34 percent of FY04 projects fully devoted to infrastructure investment (Figure 1). However, close to one-fourth of the projects had an infrastructure component less than 15 percent of total project cost in FY04, almost twice as many projects as in FY03.

Sector distribution

In terms of sector allocation, using the Bank's sector Board coding system, the greatest number of new rural projects to include infrastructure are found in the Transport and Rural sectors, with 23 and 19 projects, respectively (Table 4). These two sectors also have the highest volume of investment, accounting for 60 percent of total rural investment in infrastructure (Table 4). Significant increases in lending volumes were noticeable in other sectors: lending to the Energy and mining sector increased 43 percent from the previous year; and the Education sector increased its lending volume the most, from \$2 million (4 projects) in FY03 to nearly \$220 million (10 projects) in FY04. In contrast, the Social Development sector did not sustain its growth and decreased lending from nearly \$210 million in FY03 to about \$49 million in FY04.

Regional distribution

The distribution of rural infrastructure lending by region reveals that the largest share of the total number of projects went to Africa, although in dollar terms, East Asia was the heaviest borrower (Figure 2 and 3). For the first time in the past four fiscal years, lending to rural infrastructure in South Asia declined, shrinking by \$133.5 million from its FY03 level to \$612 million in FY04.

Type of infrastructure supported

The type of infrastructure financed in rural projects varies, with roads and other transport infrastructures being the most common type of infrastructure investment undertaken and representing 45 percent of all rural projects (Table 5). Water supply and schools (i.e., education facilities) are the two other most represented types of infrastructure in rural projects.

In contrast to the previous three fiscal years when rural projects with infrastructure investment tended to be multi-sector projects, with between 54 percent and 68 percent of all rural projects including more than one type of infrastructure activity during these years, most projects in FY04 included only one type of infrastructure (Table 6). The majority of projects with more than one infrastructure activity were in the Rural sector board (15 projects) and the Social Protection sector (7 projects). The Transport, Education, and Energy and Mining Sectors had the highest proportion of rural projects with only one type of infrastructure activity.

Meeting the challenges of infrastructure investment

Although critical for rural areas, access to infrastructure remains limited and is a challenge for a number of reasons. Low population densities, limited economic activity and typically high unit costs for service in rural areas can make delivery difficult and expensive. In addition, because rural infrastructure is highly heterogeneous, there is no one-size fit all solutions or universally applicable policy to reach poor people and poor communities.

Institutional arrangements

Although infrastructure can be provided by a variety of actors (both government and non-government agents), effective and efficient delivery requires sector-specific interventions. In addition, central sector ministries and agencies can help rural infrastructure development through the provision of policies and technical guidelines and serve as national-level facilitator for donor-supported programs.⁴

In FY04, 71 percent of Bank projects with investment in infrastructure involved the relevant sector ministry or agency to deliver the project (Table 7). For 5 of the 78 projects in which the relevant sector ministry was involved, the project did not address or reflect the relevant sector policy.⁵ East Asia Pacific and Latin America –the two regions that have most consistently involved the relevant sector ministry in the past three fiscal years– involved the relevant sector ministry in 78 percent and 71 percent of their respective projects in FY04. The two managing sector boards that most consistently involved the relevant sector ministry during the past four fiscal years are the Financial Sector Board and the Health, Nutrition, and Population Sector

⁴ See the note titled ‘Rural infrastructure services for development and poverty reduction,’ by Christina Malmberg Calvo, Andrea Ryan and Louis Pouliquen.

⁵ To evaluate the level of involvement of the relevant sector ministry, project documents were reviewed according to the following two criteria: 1) Is the relevant sector ministry and/or agency in project delivery? 2. Does the project address/ reflect relevant sector policy?

Board (Table 8). The Social Development Sector Board is the only managing sector board not to have involved the relevant ministry during the past four fiscal years. Within this sector, projects are typically community driven or financed through social funds and are therefore more likely to be implemented through institutions outside the government.

Affordability and Sustainability

A challenge to providing infrastructure rests in setting up a level and method of financing that is affordable to the poor yet secures users' commitment to pay for the service, not just for the initial capital costs of setting up infrastructure but also for the subsequent operating and maintenance costs to sustain it over time.

The review of FY04 rural projects with infrastructure investment shows an increase in the proportion of projects with provisions for maintenance arrangements to manage and finance the infrastructure service (Figure 4). Sixty nine percent of the projects included explicit maintenance arrangements in FY04 compared to 38 percent in FY03. The Water Supply and Sanitation Sector Board and the Social Protection Sector Board were the two sectors that included maintenance arrangements the most, in 60 percent and 56 percent of their projects, respectively.

The review also showed that less than one-half of the projects in FY04 included data on cost sharing by users. In addition, among the projects that did mention users' contributions, 41 percent specified that users must contribute at least 5 percent to capital and operations and maintenance (O&M) and 30 percent specified that users must contribute between 15 and 20 percent of the total costs (Table 9). However, information about users' contribution to capital and O&M remains difficult to quantify because the majority of PADs do not report such information and also because there is great variability in how such information is reported.

Inclusion

Lack of participation in infrastructure projects is a leading factor in inefficient delivery of services and the perpetuation of poverty. Exclusion denies proper access to the infrastructure necessary to carry out economic and social roles within the community and prevents proper use of important human and natural resources. Likewise, sustainability and replicability of infrastructure investment relies to a large degree on community capacity and autonomy. Without

local and community participation, infrastructure projects often fail at the implementation stage or are not well maintained, thereby failing to produce sustained benefits.

There is increasing stakeholder involvement in the design and implementation of Bank infrastructure projects, either through the participation of local beneficiary communities or through the combined participation of Local Government and the community.⁶ In FY04, 46 percent of the rural projects were community-driven development (CDD) projects, about one third of which are implemented partly through Local Government. This is consistent with the previous three fiscal years, during which 44 percent of the rural projects with investment in infrastructure were community-driven. Africa and Latin America were the two regions with the largest proportion of infrastructure projects to include the participation of stakeholders (Figure 5). By sector, 16 of the 19 projects of the rural sector were community-driven (Figure 6). Social Development is the only managing sector board to have implemented all of its rural infrastructure investments through a CDD approach. Transport, on the other hand, continues to implement the majority of its rural infrastructure projects without the local participation of its beneficiaries. Only 4 of the 23 transport projects followed the CDD approach.

Conclusion

Reviews of PADs over the past four years show that infrastructure has been included in between 43 and 71 percent of all rural projects, representing between 29 percent and 56 percent of total rural lending during these years (Figure 8). The number of projects with significant investments in infrastructure has remained remarkably constant, with more than one-half the projects with an infrastructure component of at least 50 percent of total project cost.

