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.

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 shocks.

Table 1: List of projects evaluated

<table>
<thead>
<tr>
<th>#</th>
<th>Country</th>
<th>Project Name</th>
<th>Period (Approved-Completed)</th>
<th>Net Amount (UA Million)</th>
<th>Total Cost (UA Million)</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Benin</td>
<td>Electrification of 17 Rural Centres</td>
<td>2000-2005</td>
<td>4.80</td>
<td>7.30</td>
<td>West</td>
</tr>
<tr>
<td>2</td>
<td>Benin</td>
<td>Rural Electrification Project II</td>
<td>2003-2011</td>
<td>12.32</td>
<td>17.67</td>
<td>West</td>
</tr>
<tr>
<td>3</td>
<td>Ethiopia</td>
<td>Rural Electrification Project I</td>
<td>2001-2009</td>
<td>34.23</td>
<td>32.97</td>
<td>East</td>
</tr>
<tr>
<td>4</td>
<td>Ethiopia</td>
<td>Rural Electrification Project II</td>
<td>2006-on-going</td>
<td>87.20</td>
<td>114.31</td>
<td>East</td>
</tr>
<tr>
<td>5</td>
<td>Gambia</td>
<td>Rural Electrification Project</td>
<td>2000-2007</td>
<td>2.84</td>
<td>3.99</td>
<td>West</td>
</tr>
<tr>
<td>6</td>
<td>Mozam-AC3874</td>
<td>Rural Electrification Project</td>
<td>2001-2013</td>
<td>10.38</td>
<td>16.62</td>
<td>South</td>
</tr>
<tr>
<td>7</td>
<td>Tunisia</td>
<td>Rural Electrification Project VI</td>
<td>1999-2005</td>
<td>48.32</td>
<td>62.58</td>
<td>North</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td>200.09</td>
<td>258.14</td>
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</tr>
</tbody>
</table>

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.
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.