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RESULTS IN THE LATIN AMERICA & CARIBBEAN REGION

World Bank LAC

opportunities for all

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opportunities for all

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FOREWORD

Delivering on results is key to achieving our Latin America and Caribbean Strategy. This publication presents some of the recent results achieved by the World Bank Group, our clients, and our partners in the Latin America and Caribbean Region. The stories reflect our effort to help clients solve their development challenges quickly and effectively by providing a suite of financing, advisory and convening services.

This is a way to demonstrate results in increasing opportunities for all citizens in key development areas, share them with other countries facing similar challenges, and learn from them to innovate and improve further actions.

Hasan A. Tuluy
Vice President
Latin America and Caribbean Region.
World Bank

RENEWABLE ENERGY IN RURAL ARGENTINA

SUPPORTING SUSTAINABLE BUSINESS OPERATIONS FOR ELECTRICITY SUPPLY

Argentina has delivered renewable energy services to more than 27,000 low income households located in dispersed rural areas of fifteen provinces, while establishing a sustainable and flexible concessions delivery model.

CHALLENGE

By the late 1990s, Argentina had made important progress in developing a competitive electricity market. The power sector had been unbundled and a well functioning regulatory system was established together with a privatization process. These measures, however, were largely oriented to benefit the urban population. There was much yet to be done to address the needs of the poor rural population. The main challenges were:

- Providing electricity in dispersed areas implied high investment costs.
- Provincial Governments had limited financial capability and weak regulatory agencies.
- Around 2.5 million people lived in dispersed rural areas with no access to electricity.

SOLUTION

The Renewable Energy in the Rural Market Project supported the provision of reliable electricity services in dispersed and poor areas using renewable energy technologies, establishing for such purpose a nationwide delivery model of concessionaries and strengthening provincial regulatory agencies. By replacing diesel electricity generation and the use of candles, kerosene and gas cylinders with renewable energy systems, the project's Global Environment Facility (GEF) component helped remove barriers (information, high initial costs and institutional weaknesses) to the development of renewable energy and reduction of greenhouse gas emissions. The project facilitated the installation of:

- Solar home systems in dispersed rural households.
- Small off-grid electricity generating units based mostly on solar.
- Small wind turbines and mini-hydro plants in villages.
- Renewable energy systems to provide electricity to provincial public institutions (schools, medical centers, etc.).

Around 2.5 million people lived in dispersed rural areas with no access to electricity.

During the first years of implementation, the project faced an unexpected severe economic crisis, characterized by sustained fiscal austerity and reduced budgets. This challenge delayed the project's implementation and called for a revision of the project design. The project delivery mechanism was amended so as to incorporate greater flexibility on private and public technological and institutional options.

RESULTS

The project focused on the rural poor and promoted the development of environmentally sustainable renewable energy. The project's main achievement was the establishment of a national sustainable and replicable delivery model for renewable energy based on a strong partnership between the federal and provincial Governments. This model is helping to reduce poverty, improve the quality of life of thousands of rural households, and enhance education and other public services. Key project outcomes were:

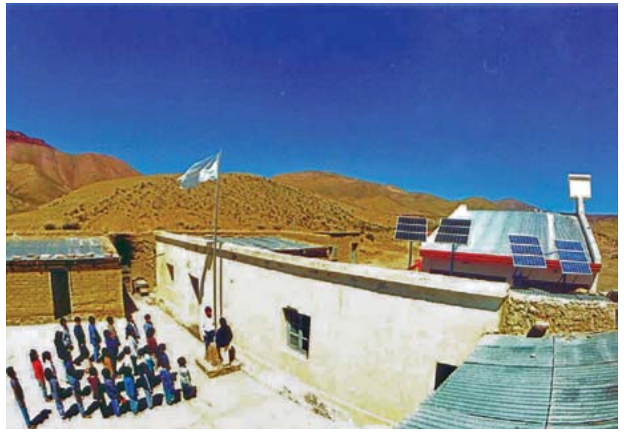
- Installation of 21,000 solar home systems for households in remote rural areas.
- Installation of 2,100 solar home systems for schools, medical centers and other public buildings.

Reduction of greenhouse emissions by 3,200 tons of CO2 equivalent.

- Provision of mini-grids to 2,400 households.
- Installation of 410 solar thermal applications (mostly water heating) in schools.
- Installation of 3,600 kW in solar home systems and 1,050 in wind home systems.
- Reduction of greenhouse emissions by 3,200 tons of CO_2 equivalent.
- Fourteen operators (concessionaires), public and private, working under the project.

WORLD BANK GROUP CONTRIBUTION

The project originally comprised a Bank loan for US$30 million plus a GEF grant (US$10 million equivalent, approved in March 1999) to cover investment costs and technical assistance. A second Bank loan for US$50 million was approved in 2008, once the country had recovered from the crisis of the early 2000s. The original project had established a positive track record and there was a high and growing demand for its rural access outputs.



PARTNERS

The Bank and the Global Environment Facility (GEF) supported the Secretariat of Energy and its coordinating unit in the design and implementation of the project. A strong partnership was built during implementation among the Bank, the Federal Government and Governments of fifteen provinces that shared funding and implementation responsibilities.

MOVING FORWARD

The project has succeeded in installing renewable energy systems for thousands of households. The sustainability of this effort relies on a strengthened regulatory framework that provides the right incentives through cost-based tariffs and subsidies and an effective operation and maintenance. These challenges are being addressed based on the good experience of those provinces that had earlier reached the operational stage. Given the positive project outcomes and the increased demand for its services, the Government is working on a follow-up operation that will guarantee continuity and further institutional strengthening.

> *The Government is working on a follow-up operation that will guarantee continuity and further institutional strengthening.*

BENEFICIARIES

The project provided reliable electricity to more than 27,000 rural low-income households (around 100,000 people in fifteen provinces) who did not have access to any modern or efficient source of energy. The project also delivered renewable energy services (water pumping, hot water) to about 3,000 public buildings, mostly schools. In doing so, provincial regulatory agencies and private and public concessionaires have been strengthened. The project also provided global benefits through the reduction of greenhouse gas emissions, although on a relatively limited scale.

ARGENTINA

FLOOD PREVENTION IN BUENOS AIRES

PROTECTING CRITICAL INFRASTRUCTURE WITH FLOOD RISK MANAGEMENT

Buenos Aires has successfully carried out very complex public works unprecedented in the country. This project consisted of two drainage tunnels, 9.8 kilometers long and 4.6 kilometers long, and 6 meters inner diameter. The project is directly benefitting over 300,000 people by reducing the intensity and frequency of flooding in the Maldonado Basin. The city Government is also equipped with a hydraulic plan for an integrated approach to flood prevention.

CHALLENGE

Flooding is a regular occurrence in Buenos Aires, reducing the quality of life, causing damage to property, and posing public health risks. Due to the combined effects of modified precipitation patterns, hydrological consequences of urbanization, and the volume of solid waste in the streets, the city's drainage capacity has not kept up with its growth. The resulting costs are especially severe as Buenos Aires is a significant engine for growth in the country. Among the several drainage basins in the city, flood recurrence has historically been especially problematic in the area around the former Maldonado Creek, which covers a central area of the city and is home to one third of the city's population. In 2004, the Maldonado basin overflowed almost annually, clogging the city's drainage system and causing flooding at significant cost both to its inhabitants and to commuters.

SOLUTION

The Urban Flood Prevention and Drainage Project increased the city's resilience to flooding through an integrated approach combining structural and non-structural measures. The project financed the construction of two critical drainage tunnels to improve the functioning of the Maldonado Basin drainage system.

The quality of the Bank's technical support, the appointment of an independent panel of experts, and the contracting of a technical supervisor contributed greatly to the technical quality of these complex works. The project provided the city Government with a toolkit of vulnerability and risk analysis mechanisms to enable the design of an integrated flood management program for the wider city.

The project financed the construction of two critical drainage tunnels to improve the functioning of the Maldonado Basin drainage system.

RESULTS

The successful implementation of this integrated approach provides an example of a good practice for other large infrastructure projects. Key results included:

- Construction of two drainage tunnels, 9.8km and 4.6 km in length and 6 meters inner diameter, directly benefitting more than 300,000 people by reducing the intensity and frequency of flooding in the Maldonado Basin.
- Improvement of the drainage capacity of the Maldonado Basin and reduction in material losses of inhabitants, compared to previous years and other basins.
- Development of a hydraulic plan to implement an integrated approach to flood prevention within the city, indirectly benefitting 1.5 million people.
- Equipping the city Government with capacity and tools for planning and identifying future investments and non-structural interventions.
- Development of technical capacity to plan, design, and mathematically simulate the city's drainage system.
- A strongly engaged implementing agency in planning the operational phase of the works and identifying opportunities for replication in other basins.