There are regional and sector differences in average volume of infrastructure investment per rural project. Africa and Latin America are the two regions with the highest numbers of projects with rural infrastructure components in the past four fiscal years (Fig. 9a & 9b). However, these two regions have had relatively low lending commitments per project on average. In FY04, infrastructure investment averaged nearly \$27 million per project in Africa and close to \$7 million per project on average in Latin America. In contrast, although East Asia and South Asia

⁶ A Bank project is considered 'community-driven' when local beneficiary communities participate actively in the design and implementation of a project or subproject. Since FY02, CDD projects can be evaluated according to two categories: projects that are only community-driven projects and projects that are driven by local government and the community.

had fewer rural projects with infrastructure components, they averaged higher levels of lending commitment per project than any other region.

Notwithstanding the dominance of infrastructure investment in Bank rural projects, very little is known about its quality. Infrastructure lending is done across three networks (ESSD, HD, and INF) in about equal shares. Projects originating in the three networks display different features with regard to design, implementation and attention to policy and sustainability. Lending should be examined further to determine service quality, the impact on poverty reduction, and sustainability of the projects. This should also help in drawing lessons for future infrastructure investments.

APPENDIX

Table 1: FY04 Rural projects with RIS components, by region

Title	Proj ID	Sector Board	IBRD Commit Amt	IDA Commit Amt	IBRD/DA Amt	Rural IBRD/IDA Loan	Lending commitments to RIS
Africa							
Congo- Post Conflict Economic Recovery Cr	P082443	Economic Policy	0.0	200.0	200	97	10.40
Niger- Basic Education	P061209	Education	0.0	30.0	30	25	6.37
Lesotho- ESDP II (Phase 2)	P081269	Education	0.0	21.0	21	15	0.12
Mozambique- Energy Reform and Access Project	P069183	Energy and Mining	0.0	40.3	40	25	25.00
?? Southern Africa Power Market (APL1)	P069258	Energy and Mining	0.0	178.6	179	115	114.30
Mali- Household Energy & Universal Access	P073036	Energy and Mining	0.0	35.7	36	34	25.60
Tanzania- Emergency Power Supply	P074624	Energy and Mining	0.0	43.8	44	29	28.91
Uganda- Natural Resources Dev TA	P079925	Energy and Mining	0.0	25.0	25	25	25.00
Madagascar- Environment Program III	P074235	Environment	0.0	40.0	40	40	2.40
Sao Tome- Social Sector Support	P075979	Health, Nutrition and Population	0.0	6.5	7	3	0.54
Tanzania- Second Health Sector Dev.	P082335	Health, Nutrition and Population	0.0	65.0	65	46	*
Africa? Regional HIV/AIDS Treatment Project	P082613	Health, Nutrition and Population	0.0	59.8	60	41	2.66
Burkina Faso-F PRSC 3	P076908	Poverty Reduction	0.0	50.0	50	30	4.80
Congo- Emergency Reunification Project	P081850	Poverty Reduction	0.0	214.0	214	134	94.93
Mozambique- Decentralized Planning and Fin. Proj	P001807	Public Sector Governance	0.0	42.0	42	29	13.12
Uganda- PRSC 3	P074081	Public Sector Governance	0.0	150.0	150	67	4.73
Nigeria- Fadama II	P063622	Rural Sector	0.0	100.0	100	100	51.44
Chad- Agricultural Services & POs Project	P074266	Rural Sector	0.0	20.0	20	20	5.24
Mauritania- Community-Based Rural Development	P081368	Rural Sector	0.0	45.0	45	45	19.50

Nigeria- Local Empowerment & Envir.Mgmt.	P069892	Social Development	0.0	70.0	70	70	39.55
Cameroon- Community Dev. Program Support Proj.	P073629	Social Development	0.0	20.0	20	20	*
Rwanda: Decentr. & Community Dev.	P074102	Social Protection	0.0	20.0	20	19	5.44
Angola- 3rd Social Action Fund (FAS III)	P081558	Social Protection	0.0	55.0	55	36	*
Comoros- Services Support Credit	P084315	Social Protection	0.0	13.3	13	7	5.46
Rurundi- Road Sector Development Project	P064876	Transport	0.0	51.4	51	47	47
Zambia- Road Rehabilitation Maintenance	P071985	Transport	0.0	50.0	50	31	30.50
Tanzania- Central Transport Corridor Project	P078387	Transport	0.0	122.0	122	77	77.00
Mali- Transport Corridors Improvement	P079351	Transport	0.0	48.7	49	33	19.77
Madagascar- Transport Infrastructure Investment	P082806	Transport	0.0	150.0	150	82	82.50
Ethiopia- Water Supply and Sanitation Project	P076735	Water Supply and Sanitation	0.0	100.0	100	57	59.00
East Asia and the Pacific							
Cambodia- Rural Electrif. & Transmn	P064844	Energy and Mining	0.0	40.0	40	35	35.60
Philippines- Rural Power Project	P066397	Energy and Mining	10.0	0.0	10	10	10.00
Tonga- Health sector support project	P075230	Health, Nutrition and Population	0.0	10.9	11	4	4.30
Philippines- Judicial reform support project	P066076	Public Sector Governance	21.9	0.0	22	9	0.82
Timor-Leste- Transition Support Program II	P082190	Public Sector Governance	0.0	4.0	4	2	0.13
Vietnam- Water Resources Assistance	P065898	Rural Sector	0.0	157.8	158	157	153.07
Indonesia- Coral Reef Rehab and Mgmt Prog II	P071316	Rural Sector	33.2	23.0	56	56	2.28
Philippines- Diversified Farm Income & Mkt. Devt	P075184	Rural Sector	60.0	0.0	60	60	19.80
Vietnam- Road Network Improvement	P059663	Transport	0.0	225.3	225	169	168.95
Cambodia- Prov. & Rural Infrastructure Project	P071207	Transport	0.0	20.0	20	18	17.60
Indonesia- 2nd Eastern Indonesia Reg. Transport	P074290	Transport	200.0	0.0	200	108	108.00
Thailand-Highways Management	P075173	Transport	84.3	0.0	84	67	67.43
Samoa- Infrastructure Asset Mgmt 2	P075523	Transport	0.0	12.8	13	10	11.40

