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# The World Bank

## Middle East and North Africa Region

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### The “GLOBAL PARTNERSHIP FOR OUTPUT BASED AID” Trust Fund supports access to water supply and sanitation services in Morocco

**Rabat, February 5, 2007** – The World Bank, acting as Administrator of the Global Partnership for Output-Based Aid Trust Fund (GPOBA), signed on January 29, 2007, a Grant Agreement for an Output-Based Aid (OBA) pilot project to improve access to water and sanitation services in poor communities in Morocco.

The total amount of the Grant financed by GPOBA, is US\$ 7.0 million through contributions from the International Finance Corporation, the private sector arm of the World Bank Group (US\$4.9 million) and the UK Department for International Development (US\$2.1 million). The objective of the project is to demonstrate an output-based subsidy mechanism to facilitate access to water and sanitation services for approximately 11,300 low income households in selected peri-urban neighborhoods of Casablanca, Tangiers and Meknès, also targeted by the National Initiative for Human Development (“INDH”).

At present, access to water supply and sanitation services is impaired by high connections costs that are generally unaffordable to peri-urban households. It is expected that the OBA approach will contribute to the development of a sustainable and diversified financing strategy that meets the Government’s service access goals in Morocco’s poor urban areas.

The Grant will be implemented by municipal utility operators, respectively AMENDIS in Tangiers, LYDEC in Casablanca and RADEM in Meknès. The pilot project will be supervised in collaboration with the Ministry of Interior and the Ministry of Finance and Privatization.

*“The Project utilizes an innovative output-based approach to subsidize water supply and wastewater connections to poor households,”- say Pier Francesco Mantovani and Xavier Chauvot de Beauchêne, of the **World Bank implementation team.** “The utilities pre-finance the cost of the connection, the households refund a preset portion of the cost in installments, and the OBA subsidy bridges the utilities’ financing gap. The output-based subsidy is not disbursed until the connection is independently verified to ensure that proper service is delivered to the household” they added. “This is GPOBA’s first operation in the Middle East and North Africa. I hope that the successful implementation of this project offers more opportunities for scaling it up”.* said **Patricia Veevers-Carter**, GPOBA Program Manager.

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GPOBA was established in January 2003 by the United Kingdom's Department for International Development (DFID) and the World Bank. Its current donors include DFID, IFC, and DGIS of the Netherlands. GPOBA purpose is to fund, demonstrate and document output-based aid (OBA) approaches to support the sustainable delivery of basic services to those least able to afford them and to those without access to such services.

GPOBA's focus areas are: water, sanitation, electricity, telecommunications, transportation, as well as health and education. The primary activities of GPOBA are funding of output-based grants for projects, technical assistance to design and implement such projects, and the dissemination of OBA approaches.

*For further information on GPOBA, visit <http://www.gpoba.org>  
For more information on the World Bank's activities in Morocco, please visit:  
<http://www.worldbank.org.ma>*

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