Photo by: Gobierno de la Ciudad Autonoma de Buenos Aires

WORLD BANK GROUP CONTRIBUTION

The city of Buenos Aires contributed US$59 million, and the World Bank (IBRD) contributed US$130 million.

PARTNERS

The Project Implementation Unit was the *Unidad de Proyecto Especial para el Arroyo Maldonado* (UPEAM), housed within the Ministry of Urban Development in the City of Buenos Aires.

MOVING FORWARD

The Project significantly improved the city's ability to plan and implement investments of this scale and complexity, giving the Government the track record and vision to undertake the necessary resource mobilization for future works. Armed with the planning tools developed by the project's non-structural investments, the Government has developed investment plans for the remainder of the basins in the city and is actively looking for

Photo by: Gobierno de la Ciudad Autonoma de Buenos Aires

funds. Buenos Aires is well-equipped to carry out the operation and maintenance of the project's completed investments.

BENEFICIARIES

During the intense rainfall events in March, November and December 2012 (of which the December 2012 rains were equivalent to a 50 to 100-year event, with rainfall of 177mm in some areas), repeated press coverage and eyewitness testimonies from Buenos Aires inhabitants clearly indicate that while flooding was significant in other parts of the city, flooding in the project area was not significant and only found in some areas.

BOLIVIAN MUNICIPALITY IMPROVES EDUCATION

BUILDING INFRASTRUCTURE AND IMPROVING TEACHING AND MANAGEMENT

The municipality of La Paz, Bolivia, supported by the World Bank, increased access and improved retention in secondary education for over 10,000 students at risk of dropping out. The municipality constructed and renovated 240 classrooms and improved the quality and relevance of primary and secondary education by strengthening decentralized education management, supplying learning materials, and supporting teacher training

CHALLENGE

Rising population pressures have resulted in increasing demands for secondary education across Bolivia. In La Paz, the municipal Government faced a number of challenges. Net primary enrollment had increased significantly during the previous decade, raising the demand for secondary education. The results were overcrowding and an increase in the student/teacher ratio. School buildings were housing up to four schools (pre-primary, primary, secondary, and night). In secondary education, quality was low and drop-out and repetition rates were high.

In 1994, amid significant education challenges, Bolivia passed the Primary Education Reform Law and Popular Participation Law. Both laws promoted decentralization in the education system and placed responsibility for infrastructure and supplies with the municipalities. By 2005, Bolivia had made progress in expanding access to primary education and improving the rates of enrollment and completion.

SOLUTION

With Bank support, the Secondary Education Transformation Project used a multi-faceted approach. To increase access, the project financed the construction and renovation of school buildings in areas with large percentages of out-of-school youth and overcrowded classrooms. To improve retention in secondary schools, it financed an incentive program for students at risk of dropping out, providing teacher training and support to students. To improve quality, the project renovated classrooms, created labs and recreational areas, and provided relevant learning materials.

In collaboration with universities, municipal departments, and the Municipal Training Center, the project developed and implemented a post-graduate degree program in civic values for teachers. Participating teachers worked on classroom projects and school fairs to apply the training and deliver it innovatively. To strengthen decentralized education management, the project supported the establishment of school management teams to identify school improvement priorities, which were financed through school improvement project grants benefitting several schools within a building.

RESULTS

By March 2013, the project contributed the following results:

- In 19 school buildings (four new, three reconstructed, and twelve existing), 15,840 additional secondary school places were added. The new schools were fully functioning with teaching and administrative staff by project completion.
- The project improved science and computer labs, libraries, recreational areas, multipurpose rooms, sanitary blocks, and administrative areas.
- The Center for High Educational Performance in San Antonio, fully equipped and staffed, is providing pedagogical support to around

The project improved science and computer labs, libraries, recreational areas, multipurpose rooms, sanitary blocks, and administrative areas.

11,000 teachers, community members, and students.
- Teacher training materials for the Incentive Program for At Risk Students were developed and made available; 156 teachers were trained and 10,131 students have already benefitted. The project also completed and deposited a physical and digital archive for future use.
- The post-graduate degree program for civic values has reached over 80,000 secondary students through activities. The program's materials are ready for future use.
- The strengthened decentralized management capacity resulted in (i) 113 school management teams, (ii) 92 school improvement projects, (iii) regulations for school maintenance roles and responsibilities developed and used; provision of equipment and furniture for the Directorate of Education and training of staff to monitor, manage and evaluate project activities; and municipal information system strengthened.

6,311 students enrolled in seven new and reconstructed schools.

In addition, the municipal education budget has increased over the last four years. Preventive maintenance of school buildings is now mainstreamed into the municipality's regular work. The Center for High Educational Performance model was replicated, with two additional centers in Cotahuma and Periférica, financed by the municipality.

WORLD BANK GROUP CONTRIBUTION

The project was financed by a Bank credit in the amount of US$10 million which was fully disbursed.

PARTNERS

The project, through the Directorate of Education, collaborated with the Municipal Training Center to elaborate training materials for the Incentive Program and to deliver the training. For the Civic Values Program, the project collaborated with the Plurnational School of Public Administration (*Escuela de Gestión Pública Plurinacional*), the Bolivian Salesian University (*Universidad Salesiana Boliviana*), the San Pablo Bolivarian Catholic University (*Universidad Católica Bolivariana San Pablo*), the Departmental and district offices, the United Nations Population Fund, the Women's Development Center, the Municipal Training Center and other municipal departments, to elaborate and teach the curriculum of the post-graduate degree.

MOVING FORWARD

The municipality is launching competitions ("*concursos*") under the "my school, my second home" program, to reward schools that properly maintain their infrastructure. The school management teams are being transformed into productive groups that manage the goods acquired through the school improvement projects. The municipality will continue to use the Civic Values Program methodology to train primary teachers. Changes in pedagogy, incorporated in schools and the civic-values content, are also integrated into ongoing municipal programs (*Operación Cole)*.

BENEFICIARIES

By March 2013:
- Students enrolled in seven new and reconstructed schools: 6,311.
- Secondary students benefiting from the incentive program: 10,131.
- Teachers trained under the incentive program: 156.
- Beneficiaries from 50 primary and secondary schools visiting the Center for High Educational Performance between 2009-2011: 7,871
- Beneficiaries using the Center for High Educational Performance during 2012: 3,105, of these, 1,725 were teachers.
- Teachers and principals receiving the Civic Values post-graduate diploma: 503.
- Teachers and principals trained under the Civic Values Program by their peers: 1,564.
- Students participating in the activities of the Civic Values Program: 81,500.
- Parents trained: 5,600.
- School councils participating in the Civic Values Program: 2,068.

BRAZIL PROTECTS THE AMAZON

REVERSING THE RATE OF DEFORESTATION AND INCREASING THE SIZE OF PROTECTED AREAS

With support from the World Bank's Global Environment Facility (GEF), the World Wildlife Fund (WWF) and the German Development Bank (KfW), Brazil is reversing the rate of deforestation and increasing the number of hectares in protected areas in the Amazon basin, balancing conservation goals and the demand for natural resources. After reaching a new low rate of deforestation of 11.7 percent, the program is earning worldwide recognition.

CHALLENGE

Brazil's Legal Amazon Region is the world's largest intact tropical rain forest. It encompasses around 5 million square kilometers and contains carbon stores estimated at around 120 billion tons. Despite the region's significant influence on the global climate, it remains threatened by deforestation associated with increasing settlement and expanding agricultural, ranching, logging, and mining operations. A history of poorly planned and managed economic development projects also contributed to the loss of tropical forest, degradation of watersheds, and overexploitation of wildlife and fisheries. The region's vast size, a lack of managerial capacity and resources, vested interests, and poverty have also slowed regional and national reform efforts.

This means adding around 25 million hectares to the 12 million already under protection.

Investments have traditionally supported extractive and indigenous reserves, sustainable development projects, state and municipal development plans, and the development of ecological corridors. However, projects have paid little attention to strict protection, which is the foundation for sustainable development and ecological integrity.

SOLUTION

The Amazon Regional Protected Areas (ARPA) Program addresses deforestation by expanding and consolidating areas under strict protection. With origins in Brazil's commitment to reduce deforestation rates, ARPA is working to increase the total area under strict supervision to 10 percent of Brazil's Amazon basin.This means adding around 25 million hectares to the 12 million already under protection. The Government's commitment includes consolidating the management of existing protected areas, increasing public awareness of environmental concerns, and creating a constituency for strict protection through public consultations and training.