China- 2nd National Railways (Zhe-Gan Line)	P075602	Transport	200.0	0.0	200	124	124.00
China- 4th Inland Waterways	P077137	Transport	91.0	0.0	91	65	64.61
China- Hubei Shiman Highway	P081749	Transport	200.0	0.0	200	132	132.00
Laos- APL2 Road Maintenance Program	P083543	Transport	0.0	22.7	23	17	17.21
Samoa- Cyclone Emergency Recovery	P088246	Transport	0.0	4.5	5	3	4.62
Europe and Central Asia							
Russia- E-Lrn Suppt (APL #1)	P075387	Education	100.0	0.0	100	27	4.83
Moldova- Energy 2	P040558	Energy and Mining	0.0	35.0	35	14	14.25
Serbia & Montenegro- Energy efficiency	P075343	Energy and Mining	0.0	21.0	21	10	9.87
Albania- Power sector gener & restrct'g	P077526	Energy and Mining	0.0	25.0	25	14	14.00
Romania- Haz Mitig	P075163	Environment	150.0	0.0	150	59	6.00
Armenia- Health system model (APL #1)	P073974	Health, Nutrition and Population	0.0	19.0	19	3	1.10
Turkey- Health transit (Apl #1)	P074053	Health, Nutrition and Population	60.6	0.0	61	20	4.50
Macedonia- Hlt Sec MGT	P086670	Health, Nutrition and Population	10.0	0.0	10	2	0.20
Kyrgyz Republic- Village investment	P073973	Rural Sector	0.0	15.1	15	15	*
Azerbaijan- Rural investment (AZRIP)	P076234	Rural Sector	0.0	15.0	15	15	15.00
Tajikistan- Community agriculture & watershed mgmt	P077454	Rural Sector	0.0	10.8	11	11	1.21
Kosovo- Community development fund 2	P079259	Social Protection	0.0	4.0	4	2	0.89
Moldova- SIF 2	P079314	Social Protection	0.0	20.0	20	13	*
Serbia & Montenegro- Trnspt Rehab	P075207	Transport	0.0	55.0	55	26	26.00
Poland- Road Maint & Rehab	P078170	Transport	126.0	0.0	126	47	46.62
Georgia- Sec/loc roads	P086277	Transport	0.0	20.0	20	18	16.43

Latin America and the Caribbean							
Paraguay- Education Reform	P073526	Education	24.0	0.0	24	9	0.95

St. Vincent & the Grenadines- VC Education (APL3)	P086664	Education	3.1	3.1	6	3	1.49
Dominican Republic- Power Sector TA Project	P082715	Energy and Mining	7.3	0.0	7	2	0.20
Brazil- Disease Surveillance & Control APL 2	P083013	Health, Nutrition and Population	100.0	0.0	100	37	2.18
Honduras- PRSC	P074758	Poverty Reduction	0.0	58.8	59	21	3.25
Honduras- Trade Facilitatio & Productivity Enha	P070038	Private Sector Development	0.0	28.1	28	8	0.33
Nicaragua- Broad-Based Access to Finan Services	P077826	Private Sector Development	0.0	7.0	7	2	0.30
Brazil- Loan for Sust. and Equitable Growth	P080827	Private Sector Development	505.1	0.0	505	11	5.31
Honduras- LAND ADMINISTRATION PROGRAM	P055991	Rural Sector	0.0	25.0	25	11	0.61
Honduras- Forests & Rural Productivity	P064914	Rural Sector	0.0	20.0	20	20	0.69
Brazil- Maranhao Integrated: Rural Dev	P080830	Rural Sector	30.0	0.0	30	30	2.59
Mexico- (CRL) Savings & Rurl Finance (BANSEFI	P087152	Rural Sector	75.5	0.0	76	19	16.60
Colombia- 1st Apl peace & dev	P051306	Social Development	30.0	0.0	30	7	1.10
Ecuador- Indigenous peoples 2 (PRODEPINE2)	P077257	Social Development	34.0	0.0	34	27	7.92
Peru- Programmatic Social Reform III	P078951	Social Protection	150.0	0.0	150	5	0.78
Honduras- Nuestras Raices Program	P083244	Social Protection	0.0	15.0	15	15	*
Dominican Republic- Social Crisis Response Adjustment Loa	P085433	Social Protection	100.0	0.0	100	28	2.27
Brazil- Tocantins Sustainable Regional Dev	P060573	Transport	60.0	0.0	60	60	48.00
Argentina- National highway asset management	P088153	Transport	200.0	0.0	200	24	24.00
Mexico- (CRL) Savings & Rurl Finance (BANSEFI	P080149	Urban Development	108.0	0.0	108	26	25.92
St. Lucia- Disaster Management Project II	P086469	Urban Development	3.7	3.8	7	5	1.81

Middle East and North Africa							
Tunisia- Education PAQSET II	P082999	Education	130.3	0.0	130	43	32.68
Yemen- Social fund for development III	P082498	Social Protection	0.0	60.0	60	50	11.00
Morocco- Rural roads	P082754	Transport	36.9	0.0	37	37	36.86
Yemen- Third public works	P082976	Urban Development	0.0	45.0	45	35	35.55
South Asia							
Nepal- Poverty Reduction Support Credit I	P074685	Economic Policy	0.0	70.0	70	15	2.48
India- Elementary Education Project (SSA)	P055459	Education	0.0	500.0	500	360	81.81
Bhutan- Education Development Project	P074114	Education	0.0	31.0	31	29	22.00
Bangladesh- Primary Education Development Program II	P074966	Education	0.0	150.0	150	116	2.14
Pakistan- Punjab Education Reform Program	P083228	Education	0.0	100.0	100	53	0.74
Bangladesh- Power Sector Development TA	P078707	Energy and Mining	0.0	15.5	16	11	1.91
Pakistan- Second Poverty Alleviation Fund Project	P082977	Financial Sector	0.0	238.0	238	159	33.00
India- RAJASTHAN Health Systems Development	P050655	Health, Nutrition and Population	0.0	89.0	89	67	11.58
Sri Lanka- Health Sector Development	P050740	Health, Nutrition and Population	0.0	60.0	60	46	5.90
Pakistan- WFP SAC II	P079635	Poverty Reduction	0.0	90.0	90	24	3.23
Sri Lanka- Community Development & Livelihood "Gemi	P074872	Rural Sector	0.0	51.0	51	51	*
India- Uttar Wtrshed	P078550	Rural Sector	0.0	69.6	70	70	18.00
Nepal- Poverty Alleviation Fund	P081968	Rural Sector	0.0	15.0	15	15	9.11
Pakistan- NWFP Community Infrastructure II (CIP2)	P082621	Rural Sector	0.0	37.1	37	25	17.57
Afghanistan- Emergency National Solidarity Project	P084329	Rural Sector	0.0	95.0	95	95	*
Sri Lanka- NEIAP II	P086747	Rural Sector	0.0	64.7	65	65	42.36
Pakistan- Highways Rehab	P010556	Transport	50.0	150.0	200	119	120.00
India- Allahabad Bypass	P073776	Transport	240.0	0.0	240	12	11.69

