

IDEV

Independent Development Evaluation
African Development Bank

From experience to knowledge...
From knowledge to action...
From action to impact

Spurring Local Socio-Economic Development Through Rural Electrification

What did IDEV evaluate?

This evaluation presents the main findings of a synthesis of seven rural electrification projects funded by the African Development Bank Group in Benin, Ethiopia, The Gambia, Mozambique and Tunisia. The projects were approved and implemented during the 1999-2013 period.

Table 1: List of projects evaluated						
#	Country	Project Name	Period (Approved-Completed)	Net Amount (UA Million)	Total Cost (UA Million)	Region
1	Benin	Electrification of 17 Rural Centres	2000-2005	4.80	7.30	West
2	Benin	Rural Electrification Project II	2003-2011	12.32	17.67	West
3	Ethiopia	Rural Electrification Project I	2001-2009	34.23	32.97	East
4	Ethiopia	Rural Electrification Project II	2006-on-going	87.20	114.31	East
5	Gambia	Rural Electrification Project	2000-2007	2.84	13.99	West
6	Mozambique	Rural Electrification Project III	2001-2013	10.38	16.62	South
7	Tunisia	Rural Electrification Project VI	1999-2005	48.32	62.58	North
TOTAL				200.09	258.14	

The objective of this project cluster evaluation is to assess the relevance, effectiveness, efficiency and sustainability of completed rural electrification projects and to identify key lessons based on what worked and what did not.

What did IDEV find?

Relevance: The objectives of the projects are well aligned with the rural electrification needs and priorities of the five target countries and with AfDB priorities and strategies, which consider rural electrification as a key driver of rural development. However, project design was found to be weak.

Effectiveness: The projects provided the main physical outputs necessary to increase rural populations' access to electricity, but largely failed to connect households to electricity in a timely manner.

Efficiency: Project efficiency was unsatisfactory because, although economically viable, they have suffered from limited financial viability and significant delays in implementation.

Sustainability: The sustainability of project benefits is also considered unsatisfactory. The project facilities are technically, environmentally and socially sustainable, but the projects are weak in terms of financial viability; institutional sustainability and capacity building; political and governance environment; ownership; and resilience to external



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factors. Power utilities rely on government subsidies to continue to operate, due to issues of electricity tariffs, insufficient electricity production capacity, and high investment and operating costs.

Finally, the monitoring and evaluation systems in the projects were found to be weak.

What lessons did IDEV draw from this evaluation?

Quality of project design

Lesson #1: Lack of critical risk analysis and adequate risk mitigation measures can contribute to substantial implementation delays and inefficiencies.

Fostering rural economic development through rural electrification

Lesson #2: Integration between rural electrification and other rural

development projects (irrigation, agriculture, water supply, health, education, microcredit, etc.) is critical to better outcomes.

Geographical coverage vs. universal access

Lesson #3: Focusing rural electrification on geographical rather than household coverage can bring electricity closer to rural households but cannot ensure universal access unless issues of affordability to the rural poor are addressed.

Sustaining project benefits

Lesson #4: Appropriate tariffs and subsidies are critical to the financial viability of electricity utilities and to sustaining rural electrification benefits.

Political support

Lesson #5: Strong political support, including an initial investment subsidy and adequate institutional framework, is necessary to sustain project results.

About IDEV

The Independent Development Evaluation (IDEV) of the African Development Bank carries out independent evaluations of Bank operations, policies and strategies, working across projects, sectors, themes, regions, and countries. By conducting independent evaluations and proactively sharing best practice, IDEV ensures that the Bank and its stakeholders learn from past experience and plan and deliver development activities to the highest possible standards.

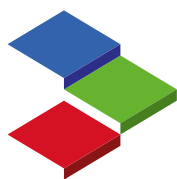


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