ARPA's approach includes a web-based system to track management, procurement, and other financial items, a "conjoined account" (*conta vinculada*) facility to allow for the direct flow of resources to site managers, and a "protection plan" requirement to enhance enforcement and strengthen partnerships with the environmental law agencies.

ARPA was designed as a phased 10-year program. The first phase included specific milestones before implementing the second phase. These milestones were (i) the creation of a minimum of 9 million hectares of new protected areas, (ii) consolidation of 4 million hectares of strict protection areas, and (iii) the establishment of an endowment fund, which is capitalized and meets performance benchmarks.

RESULTS

By the implementation of the second phase, ARPA's first two milestones were surpassed with the establishment of 62 million hectares of new protected areas. ARPA now covers nearly 70 million hectares of rainforest. A study by the U.S. National Academy of Sciences credits ARPA with a 37 percent decrease in deforestation between 2004 and 2009. In June 2012, the U.S. Treasury recognized ARPA at its inaugural Development Impact Honors.

Public consultations with several communities helped define policies for land occupation and management. The communities are trained in agricultural and extractive techniques to ensure the preservation of natural resources and to prevent and extinguish forest fires. Conservation parks include conservation units with executive councils made up of representatives from the Brazilian Government, civil society associations, and the local administration, among other stakeholders.

WORLD BANK GROUP CONTRIBUTION

For the first phase, the World Bank contributed US$30 million in grants from the Global Environment Facility (GEF). GEF funds supported the incremental costs of creating new protected areas and strengthening management infrastructure and financial and cost recovery mechanisms. For the second phase, the GEF provided a grant of US$15.9 million.

PARTNERS

In addition to the World Bank, the World Wildlife Fund (WWF) contributed US$16.5 million to the first phase and US$10 million to the second phase. The German Development Bank (KfW) contributed US$14.4 million to the first phase and US$30 million to the second phase. The Brazilian Government contributed US$18.1 million to the first phase and US$30 million to the second phase. Additional funds were provided by other local sources.

MOVING FORWARD

The second phase, implemented in early 2012 with a budget of US$85.5 million, seeks to (i) create an additional 13.5 million hectares of protected areas, (ii) consolidate 32 million hectares of existing protected areas, and (iii) capitalize the endowment fund with a 150 percent increase over current funds. ARPA's success has also led to a new World Bank-GEF project in Brazil's protected coastal areas and marine waters. ARPA will also share lessons learned with new stakeholders and the global conservation community.

BENEFICIARIES

ARPA's benefits are immediate and long-lasting, local and global. The protected areas represent an offset of emissions equivalent to 430 million tons of carbon. Indigenous communities are able to return to their way of life, preserving cultures that otherwise would have been lost. Improvements in land use and management allow small family farms and large scale agriculture to co-exist. Diverse service providers as eco-tourism agencies and genetic explorations will also benefit. Finally, with discoveries of new species, medicines, and the preservation of threatened species, ARPA will benefit not only the people of Brazil, but generations around the globe.

BRAZIL

SUSTAINABLE AGRICULTURAL PRACTICES IN RIO DE JANEIRO

SMALL FARMS IMPROVE NATURAL RESOURCES MANAGEMENT

Drawing on financing from the Global Environment Facility (GEF) and additional co-financing, beginning in 2006, Rio de Janeiro State has laid the organizational, technical, and institutional foundation for the integrated and sustainable management of natural resources by family farmers in environmentally vulnerable Atlantic Forest region. More than 2,000 organized family farmers adopted agro-ecologically sound practices on 32,000 hectares, and a Payment for Environmental Services (PES) mechanism was enacted by decree of the state Government.

CHALLENGE

By 2005, the main threats facing the 15,000 square kilometer north/northwestern Atlantic Forest region of Rio de Janeiro State were deforestation and soil erosion, caused by centuries of land conversion and poor agricultural practices. Between 1990 and 2000 Rio de Janeiro had the highest rate of deforestation of all Brazilian states. Pasture degradation, soil loss, and decreasing water availability were affecting the region's 30,000 family farms, as rural poverty and out-migration increased. There was an urgent need to introduce sustainable land management practices to reduce poverty and conserve globally important biodiversity in the remaining Atlantic Forest areas. Convincing farmers to adopt better practices was challenging: human and institutional capacity was weak; communities were poorly-organized and lacked the capital to finance investments in improved farming techniques; and research was needed to adapt and demonstrate improved natural resource practices suitable to local farming conditions.

SOLUTION

The Rio de Janeiro Sustainable Integrated Ecosystem Management in Productive Landscapes of the North-Northwestern Fluminese (GEF) Project promoted an integrated ecosystem management approach to help family farmers adopt sustainable land management practices, which would conserve and protect fragile agro-ecosystems while demonstrating that improved land management could be economically and socially beneficial. Farmers living within selected micro-watersheds were organized and participated in developing farm diagnostic plans. They received financial incentives, training, and technical assistance to adopt innovative technical practices designed to conserve their agro-ecological assets, reduce land degradation, and improve farm productivity. This experimental approach demonstrated how the state's existing rural development programs could be more agro-ecologically friendly, better-organized, and sustainable at the farm, institutional, and policy levels. Based on experiences and lessons from similar Bank-supported projects in Southern Brazil, the project stressed the micro-catchment as the best unit for conservation planning and management, local participation, dissemination and replication, and inter-institutional collaboration.

RESULTS

The project resulted in the following outcomes:

- By the end of 2011, 2,254 family farmers organized in 48 participatory micro-catchment councils had invested in 2,728 subprojects, representing the adoption of over 4,000 separate conservation practices on 31,360 hectares of farmland.
- Of these farmers, 588 organized in 87 groups implemented small-scale agro-industrial ventures producing environmentally-friendly goods and services.
- Women took on leadership responsibility for 245 subprojects.
- Farmer livelihoods improved: pasture rotation, poultry and honey production investments showed average rates of return from 26.2

Women took on leadership responsibility for 245 subprojects.

Photo by: Ministério da Defesa , Brazil

percent to 59 percent. The cost-effectiveness of environmental impacts was positive across a range of investments.

- Soil structural stability improved in 48 micro-catchments, from investments in pasture rotation, soil conservation equipment, agro-forestry systems and riparian forest restoration.
- Carbon storage exceeded 19,000 tons by end-2011 as a result of 224 pasture rotation investments.
- Environmental education events in 24 municipalities benefitted 5,700 individuals. The events stressed the importance of integrating environmental, economic, and social concerns. This was reflected in the many farmers who subsequently made conservationist investments at their own expense.
- A Payment for Environmental Services (PES) mechanism was enacted by State Decree, and its operational, institutional, and financial arrangements were defined.

WORLD BANK GROUP CONTRIBUTION

Total project cost was US$15.08 million. The Global Environmental Facility (GEF) grant was US$6.75 million, and represented about 36 percent of total resources expended. This was less than the expected 45 percent of the project intervention, mainly due to the larger than expected co-financing contribution from the Federal Government through its National Family Agriculture Program (PRONAF), and from many state and regional programs.

The project's co-investment strategy enabled state development institutions to reach the local level, overcoming time and distance challenges facing micro-catchment residents while fostering self-managed development. The contribution from the state Government, NGOs and beneficiaries was lower than anticipated. The project supported the analytical foundation for a new Bank loan of US$39.5 million to the state for the Sustainable Rural Development Project, approved by the Bank in 2009 and currently under implementation.

PARTNERS

The Bank's primary partner was the Rio de Janeiro State Government through its Secretariat of Agriculture and Livestock, in close collaboration with the State Rural Extension Agency (EMATER-Rio), the State Agricultural Research Enterprise (PESAGRO) Other key agencies included the State Environmental Management Foundation, the Public Defender's Office, and two prominent non-government organizations: SOS-Mata Atlantic and Conservation International-Brazil. The multi-institutional framework of partnerships supporting the project represented a difficult coordination challenge from which important lessons were learned for similar, future projects. Co-financing partnerships leveraged US$3.04 million in complementary resources.

MOVING FORWARD

The new, scaled up Sustainable Rural Development Project utilizes the same institutional arrangements, and community organization and investment targeting mechanisms, and geographically overlaps much of the territory of the original operation. Institutional capacity to collaborate technically and operationally in environmentally vulnerable areas has continued to grow as a direct result of the new project but remains challenging. Post-completion sustainability of the project is being boosted by extensive, independent farmer replication of project-promoted agro-ecological practices designed to conserve their green assets and enhance productivity. Critical to project sustainability is the newly-created PES mechanism which is already paying farmers for environmental services in several State water catchment areas. Important, unanticipated outcomes include the State's use of organizational and social elements of the project's approach in its "pacification units" designed to restore social order and empowerment in areas re-taken from drug cartels; and, the State's creation of a new Fund for Socio-Environmental Best Practice to remunerate farmers who contribute to the conservation of regional environments.