Nepal- Rural Water Supply & Sanitation Project	P071285	Water Supply and Sanitation	0.0	25.3	25	24	19.78
India- Mahar RWSS	P073369	Water Supply and Sanitation	0.0	181.0	181	181	181.00
Bangladesh- Water Supply Program Project	P086661	Water Supply and Sanitation	0.0	40.0	40	28	27.60

Table 2. RIS Number of Projects and Lending Levels (\$M) Not accounted for, by fiscal year

Region	FY01		FY02		FY03		FY04	
	No. of Projects unaccounted for	Rural loan amount not determined (millions)	No. of Projects unaccounted for	Rural loan amount not determined (millions)	No. of Projects unaccounted for	Rural loan amount not determined (millions)	No. of Projects unaccounted for	Rural loan amount not determined (millions) for or
Africa	2	\$197.2	6	\$173	7	\$211	3	\$102
East Asia & the Pacific	1	\$208.9	1	\$12.2	3	\$97		
Europe & Central Asia			6	\$764	2	\$34	2	\$28
Latin America & the Caribbean	2	\$77.6	4	\$41.5	1	\$53	1	\$15
Middle East & North Africa			1	\$13.8				
South Asia	2	\$162.9			3	\$281	2	\$146
Total	7	\$647	18	\$1,005	16	\$676	8	\$291

Table 2. Infrastructure lending (US\$ million) and projects in rural space, by fiscal year

Fiscal Year	WB		Infrastructure		Infrastructure as % of total projects in rural space	Infrastructure as % of rural lending portfolio
	Number of projects in rural space	Rural lending portfolio	Number of projects	Lending to Infrastructure		
FY01	121	5,215	56	1,601	46%	31%
FY02	116	4,936	82	1,694	71%	35%
FY03	155	7,578	66	2,206	43%	29%
FY04	195	7,399	110	2,778	56%	37.5%

Table 3. Overview of infrastructure lending, by fiscal year

Project information	FY01	FY02	FY03	FY04
Rural projects with infrastructure lending				
Total number of projects	56	82	66	110
Total amount of rural lending (US\$ million)	2,933	3,953	4,561	4,845
Rural projects and lending for which amount of infrastructure lending can be accounted for				
Total number of projects	49	64	50	102
Total amount of rural lending (US\$ millions)	2,286	2,953	3,886	4,554
Rural projects for which amount of infrastructure lending can NOT be accounted for				
Total number of projects	7	18	16	8
Total amount of rural lending (US\$ millions)	647	1005	675	291

Figure 1. Distribution of infrastructure lending as percent of total project cost, FY01-FY04

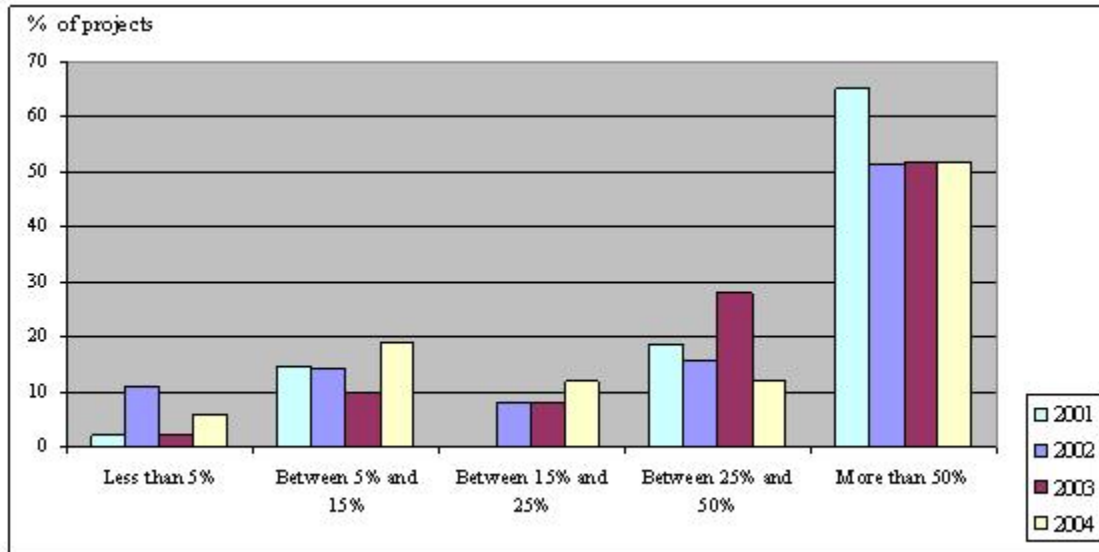


Figure 2. Regional distribution of rural projects with infrastructure lending, FY01-FY04

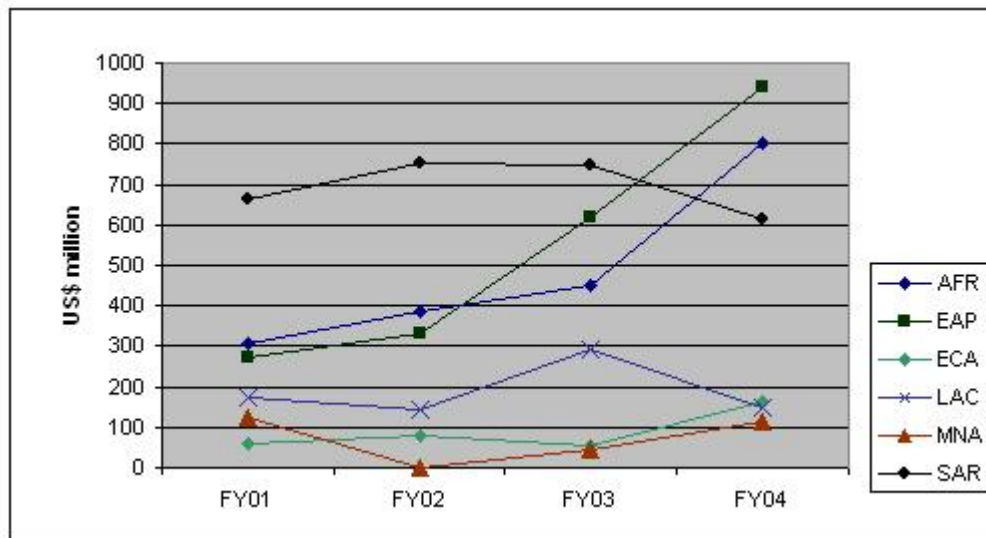


Figure 3. Distribution of rural projects with infrastructure lending, by region, FY01-FY04

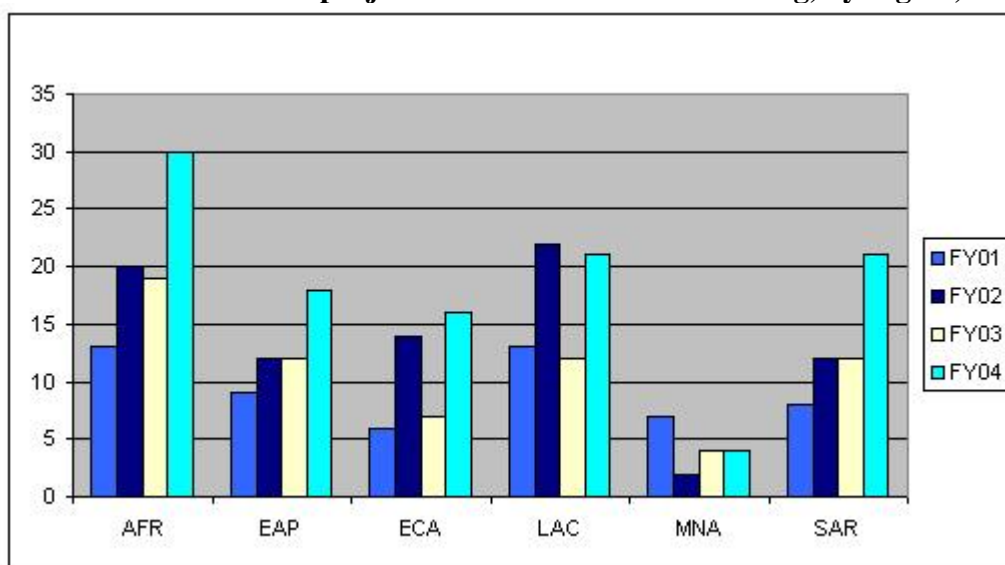


Table 4. Number and lending levels of rural projects with infrastructure investment, by sector, FY01-FY04

Sector Board	FY01-FY03			FY04	
	Avg. no. of projects	Total annual lending	Avg. lending	No. of projects	Lending
Economic Policy	0.3	7	2.3	2	12.9
Education	7.3	146.3	48.8	10	219.9
Energy and Mining	7.0	919.7	306.6	12	304.6
Environment	2.0	5.8	1.9	2	8.4
Financial Sector	0.3	32.3	10.8	1	33
Global Information/ Communications Technology	0.7	15.1	5.0	0	0
Health, Nutrition and Population ⁷	4.3	44.8	14.9	10	33
Poverty Reduction	0.3	9.8	3.3	4	106.2
Private Sector Development	2.7	276	92.0	3	5.9
Public Sector Governance	1.3	69.9	23.3	4	18.8
Rural Sector ⁸	12.7	811.3	270.4	19	375.1
Social Development ⁹	3.0	221.5	73.8	4	48.6
Social Protection ¹⁰	8.3	365.2	121.7	9	25.8
Transport	13.7	2103.2	701.2	23	1302.5
Urban Development	1.0	151.9	50.6	3	63.3
Water Supply and Sanitation	1.7	3205	106.8	4	287.4

⁷The sector lending amounts for projects with investment in infrastructure reported here exclude the amount of project funds for projects for which the share of lending going specifically to infrastructure could not be determined. In FY04, there are 8 projects, totaling \$291 million in rural lending, for which data is not reported:

⁷ 1 project (Second Health Sector Development, P082335) in the Health, Nutrition, and Population sector (totaling \$46 million)

⁸ 3 projects (Village Investment, P073973; Community Development and Livelihood, P074872; Emergency National Solidarity Project, P084329) in the Rural Sector (totaling \$161 million)

⁹ 1 project (Community Development Program Support Project, P073629) in the Social Development Sector (totaling \$20 million)

¹⁰ 3 projects (3rd Social Action Fund (FAS III), P081558; SIF 2, P079314; Nuestras Raices Program, P083244) in the Social Protection Sector (totaling \$64 million)

Table 5. Number of projects per infrastructure activity, by fiscal year

<i>RIS Activity</i>	<i>FY01</i>	<i>FY02</i>	<i>FY03</i>	<i>FY04</i>
Energy/Electricity	15	18	13	20
Telecom Services	7	7	3	6
Roads, tracks, path, footbridges (often referred to as rural transport infrastructure)	35	35	35	50
Transport services (motorized and non-motorized, including policy interventions)	6	8	11	16
Water Supply	14	29	27	30
Sanitation	10	17	20	19
Schools	8	30	24	35
Health Clinics And Facilities	9	24	24	26
Waterways	2	N/A	N/A	
ICT	N/A	39	3	8
Irrigation (irrigation was included only when not separable from other RI intervention)	N/A	N/A	3	15
Municipal airports	N/A	N/A	N/A	0

Table 6. FY04 rural projects with infrastructure lending, by managing sector board

<i>Managing Sector Board</i>	<i>More than one RIS activity</i>		
	<i>No</i>	<i>Yes</i>	<i>Total</i>
Economic Policy	0	2	2
Education	10	0	10
Energy and Mining	9	2	12*
Environment	2	0	
Financial Sector	1	0	
Health and Nutrition	6	4	10
Poverty Reduction	2	2	4
Private Sector Development	2	1	3
Public Sector Development	3	1	
Rural sector	3	15	19**
Social Development	0	4	4
Social Protection	2	7	9
Transport	19	4	23
Urban Development	0	3	3
Water Supply and Sanitation	1	3	4
Total	60	48	110

Note: * One project from the Energy & Mining Sector (Natural Resources Development TA, P079925) is excluded from the data reported here as the infrastructure activity supported in this project could not be identified

** One project from the Rural Sector (Forests & Rural Productivity, P064914) is excluded from the data reported here; the infrastructure activity supported in this project includes a visitor center, maintenance and park roads.