BENEFICIARIES

"We are preserving so we can see nature re-appear. We intend to increase the spring and use the water to also irrigate our fields. We also want to implement a riparian forest project to guarantee conservation of the water."
Evaldo Monzato, Italva

"Protecting the spring is a dream being realized. The volume of water has increased and since last year I have no more problems with drought. This spring water we are protecting is supplying three families and there is still enough for the cattle."
Joelcy Silva Alves, Cardoso Moreira.

"I learned how to diversify my production and work in an ecologically correct way, and I can say it's worth it... We have to thank the project, our lives have improved completely. We had no knowledge of all this but today we have various crops, our own space to sell our products and we have already adopted different ways"
Luciana Andrade, beneficiary of an agro-ecological cropping systems subproject (São José de Ubá).

"The locality is cleaner and the trees are starting to spring up in surrounding areas. The benefit is huge because this water supplies the entire farm."
Pollyana Almeida, beneficiary of the spring protection subproject in São José de Ubá.

"For me, the result has been excellent. Work with dedication produces more income. We succeeded in buying a freezer by combining the money we made from selling eggs."
Elias Verdan, beneficiary of a rustic poultry production sub-project, Santo Antônio de Pádua.

"The locality is cleaner and the trees are starting to spring up in surrounding areas. The benefit is huge because this water supplies the entire farm."

BRAZIL

CEARÁ BOOSTS GROWTH

ENSURING BETTER SERVICE WHILE IMPROVING THE GOVERNMENT'S FISCAL BALANCE

The state Government of Ceará, located in Northeast Brazil, implemented a program to (i) raise second grade literacy by more than 25 percentage points, (ii) apply annual exams to all public school children at four grade levels, (iii) install cost accounting systems in 15 hospitals, (iv) add more than 100,000 sewer and 250,000 urban water connections, and (v) extend broadband Internet infrastructure to over 4 million citizens, all while improving the Government's fiscal balance.

CHALLENGE

Ceará's state Government had achieved relatively high levels of service coverage in education, health, and water and sanitation. The Government sought to emphasize service quality improvements, expand water and sanitation coverage, and strengthen the business climate for investment and innovation to improve economic growth rates. The Government's objectives were to:

- Reduce neo-natal and maternal mortality through improved family health care and more efficient hospital administration.
- Improve early childhood literacy and the quality of secondary education to better equip school-leavers for the job market.
- Increase the reliability and level of access to clean water and sewage services.
- Facilitate new business registration and provide broadband access to private citizens and enterprises.

Improve early childhood literacy and the quality of secondary education to better equip school-leavers for the job market.

SOLUTION

The Ceará Inclusive Growth Project was the second in a loan sequence supporting institutional modernization and social advances in the state. The project supported 10 existing Government investment programs necessary to achieve the desired service improvements. Results-based management was the project's cross-cutting lynchpin, with loan disbursements tied to effective budget execution and to 14 predetermined annual performance targets. The chief programs supported were in education (early childhood literacy), health (quality certification of family health teams and improvements in hospital administration), water (new water and sewage connections to households) and business registration (simplifying requirements for new businesses).

RESULTS

The project was designed to leverage existing Government programs, while heightening attention on public service delivery achievements. A small share of the loan funded technical assistance investments to meet selected targets. The project helped to support a number of key outcomes:

- Second-grade literacy rates increased from 56 percent in 2009 to 81.4 percent in 2011.
- Cost accounting systems were installed in 15 hospitals by 2011.
- Family Health Teams with a team quality evaluation rating rose from zero to over 75 percent from 2008 to 2011.
- Water to agriculture and industry invoiced for payment increased from 12.1 to 39 percent from 2007 to 2011.
- Urban water connections shot from 51,000 in 2007 to 315,000 in 2011, while sewer connections increased from 22,000 to 139,000. Assuming four persons per household, an estimated 1.1 million persons benefited from the new water connections, and 468,000 benefited from the new sewer connections.
- New business registrations completed in less than 72 hours increased from 19 percent in 2007 to 80 percent in 2011.
- Broadband Internet infrastructure extended from the state capital to an additional four million citizens between 2007 and 2011.
- The number of Government secretariats with public Annual Performance Reports increased from zero in 2008 to 15 in 2011.

Photo by: Mariana Ceratti

WORLD BANK GROUP CONTRIBUTION

The Bank provided a total of nearly US$237 million to the state treasury to support identified Government investment programs that were responsible for those public sector achievements. Just over US$3 million were disbursed for technical assistance.

MOVING FORWARD

Performance-based lending similar to the Ceará Inclusive Growth Project is an increasing share of the Bank's loan portfolio in Brazil and in the region. In Ceará, discussions for another follow-up operation were already underway in 2012. The new Program-for-Results lending instrument is expected to extend the results-based-management culture more widely within the state's public sector workforce, while tackling new performance areas such as watershed management and solid waste management.

BENEFICIARIES

The Regional Hospital of Iguatu provides a full range of services, including surgery and outpatient care. A hospital administrator remarked that after the cost accounting system was put in place, the average hospitalization period for surgeries was reduced from 8.2 days in 2011 to 7.0 days the following year. The cost per patient was reduced by roughly 20 percent. The hospital was able to increase by nearly 20 percent the number of patients treated per year.

The state Government's annual cost for data transmission fell from R$20 million in 2007 to R$4 million per year with the state's new broadband Internet infrastructure, and the speed is of course much faster.

COLOMBIA STRENGTHENS ITS FINANCIAL SECTOR RESILIENCE

DEVELOPING CAPITAL MARKETS FOR SUSTAINABLE GROWTH AND POVERTY ALLEVIATION

Policy actions supported by this operation contributed to mitigating the impact of the 2008 global financial crisis in Colombia. Banking sector capitalization and liquidity improved despite the global financial crisis, while vibrant economic growth quickly resumed, averaging 5 percent in 2010-2011, following a modest growth deceleration in 2009. Strong economic growth also supported poverty alleviation. Between 2006 and 2011, the population living below the domestic poverty line declined by almost 8 percentage points.

CHALLENGE

The significant economic challenges created by the global financial crisis of 2008 were compounded by a number of unregulated investment instruments (many of them pyramid schemes) offering returns of up to 300 percent within six months. Thousands of Colombians had invested in these schemes. Investors at the lower end of the income scale were particularly affected by losses from these investments. The collapse of one such pyramid in late 2008 affected over 200,000 people and led to rioting and violent protests in 13 cities.

Although the authorities had been aware of the existence of the schemes, they could not take effective measures because it was difficult for them to prove that illegal collection of resources from the public had occurred.

SOLUTION

Confronted by the problems created by the crisis, the Colombian Government sought a loan from the World Bank to help buttress financial stability and continue developing capital markets. To strengthen financial sector resilience, the operation supported measures to bolster credit institutions' capital and liquidity buffers through the capitalization of part of the profits obtained in 2008 and the introduction of liquidity requirements. This fast-disbursing loan also had the merit of assisting with a tight fiscal situation in an environment that generated additional demands on the social safety net.

The operation also supported increased powers for the prompt intervention and resolution of unauthorized financial intermediation activities in order to prevent the growth of such schemes and minimize investors' losses.

The collapse of one such pyramid in late 2008 affected over 200,000 people and led to rioting and violent protests in 13 cities.

Finally, to foster sound capital market development, the program supported implementation of reforms that strengthened securities market architecture, infrastructure and operations, which resulted in market transparency and security.

RESULTS

These reforms mitigated the impact of the global financial crisis and supported economic growth, which benefited the entire Colombian population. Improvements in several key outcome indicators reflect the progress achieved by the program:

- The banking system withstood the financial turbulence with capital and liquidity ratios well above regulatory requirements.
- Under its new empowerment, the Superintendence of Companies initiated 123 processes against unauthorized financial intermediaries (2009-2011) involving claims of US$4.1 billion, deactivating a major social crisis.
- The standardized derivatives market was launched and is growing rapidly (176 percent increase in trading contracts in 2011), currently covering foreign currency, interest, and commodities products.
- Financial market resilience and capital market development contributed to prompt economic recovery (4 percent average during 2009-2011)

and facilitated poverty reduction (population living in poverty declined by almost 8 percentage points between 2006 and 2011).