Table 7. Involvement of relevant sector ministry in project delivery and project relevance with sector policy,¹¹ by region FY01-FY04

Region	FY01-FY03			FY04				
	Annual avg. no. of Yes	Avg. no. of projects	Percent of projects using relevant sector ministry/ reflecting sector	No	Yes	Y/N Answer not the same to both questions	Total	Percent of projects using relevant sector ministry/ reflecting sector
AFR	14	17	81%	9	19	2	30	63%
EAP	9	11	79%	3	14	1	18	78%
ECA	5	9	52%	2	13	1	16	81%
LCR	10	12	78%	6	15		21	71%
MNA	4	4	100%	2	2		4	50%
SAR	11	14	76%	5	15	1	21	71%
Total	52	68	76%	27	78	5	110	71%

Table 8. Involvement of the relevant sector, by managing sector board, FY01-FY04

Sector Board	FY01-FY03			FY04					
	Annual avg. no. of Yes	Avg. no. of projects	Percent of projects using relevant sector ministry/ reflecting sector	No	Yes	Y/N Answer not the same to both questions	Total	Percent of projects using relevant sector ministry/ reflecting sector	
Economic Policy	0.0	0.3	0	1	1		2	50	
Education	7.3	7.3	100		9	1	10	90	
Energy and Mining	6.3	7.0	90.5		12		12	100	
Environment	1.0	2.0	50		2		2	100	
Financial Sector	0.3	0.3	100		1		1	100	
Global Info./ Communications Technology	1.0	1.0	100						
Health, Nutrition and Population	4.3	4.3	100		10		10	100	
Poverty	0.0	0.3	0	1	3		4	75	
Private Sector Development	2.0	2.7	75	1	2		3	66.7	
Public Sector Governance	1.0	1.3	75	3	1		4	25	
Rural Sector	8.3	12.7	65.8	9	9	1	19	47.4	
Social Development	1.3	3.0	44.4	4			4	0	
Social Protection	4.3	8.3	52	6	3		9	33.3	
Transport	13.0	13.7	95.1		21	2	23	91.3	
Urban Development	0.3	1.0	33.3	1	2		3	66.7	
Water Supply and Sanitation	2.7	2.7	100	1	2	1	4	50	
Total	53.3	68.0	78.4	27	78	5	110	70.9	

¹¹ These results do not include the following observations in the average for FY01-FY03: There were 2 projects in FY03 for which an answer to the two questions could not be determined. In addition, also in FY03, there were 8 projects (specifically, 1 project in AFR; 2 projects in EAP; 1 project in ECA; 1 project in LCR; 1 project in MNA; and 2 projects in SAR) for which the answer was not the same to both questions, i.e. the relevant sector ministry and/or agency could be involved in project delivery but the project did not address/ reflect relevant sector policy.

Figure 4. Frequency of explicit maintenance arrangements in FY04 infrastructure project, by managing sector board

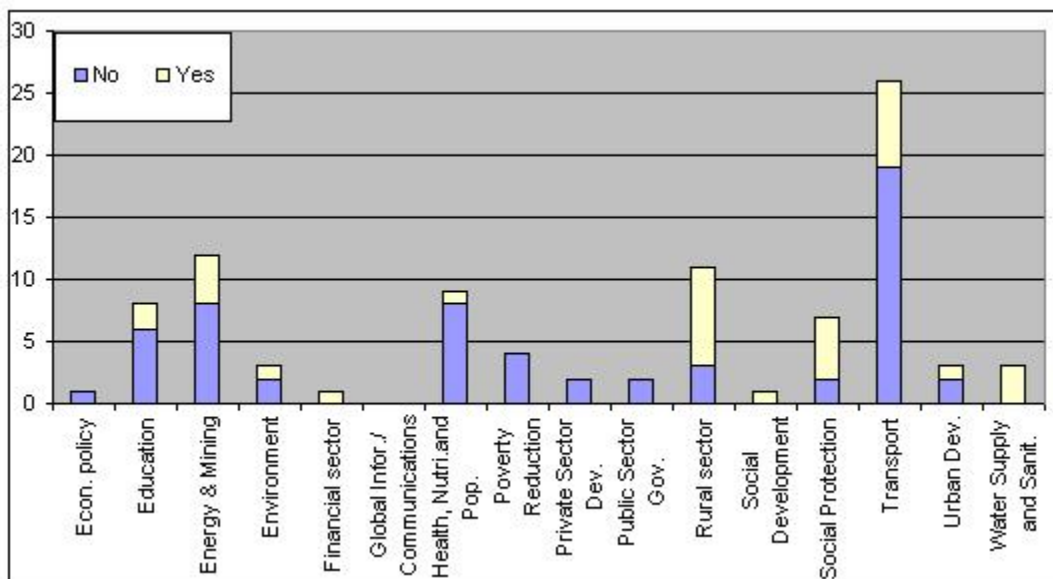


Figure 5. FY04 infrastructure projects implemented through Community-Driven Development (CDD), by region

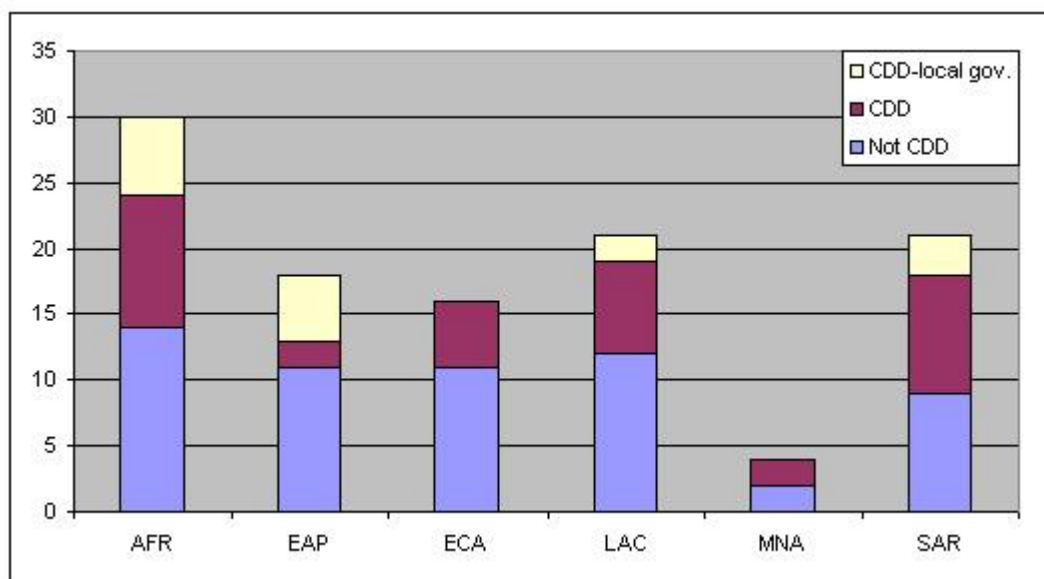


Figure 6. FY04 infrastructure projects implemented through Community-Driven Development (CDD), by managing sector board