WORLD BANK GROUP CONTRIBUTION

The Bank's policy dialogue on financial sector reform with the Colombian authorities—spanning several administrations—was instrumental for the successful design and implementation of this operation. The Colombia Finance and Private Sector Development loan was part of a broader partnership in development, which saw the approval of 20 loans totaling US$3.7 billion to Colombia under the 2008-2011 Country Partnership Strategy. Numerous knowledge pieces, the Financial Sector Adjustment Loan series, and the Business Productivity and Efficiency Development Policy Loan (DPL) also supported financial sector strengthening and capital market development. The Bank continues to provide support through knowledge services, such as the 2012 Financial Sector Assessment Program.

Under its new empowerment, the Superintendence of Companies initiated 123 processes against unauthorized financial intermediaries involving claims of US$4.1 billion, deactivating a major social crisis.

PARTNERS

The prompt action to mitigate and contain the negative effects of the global financial crisis consisted in a variety of countercyclical monetary and fiscal policy measures that relied also on increased funding from other multinationals, such as the International Monetary Fund (IMF) and the Inter-American Development Bank (IDB). There was particularly close coordination on financial issues between the Bank and the IMF, which at about the same time of this operation's approval provided Colombia with a Flexible Credit Line under a contingent credit arrangement worth SDR3.97 billion.

MOVING FORWARD

The Bank continues its engagement with financial sector issues through the delivery of targeted technical assistance and knowledge services in (i) strengthening the framework for financial crisis preparedness, (ii) encouraging the regional integration of capital markets, and (iii) improving disclosure of financial services fees, among others.

The Financial Sector Assessment Program took stock of achieved progress in financial sector stability and development and created a program of reforms over the medium-term. Support for the implementation of such a program will be a key component of the Bank's financial sector activities in the forthcoming years.

BENEFICIARIES

The Government and the general population benefited from this project because the country is better able to avoid financial catastrophe and fraud.

Photo by: Proexport Colombia

IMPROVING PUBLIC SECTOR ACCOUNTING PRACTICES IN COLOMBIA

ENHANCING TRANSPARENCY IN THE USE OF PUBLIC FUNDS

Colombia is eliminating dual accounting models for state-owned enterprises and adopting international financial reporting standards. This will strengthen coordination and expand the accounting reform agenda. Through higher quality accounting and financial reporting, it will provide more comprehensive and transparent information on the use of public funds.

CHALLENGE

In Colombia, state-owned enterprises account for a significant portion of public sector spending. Since 2007, Colombia's Public Accounting Regime has been based on accrual accounting. In addition, each state-owned enterprise reports to an oversight entity that issues its own accounting requirements. Moreover, the largest state-owned enterprises, which receive financing from international markets, prepare their financial statements under national accounting standards and then convert them to International Financial Reporting Standards or U.S. Generally Accepted Accounting Principles, depending on the market where the enterprise is listed. These multiple financial reporting compliance requirements result in different sets of accounting books and additional resources.

SOLUTION

Thanks to reform efforts by the Colombian Government, supported by the Bank, by the end of 2014, Colombia will use only two accounting models: one for state-owned enterprises and one for general government entities. The Bank is assisting the Government through:

- Expert reviews.
- Analysis of financial statements and various documents prepared by Colombia's National General Accounting Office.
- Advice on strategy and reform implementation
- Learning and training activities.
- A South-South exchange with the Ministry of Finance of Peru, which has successfully undertaken an accounting reform process.
- Facilitating contacts with international standards-setting organizations.

The activities supported under this knowledge service were planned in accordance with Colombia's priorities and project timetable.

RESULTS

The immediate objective of the Bank's knowledge services was to support the Government in its effort to improve Government accounting fiscal and financial reporting systems through the

Colombia will use only two accounting models: one for state-owned enterprises and one for general Government entities.

adoption of international accounting and reporting standards. The larger goals were to foster transparency, efficiency, and accountability of state-owned enterprises (reducing transaction costs and improving delivery of social services) and help the Government make better-informed public expenditure and debt management decisions. Strengthened coordination with other Government entities was consolidated. A more realistic reform timetable was adopted in view of the complexities involved in implementation. The main results of the Bank's engagement are:

- Decision-makers will be better informed about the use of public funds.
- Public sector expenditure efficiency and institutional efficacy will be strengthened.
- More resources will be freed up by streamlining accounting and reporting requirements.

WORLD BANK GROUP CONTRIBUTION

Between 2011 and 2013, the Bank has provided US$146,000 for a wide range of knowledge and convening services. These include: (i) advice on strategy and implementation issues, (ii) technical reviews, (iii) training workshops on international standards, (iv) a South-South exchange visit, and (v) facilitation of dialogue with international standards-setting organizations.

PARTNERS

The National General Accounting Office (CGN) and the Ministry of Economy and Finance (MHCP) are collaborating with the Bank during implementation of the reform agenda.

MOVING FORWARD

The Government has expressed interest in continued Bank support for the rollout, dissemination, and implementation of the new public accounting regime. In phase II of implementation, key tasks would include:

- Establish monitoring indicators to measure progress on milestones to complete and issue the new accounting regime.
- Strengthen stakeholder coordination to ensure that regulators, oversight agencies, the National General Accounting Office, line ministries, and others fulfill their implementation roles effectively.
- Conduct an education and training campaign.
- Establish a robust quality assurance mechanism to ensure the quality of the financial reports and consolidated accounts once the new accounting regime is adopted.

BENEFICIARIES

Beneficiaries include the state-owned enterprises which will benefit from lower staff costs and clearer accounting rules, and National General Accounting Office and Ministry of Economy and Finance which will be better informed about the use of public funds. Ultimately, the Colombian people will benefit from improved services and more comprehensive and transparent information on the use of public funds.

"We have made important advances in public accounting reform in Colombia, benefitting from collaboration with the World Bank financial management team. For us, it will be vital to rely on the Bank's continued support in the next reform phases."

Dr. Pedro Luis Bohorquez, Accountant General

ACCESSIBLE AND QUALITY EDUCATION FOR YOUNG CHILDREN IN DOMINICAN REPUBLIC

INCREASING THE AVAILABILITY OF QUALITY EDUCATIONAL SERVICES FOR YOUNG CHILDREN

This project supported the Government's efforts to increase access to quality early childhood education, focusing on the poor, through construction and renovation of 654 classrooms. The project also defined and consolidated the national agenda for pre-primary education. It fostered the implementation of a pedagogical model for pre-primary education through the establishment of regional model centers and by training 4,289 teachers.

CHALLENGE

The Dominican Republic had identified early childhood education as a strategy to reducing poverty. However primary completion rate was only 80 percent. Lack of access to early childhood education was a contributing cause. In addition, the pedagogical model for pre-primary, approved with the 1994 curriculum reform, was not consistently implemented and teachers had not been sufficiently trained to change classroom practices.

In 1997, the Government passed the General Education Law, committing itself to universal access to pre-primary education for five-year-olds and improving coverage for children under five. In 2002, 25 percent of young children did not have access to one year of pre-primary educational services. This situation was worse among the poorest population, among whom only 16 percent were enrolled in pre-primary education.

SOLUTION

The Bank supported the expansion of access to pre-primary education, helping to meeting the Education Law's mandate of universal enrollment for five-year-olds. It focused on poor children, who had greater unmet needs of schooling. The project improved the quality of education services at the pre-primary and primary levels. It became the main channel for the implementation of the pre-primary pedagogical model in the classrooms. This model changed teaching practices and rearranged the schedule of activities and use of time. It also re-organized classroom spaces and the use of work and play. The project enriched teacher training by supporting creative modalities through the establishment of pedagogical groups and regional model centers. It involved parents in children's education and integrated new technology in pre-primary classrooms.

RESULTS

By August 2011, the project contributed the following results:

- Establishment of 17 regional model centers with 3,000 new pre-primary school places and 108 new teachers. Each model center included an Educational Resource Center, equipped with computers, reading books and audio-visual material to support the implementation of the pedagogical model.
- Construction of 245 new pre-primary classrooms, adding 17,700 places, in existing schools.
- Rehabilitation of 409 existing pre-primary classrooms (25,100 classroom spaces).
- Provision of 3,519 sets of educational materials for pre-primary level, acquisition of 625,276 workbooks for pre-primary and primary levels.
- Provision of furniture for 2,340 pre-primary and primary classrooms.
- Creation of 224 technological corners in pre-primary classrooms.
- Provision of training on the pedagogical model

The project contributed with the construction of 245 new pre-primary classrooms, adding 17,700 places, in existing schools.

for teachers in all of the regional model centers and pre-primary schools. 4,289 teachers trained at diploma level and 4,386 teachers trained on educational content to improve quality.Creation of 224 technological corners in pre-primary classrooms.