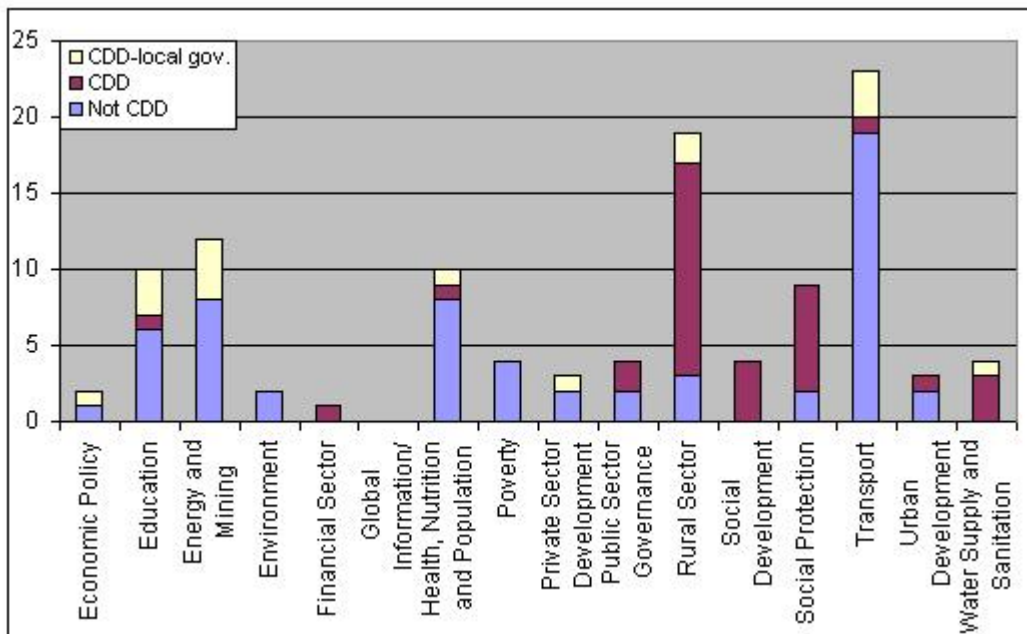


Figure 7: Distribution of rural projects with infrastructure lending (RIS), FY01-FY04

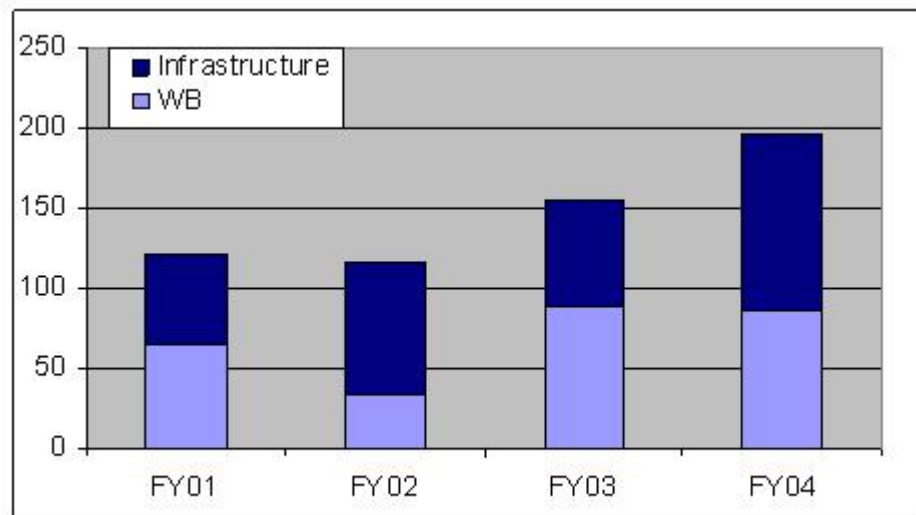


Figure 8: Lending to projects with infrastructure, FY01-FY04

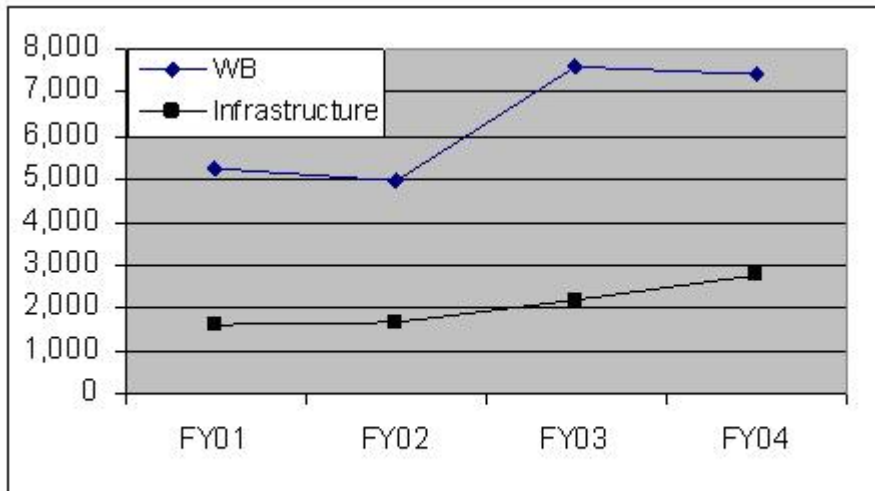


Figure 9a: Regional average distribution of rural projects with infrastructure lending and average lending commitment levels, FY01-FY03

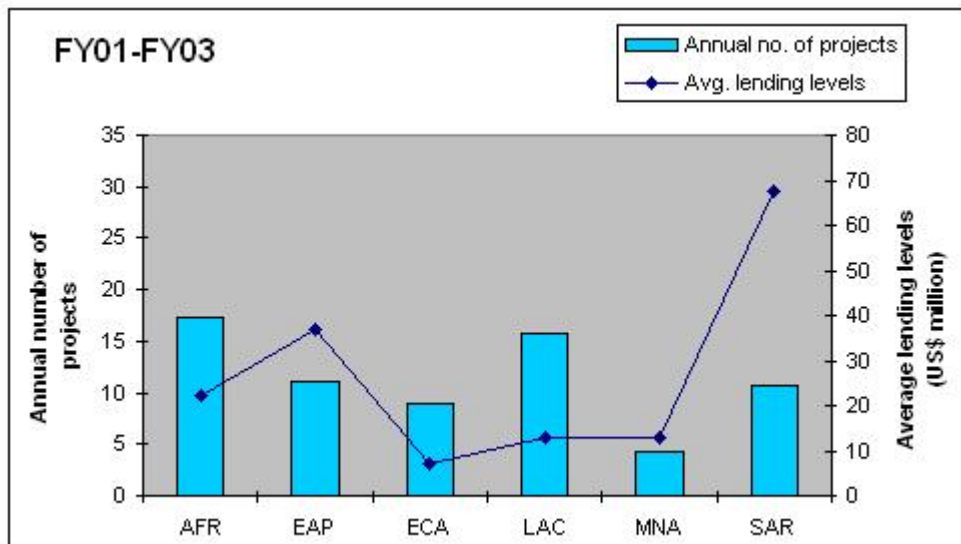


Figure 9b: Regional average distribution of rural projects with infrastructure lending and average lending commitment levels, FY04