- Creation of 1,155 pedagogical groups of teachers in 18 regions, including teachers in pre-primary, first, and second grade.
- Creation of 2,216 parent committees in 57 percent of the country's pre-schools.
- Establishment of inter-sector coordination to implement the integrated early childhood development national strategy.

WORLD BANK GROUP CONTRIBUTION

The Dominican Republic Early Childhood Education Project was financed by a Bank loan in the amount of US$42 million and a Government contribution of US$20 million.

Photo by: Presidencia de la Republica Dominicana

PARTNERS

The project financed a grant program to stimulate non-government organizations, municipal Governments and private sector institutions to prepare innovative projects that improve the educational quality and the health of pre-school aged children.

MOVING FORWARD

The Government is continuing efforts to expand access to pre-primary education, financing classroom construction and information campaigns. It is continuing support for parent groups to improve the work with communities, schools, and families. The Ministry of Education has integrated the main training programs as part of its capacity-building strategy: pedagogical groups, accompaniment of teachers in the classrooms, and life-long learning. The grants for educational innovation have been incorporated into the Ministry of Education's programs. The inter-sectoral coordination group has been institutionalized as a space for collaboration among institutions working on early childhood development.

BENEFICIARIES

A total of 60 projects were financed, benefitting 52,000 children directly and 106,000 indirectly.

By August 2011, beneficiaries included:

- Additional spaces for students in regional model centers: 3,000.
- Teachers hired in regional model centers: 108.
- Students enjoying improved classrooms: 25,080.
- Teachers, advisors, and technical staff trained at diploma level: 4,289.
- Children benefitting directly: 52,000.
- Students enrolled in new classrooms: 17,700.
- Children benefitting indirectly:106,000.
- Principals, teachers, and technical staff trained on educational content to improve the quality of education: 4,386.
- Teachers trained in the use of technology in education in pre-primary classrooms: 494.
- Parents trained in early childhood practices: 80,000.

Students enrolled in new classrooms: 17,700.

CONDITIONAL CASH TRANSFERS AND SUBSIDIES IN THE DOMINICAN REPUBLIC

IMPROVING PUBLIC SPENDING AND PROVIDING SOCIAL PROTECTION FOR THE POOR

The World Bank supported reforms in the Dominican Republic to ensure fiscal sustainability and improve its flagship social protection program when the Dominican economy was hit by the 2008-2009 global economic crisis. The number of beneficiaries from the Conditional Cash Transfer (CCT) program increased more than three-fold between 2006 and 2012 and now reaches 650,000 families and 90 percent of the extreme poor (and 80 percent of the poor), and the number of beneficiaries in the subsidized health insurance program soared to reach more than 73 percent of the poor in 2012.

CHALLENGE

Following the domestic financial crisis of 2003, which significantly exacerbated poverty, the Dominican Republic recovered to enjoy strong economic growth which averaged 9.5 percent during 2005-2007. Unlike most economies, the country was able to avoid recession in 2009 amid a wider international crisis. But slower growth threatened fiscal sustainability as lower revenues squeezed priority sectors and limited the reduction in poverty.

SOLUTION

The Public Finance and Social Sector Development Policy Loan (DPL) and the first of the series of Performance and Accountability of Social Sectors (PASS) DPLs, aligned with the Country Partnership Strategy and the National Strategy for Development of the Dominican Republic, were signed in November 2009 (the second and third DPLs of the PASS series were approved in November 2010 and November 2011).

These loans aimed to improve the quality and efficiency of public spending, and mitigate the impact of the ongoing global economic crisis on the

Dominican Republic´s public finances. They sought to fundamentally reshape the social protection system to reach those most in need while making efficient use of scarce public resources. The focus was on promoting greater efficiency and impact of public resources through better targeting, improved quality and better management.

The policy measures adopted to achieve these objectives included rationalizing social protection programs, reforming the CCT program Solidaridad to promote greater investments in human capital, improving targeting through the use of the Unified Beneficiary System (SIUBEN) by programs for the poor and through updating the database, promoting investments in basic social services targeted to areas where gaps existed for the poor, and promoting reforms in the management of social expenditure through performance agreements, increased transparency, and multiannual budget and investment planning.

RESULTS

In terms of improving fiscal sustainability, universal subsidies on gas and electricity were replaced by targeted subsidies, and the Government raised electricity tariffs and lowered the consumption ceiling below which electricity is subsidized. At the time of its dismantlement in 2010, the previous system provided free electricity to 450,000 households who lived in the targeted geographic areas (but only 44 percent of these households were estimated to be poor).

Conditional cash transfer program Solidaridad expanded to cover 90 percent of the extreme poor and 80 percent of the poor by end 2012,

The scheme was replaced by a targeted subsidy, using the national targeting system to identify those eligible for support, reducing drastically the cost of subsidies while protecting the poor. By 2012, 536,000 poor households benefited from the *Bonoluz* subsidy (which is equivalent to 100 kWh of electricity per month).

More than halving the consumption ceiling for subsidized electricity, the electricity tariff helped reduce electricity losses, though higher oil prices and increased consumption offset these gains (as a result, Government transfers to the electricity sector rose to 1.3 percent of GDP in 2010, up from 1.1 percent in 2009). Other measures to improve fiscal sustainability have achieved progress, including through tax administration measures that reduce evasion.

Conditional cash transfer program *Solidaridad* expanded to cover 90 percent of the extreme poor and 80 percent of the poor by end 2012, providing incentives for families to invest in the human capital of their children while protecting their consumption. In the health sector, the number of beneficiaries in the subsidized health insurance regime increased sharply to cover 73 percent of the poor in 2012.

Furthermore, in addition to the *Bonoluz* program described earlier, over 766,000 poor households receive targeted gas subsidies through the *Bonogas* program, to defray the increase in tariff and protect their welfare. Finally, significant investments in basic health and education services in areas where the beneficiaries of the CCT program were lacking access have helped promote improved human development outcomes.

In terms of systemic changes, efforts have changed the panorama for social protection in the country. In particular, the country has developed a national targeting system (SIUBEN) used by multiple programs to target the poor (including among others the CCT program, the electricity and gas subsidy, and the subsidized health insurance regime).

In addition, the Administrator of Social Subsidies (ADESS) has centralized multiple transfer programs – including the electricity and gas subsidy, the CCT, programs supporting the elderly, higher education grants, etc. – using the *Solidaridad* debit card, which increased the efficiency of payment (significantly reducing costs) while limiting risks of fraud, since transactions are electronically controlled. These tools were critical investments for an efficient and effective social protection system. Progress in results-informed budgeting in health and education are also important steps for greater efficiency.

The Bank provided critical analytical and advisory products to support this ambitious program of reforms.

WORLD BANK GROUP CONTRIBUTION

The World Bank's support combined a series of instruments to improve the quality and efficiency of public spending, and mitigate the impact of the ongoing global economic crisis on the Dominican Republic´s public finances: the US$150 million Public Finance and Social Sector Development Policy Loan (DPL), signed in November 2009; the three DPLs of the Performance and Accountability of Social Sectors (PASS) DPL series prepared for a total of US$370 million; an investment operation to support the social protection sector and its institutionalization; and an adaptable program loan in the health sector to promote critical reforms to increase the coverage and quality of care.

In addition to financial support, the Bank provided critical analytical and advisory products to support this ambitious program of reforms. These include services provided under the non-lending technical assistance (NLTA) on Improving the Quality of Public Expenditure in the Dominican Republic, the Policy Notes on Growth and Equitable Development (2010), the Poverty Assessment (2006), and others.

PARTNERS

The Bank coordinated its response to the Government's request for support during the economic crisis with other donors, principally the Inter-American Development Bank and the International Monetary Fund. By agreeing on areas of policy reform, the Government was able to address some key institutional challenges and social demands and at the same time provide fiscal stimulus while mobilizing US$1 billion in budget support in 2009 to ride out the crisis. The Bank also coordinated with various Government agencies, including the Ministry of the Economy, Ministry of Finance, Social Cabinet, Ministry of Education, Ministry of Health, as well as institutions in the electricity sector.

MOVING FORWARD

Since the closing of the Public Finance and Social Sector DPL and the series of Performance and Accountability of Social Sectors DPLs, the Government has promoted various initiatives to improve public sector management, fiscal sustainability and human development outcomes. Building on the previous program of reforms, the Government is dedicated to further strengthen and institutionalize tools that are critical for additional efficiency gains. In particular, the Government updated the SIUBEN in 2011/2012 to reflect changes in the situation of families – allowing new poor families to access programs while ensuring that families who improved their living conditions sufficiently to exit poverty leave social assistance programs – and to cover the entire national territory.

The Government is also continuously improving its CCT program to adapt to changing situations and maximize its impacts on human development outcomes and poverty. Efforts to continue promoting more efficient public expenditure management are also continuously pursued. Finally, the Government has further reinforced its focus on improving the quality of basic health and education services, especially for the poor

BENEFICIARIES

Altagracia Trinidad, a 37-year-old mother of two from Santo Domingo, works at home. Thanks to support from *Solidaridad*, *Bonoluz* and *Bonogas*, living standards in her household have substantially improved. She uses *Solidaridad* cash mainly to buy basic food products such as milk, sugar, beans, oil and rice, which eases the financial pressure on her family. At the same time, she ensures that her children attend school and receive preventive health services regularly, which are her co-responsibilities under the conditional cash transfer program.

According to Señora Trinidad, *Bonoluz* and *Bonogas* are also highly relevant for her household because they allow her to reach the end of the month without suffering utility cuts.

> *At the same time, she ensures that her children attend school and receive preventive health services regularly.*

DISASTER RISK MANAGEMENT IN GUATEMALA

PROVIDING LIQUIDITY AND PROMOTING PROACTIVE EMERGENCY RESPONSE

The Guatemala Disaster Risk Management Development Policy Loan with a Catastrophe Deferred Drawdown Option (CAT DDO) helped Guatemala—one of the most vulnerable countries in the world—to cope with the impacts of the eruption of the Pacaya volcano and Tropical Storm Agatha in 2010. At the same time, it supported the Government in strengthening its institutional capacity for disaster risk assessment, reduction, monitoring and forecasting.

CHALLENGE

Guatemala has been severely affected by natural hazards including volcanic activity, hurricanes, and landslides. The worst disaster was the 1976 earthquake that killed over 23,000 people and resulted in economic damages estimated at 17.9 percent of gross domestic product (GDP). Over the last decades, further events caused additional human and economic losses, such as Hurricane Mitch (4.7 percent of GDP), the 2001 drought (0.1 percent), and Hurricane Stan (3.4 percent).

This high exposure to natural hazards has threatened the sustainability of social programs. Funding resources for social programs were repeatedly diverted to disaster response activities and the subsequent recovery process, without being replenished later. This resulted in an even worse situation for the underprivileged.

> *This high exposure to natural hazards has threatened the sustainability of social programs.*

The city of Zunil in the Quetzaltenango Department . Photo by: Yaprak Servi

SOLUTION

To address this challenge, the Guatemalan Government took significant steps towards a more proactive approach to disaster risk management and comprehensive disaster risk reduction and financing strategies. These efforts culminated in the adoption of the 2009-2011 National Program for Disaster Prevention and Mitigation (NPDPM).

The Guatemala Disaster Risk Management Development Policy Loan with a Catastrophe Deferred Drawdown Option (CAT DDO) was designed to support the implementation of Guatemala's national disaster risk management program and provide liquidity in the event of adverse natural events. Unlike traditional instruments to finance disaster response and recovery, the CAT DDO makes urgently needed resources available immediately after a declaration of emergency. This innovative mechanism allowed the Government to access $85 million to respond to the impacts of the nearly concurrent Pacaya volcano eruption and Tropical Storm Agatha flooding, in May 2010. These events affected, directly and indirectly, more than 910,000 people (3.9 percent of population) and resulted in economic damages and losses of more than $1.6 billion (2.6 percent of GDP). In addition to the financial support, the Bank sustained a policy dialogue on the aims of the NPDPM to improve risk identification and monitoring, strengthen institutional and planning capacity for disaster risk management, invest to reduce risk, and develop risk finance strategies.

RESULTS

The loan helped the Government cope with the impact of the catastrophic events and improve capacity to implement proactive disaster risk management strategies. With the combined efforts of other partners, it supported improvements in several areas:

- National capacity for risk monitoring and forecasting was improved.
- Existing hydro-meteorological and seismological monitoring networks were upgraded and expanded (increase of 57 percent). The improved data gathering allows for more accurate alerts and has been used to update hazard maps.
- Structural vulnerability of public buildings to earthquakes was assessed and reduced. Earthquake vulnerability assessments for 43 schools and 4 hospitals were completed using the Safety Index. The Government approved new seismic standards and 73 school buildings were repaired and retrofitted to meet these standards.
- Disaster risk information was mainstreamed into planning instruments at the national and municipal levels. National agencies developed and enforced instruments to incorporate disaster risk analysis into public investment projects and development planning. Disaster risk considerations are now incorporated in 96 percent of municipal development plans. In addition, 12 municipalities developed land use plans based on updated hazard maps.
- A risk assessment improved understanding of the fiscal implications of adverse natural events. At the national level, a preliminary Central America Probabilistic Risk Assessment (CAPRA) initiative estimated maximum probable losses due to hurricanes and earthquakes.

The improved data gathering allows for more accurate alerts and has been used to update hazard maps.

WORLD BANK GROUP CONTRIBUTION

The DPL with CAT DDO was a single tranche operation in the amount of $85 million, entirely financed by the World Bank. After the Government issued a national state of emergency following the Pacaya volcano eruption and Tropical Storm Agatha, it withdrew the entire loan amount. The Bank provided policy advice and technical assistance throughout the duration of the DPL between 2010 and 2012.

PARTNERS

The CAT DDO was complemented by technical assistance, funded by the Global Facility for Disaster Reduction and Reduction (GFDRR), to support the Ministry of Education in developing a Seismic Safety Index for vulnerability assessments of education centers. In addition, the Bank collaborated with the Central America Coordination Center for Natural Disaster Prevention (CEPREDENAC), United Nations International Strategy for Disaster Reduction (UN/ISDR), and the Inter-American Development Bank (IDB) to support the CAPRA initiative. The European Commission, USAID, the Spanish Agency for International Development Cooperation (AECID), and other international organizations also supported the Government's disaster risk management efforts.

MOVING FORWARD

Guatemala recently developed a comprehensive National Strategy for Disaster Risk Reduction 2012-2017 and is positioned to start designing ex-ante Disaster Risk Finance and Insurance (DRFI) solutions. The Bank will support the Government in preparing and implementing a DRFI strategy tailored to its specific needs and capabilities. SEGEPLAN is expected to cooperate on issues related to incorporating and strengthening disaster risk management into land use plans and development plans. It will also identify legal instruments to ensure the application of disaster risk management at the municipal level and promote construction codes and standards.

BENEFICIARIES

The liquidity provided by the DPL with CAT DDO upon the declaration of emergency after the Pacaya volcano eruption and Tropical Storm Agatha in 2010 helped attend to the needs of more than 910,000 citizens who had been adversely affected by the two events. In addition, the improvements of institutional capacity for disaster risk assessment, reduction, monitoring and forecasting benefit the country as a whole.

HAITI REBUILDS ITS SCHOOLS

IMPROVING SAFETY AND EMERGENCY PREPAREDNESS IN SCHOOLS

The project built 11 primary schools that provide greater space per student and safer construction standards. In addition, the Project helped initiate a National Action Program for Safer Schools (NAPSS) which aimed to improve safety for students and faculty through improved safety practices and building standards.

CHALLENGE

Tropical Storm Fay and Hurricanes Gustav, Hanna and Ike (FGHI), which severely damaged major public and social infrastructure and injured and killed hundreds of people, created an urgent need to rebuild schools. The Inter-American Development Bank (IDB) conducted a Post-Disaster Needs Assessment that estimated the total damage at nearly US$30 million, with another US$70 million in identified needs for the education sector.

Intensifying the challenge was a devastating earthquake on January 10, 2010 that left more than 200,000 people dead, in addition to widespread destruction of infrastructure, schools and Government buildings. According to official statistics, 964 schools were greatly damaged, affecting more than 200,000 children.

SOLUTION

The Emergency School Reconstruction Project (ESRP) was processed under emergency procedures to help the Government of Haiti respond quickly and effectively to damage caused to the education sector infrastructure, and enhance preparedness for future natural emergencies. It restored access to schooling through the reconstruction of damaged schools. It also included activities to improve the capacity and methods for safe school construction (building back better) and to strengthen the institutional capacity of the Ministry of Education to fulfill its supervisory and regulatory mandate. The project included activities to mitigate the vulnerability of school infrastructure through the development of the National Action Plan for Safer Schools, which would improve preparedness for natural disasters in the education sector. The project is expected to have a demonstration effect on the entire education sector in Haiti and, in particular, to influence practices and approaches in the construction sector.

> *According to official statistics, 964 schools were greatly damaged, affecting more than 200,000 children.*

RESULTS

The project built 11 schools and emergency shelters within four of the schools. The School Engineering Department (DGS), a unit of the Ministry of Education, benefited from training for 24 staff to become master trainers, as well as the rehabilitation of its offices and the provision of equipment to facilitate its supervisory and regulatory role in the project.