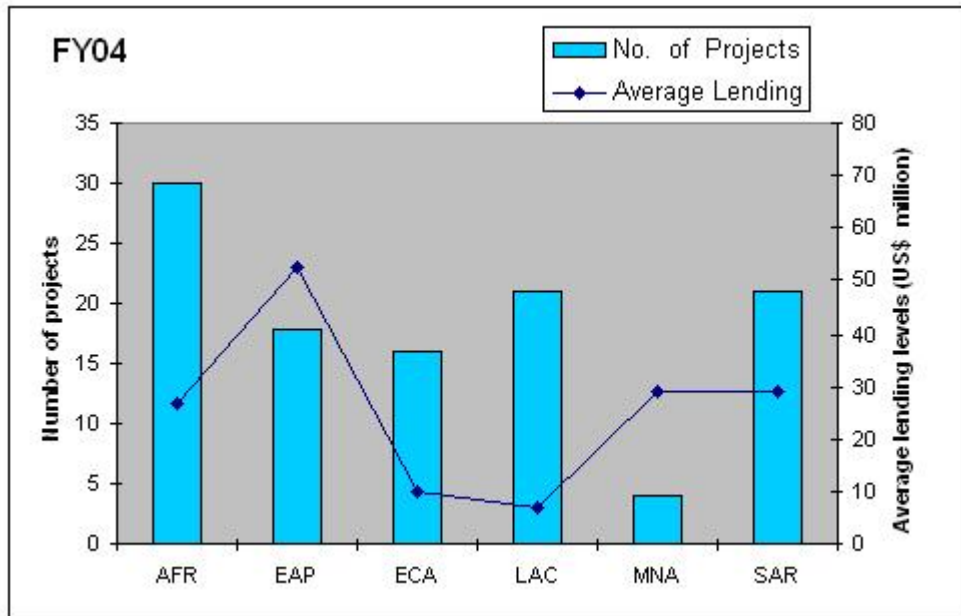


Table 9. Infrastructure components addressing capital and O&M, for FY04

Country		Project name	What percentage do users contribute to capital and recurrent/O&M costs?
Africa			
Congo, Democratic Republic of	P082443	Post Conflict Economic Recovery Cr	15-20%
Lesotho	P081269	ESDP II (Phase 2)	15-20%
Mozambique	P069183	Energy Reform and Access Project	15-20%
Mozambique	P001807	Decentralized Planning and Fin. Proj	15-20%
Nigeria	P063622	Fadama II	10% cash/in-kind
Chad	P074266	Agricultural Services & POs Project	20%
Mauritania	P081368	Community-Based Rural Development	15-20%
Nigeria	P069892	Local Empowerment & Envir. Mgmt.	10%of total cost
Cameroon	P073629	Community Dev. Program Support Proj.	0-15%
Rwanda	P074102	Decentr. & Community Dev.	5%
Angola	P081558	3rd Social Action Fund (FAS III)	10% of total cost
Comoros	P084315	Services Support Credit	15-20%
Mali	P079351	Transport Corridors Improvement	15-20%
East Asia and the Pacific			
Timor-Leste	P082190	Transition Support Program II	5%
Vietnam	P065898	Water Resources Assistance	15-20%
Philippines	P075184	Diversified Farm Income & Mkt. Devt	10%
Vietnam	P059663	Road Network Improvement	15-20%
Thailand	P075173	Highways Management	15-20%
Samoa	P075523	Infrastructure Asset Mgmt 2	5%
China	P077137	4th Inland Waterways	5%
China	P081749	Hubei Shiman Highway	5%
Europe and Central Asia			
Armenia	P073974	Health Sys Mod (Apl #1)	5%
Macedonia, former Yugoslav Republic of	P086670	Hlt Sec Mgt	5%
Kyrgyz Republic	P073973	Village Investment	20% of inv costs, incl. 3% cash
Azerbaijan	P076234	Rural Invsmt (Azrip)	10%
Tajikistan	P077454	Commtly Agric & Watershed Mgmt	5%
Kosovo	P079259	Comm Devt Fund 2	15-20%
Moldova	P079314	SIF 2	5%
Poland	P078170	Road Maint & Rehab	30%
Georgia	P086277	Sec/Loc Roads	5%
Latin America and the Caribbean			
Dominican Republic	P082715	Power Sector TA Project	5%
Honduras	P074758	PRSC	5%
Honduras	P070038	Trade Facilitation & Productivity Enhancement	5%
Brazil	P080827	Loan for Sust. and Equitable Growth	5%
Brazil	P080830	Maranhao Integrated: Rural Dev	10-20%
Ecuador	P077257	Indigenous Peoples 2 (Prodepine2)	20%
Honduras	P083244	Nuestras Raices Program	10% cash/in-kind
St. Lucia	P086469	Disaster Management Project li	5%

Middle East and North Africa			
Tunisia	P082999	Education Paqset li	15-20%
Morocco	P082754	Rural Roads	5%
Yemen, Republic of	P082976	Third Public Works	10-30% of proj. cost
South Asia			
India	P055459	Elementary Education Project (SSA)	5%
Pakistan	P083228	Punjab Education Reform Program	5%
Bangladesh	P078707	Power Sector Development TA	5%
Pakistan	P082977	Second Poverty Alleviation Fund Project	20%
India	P050655	Rajasthan health systems development	15-20%
Sri Lanka	P074872	Community Development & Livelihood "Gemi"	15-20%
India	P078550	Uttar Watershed	5%
Nepal	P081968	Poverty Alleviation Fund	5%
Afghanistan	P084329	Emergency National Solidarity Project	10% capital cost, O&M
Sri Lanka	P086747	Neiap ii	10% total est cost
Nepal	P071285	Rural Water Supply & Sanitation Project	20% capital cost/upfront cash
India	P073369	Mahar Rwss	5%
Bangladesh	P086661	Water Supply Program Project	50%