Since the schools were built, Haiti has experienced two Category 1 hurricanes and there was no serious damage to the schools or emergency shelters Despite some design flaws, in the long-term, the "building back better" approach is expected to reduce the risks of damage to educational infrastructure.

WORLD BANK GROUP CONTRIBUTION

The Bank contributed US$5 million in grant funding for the project, of which US$3.8 million (75 percent) was spent on the construction of schools. The remainder was spent mainly on the development of the NAPSS.

> *Since the schools were built, Haiti has experienced two Category 1 hurricanes and there was no serious damage to the schools or emergency shelters.*

PARTNERS

The DGS oversaw site selection and the Fund for Economic and Social Assistance (FAES) supervised the construction of the schools. There were no external partners in the Project.

MOVING FORWARD

School construction is continuing with assistance from other donors including the Inter-American Development Bank. Support to the NAPSS process and other institutional strengthening is continuing under the Bank-funded Risk and Disaster Management Project. Other donors are also contributing to the NAPSS. For example, the Swiss Office of Development and Cooperation (DDC—Swiss Aid) is working with the Haitian Government on school designs that incorporate anti-seismic and anti-cyclonic safety features.

BENEFICIARIES

Around 3,300 students from 11 schools benefitted from the project activities. Through raised awareness of school safety through consultations and workshops, and the NAPSS, teachers and students at the schools benefited from increased school safety. The shelters in the four rebuilt schools also benefit the surrounding community. The new schools replaced ones that were unusable.

Around 3,300 students from 11 schools benefitted from the project activities.

School girl at Milome Brilliere Elementary in Port au Prince

HAITIAN GIRLS LEARN NEW SKILLS

EMPOWERING YOUNG WOMEN THROUGH NON-TRADITIONAL AND SOFT-SKILLS TRAINING

The Haiti Adolescent Girls Initiative (AGI) works with vulnerable Haitian young women (17-21 years), who are largely under-represented in formal labor markets, to facilitate their school-to-work transition and improve their employment and earnings potential. The project is expected to reach some 1,000 adolescent girls (in two cohorts of 500 adolescent girls). The integrated design of the Haiti AGI places the beneficiaries at the heart of a network including community non-governmental organizations (NGOs), training centers and employers.

CHALLENGE

The 2010 earthquake led to important changes in the notion of socio-economic vulnerability and social norms regarding acceptable jobs for women. As a result of the high demand for qualified labor, employers engaged in reconstruction identified young women as a potential and untapped resource. This situation represented an unprecedented opportunity for the AGI pilot program to support young women in their effort to gain a strategic foothold in Haiti's formal labor markets.

SOLUTION

The grant addressed several key challenges:

- Empower vulnerable young women in a fragile country.
- Build human capital through non-traditional technical skills to overcome low educational attainment.
- Understand the barriers to youth employment.
- Improve the connection between labor supply and demand, particularly in sectors of high growth potential.

Seven sub-components form the design of the pilot:

1. Community NGOs: The Community NGOs located in five boroughs (quartiers) of Port-au-Prince identified the young women during the project preparation phase and are charged with their care during implementation. They also administer most of the soft-skills modules of the curriculum.
2. Soft-skills curriculum: Building on best practices worldwide, the Haiti AGI has developed a high-quality soft-skill curriculum composed of eight modules: (i) self-esteem, (ii) civic engagement and leadership, (iii) reproductive health, (iv) gender-based violence and its responses, (v) preparing for the workplace and work ethics, (vi) disaster preparedness, (vii) financial literacy, and (viii) living with a disability.
   The existing curriculum has proven to be ill-adapted to the Haitian context, being mere translations of curriculum developed for other countries, notably in Africa. Using a focus group, the pilot curriculum has been, therefore, adapted and illustrated for the Haitian context. It is expected to serve as a basis for part of the technical training. As such, the curriculum will be a specific output of the pilot provided to the Gender Ministry (*Ministère à la Condition Feminine et aux Droits des Femmes*- MCFDF
3. Non-traditional technical training: The young women receive non-traditional technical training (mechanics, refrigeration, electricity, construction, computer science, IT Essentials: PC Hardware and Software / Cisco academy, hoteling) for four-to-six months in four training centers in Port-au-Prince.
   The choice of the training centers was based on consultation with employers, who confirmed the quality and relevance of the training offered, and the focus on employability. To make informed decisions based on their individual capacities and previous academic backgrounds, the young women were presented with different training options and the corresponding career and employments opportunities.
4. Internship and employers: At the end of their training, the young women will be offered

The young women receive non-traditional technical training for four-to-six months in four training centers in Port-au-Prince.

internships to help them transition into labor markets. Those internships will continue to be secured in coming months by the training centers, supported by the Bank team. The project will follow the placement of the young women over the six months following their training and internship.

5. Stipend and cell phones: The Haiti AGI provides the beneficiaries with stipends to cover the cost of transportation and other related expenses. The stipends amount to about 2,000 HTG (about USD$50) per month and will be paid using mobile money.
6. Impact evaluation: In October 2012, through a public lottery and in presence of the selected young women and the AGI field coordinator, the community NGOs, conducted the randomized assignment of the young women to each cohort. The preliminary results of the baseline survey are being finalized.
7. Monitoring and evaluation: Monitoring and Evaluation (M&E) is composed of an online platform where information from training centers and community NGOs is centralized and validated by the M&E coordinator. As part of the activities, a monthly training session on capacity strengthening in M&E will be conducted with the NGOs and the training center partners.

At the end of their training, the young women will be offered internships to help them transition into labor markets.

RESULTS

To date, the Haiti AGI project has achieved the following outcomes:

- Graduation of the first cohort of 489 young women took place on May 2, 2013 .
- Development of a soft-skill curriculum for the project to serve as a basis for discussion on the role of those skills in technical training and the promotion of female labor participation and agency in Haiti.
- Close partnership with four local NGOs in four 'quartiers' of Port-au-Prince; each organization is in charge of between 200 and 350 young women.
- Partnership with four training centers with strong labor market orientation and linkages
- Baseline questionnaire for the impact evaluation: 1,480 young women surveyed. Analysis from the collected data will be available soon.
- Development of a strong working relationship with the Gender Ministry (MCFDF).
- Development of new partnerships with the Ministry of Education and Technical Training (MEFP).

WORLD BANK GROUP CONTRIBUTION

The Bank contributed US$1 million to this pilot through the Gender Action Plan, the Bank's institutional initiative to promote gender equality via economic empowerment, and implementation support.

PARTNERS

The main counterparts were the Gender Ministry (MCFDF) and the Ministry of Education and Technical Training (MEFP). The Nike Foundation provided an additional US$1 million matching funding.

MOVING FORWARD

At the mid-point of the project, several key impacts can already be identified:

- The beneficiaries of the AGI pilot have the potential of becoming role models in their communities and key lessons are being learned on how to promote female and youth integration into labor markets.
- The design of the project and close partnership with community NGOs will inform other Bank projects with a jobs and skills component.
- The pilot has also enabled the weaving of new dialogue and partnerships with Government ministries that could form the basis of a larger engagement on technical training, which is a Government priority and a key component to boost innovation, competitiveness, and growth.

New funding will be necessary to seize upon identified opportunities (job platform, continuing the soft-skills dialogue, scaling-up the pilot outside of Port-au-Prince). The team has applied to relevant

Trust Funds and is engaged in early talks with several donors and foundations.

BENEFICIARIES

Alongside medium-size enterprises or big companies such as Digicel, Apex, and Haiti Tec are microenterprises that have fewer than ten salaried employees and are springing up all over Port-au-Prince. They are model enterprises that attract young women who are supported by the AGI.

Jessica, who is being trained to install electrical and refrigeration systems, now believes that she is capable of creating her own company. This enthusiasm is shared by a group of young female construction workers at Haiti Tec. *"We are the future of Haiti"*, they comment.

The beneficiaries of the AGI pilot have the potential of becoming role models in their communities and key lessons are being learned on how to promote female and youth integration into labor markets.

HAITI IMPROVES TRANSPARENCY AND ACCOUNTABILITY

FIRST RESPONDERS TAILOR ACCOUNTING AND AUDITING REFORMS

With World Bank support delivered through a technical assistance grant, Haiti has developed an accounting and auditing practices plan aligned with its economy, which when implemented will foster private sector growth and financial sector stability. The Ministry of Finance is processing legislative and regulatory reforms, including amendments to the accounting and auditing law. An updated chart of accounts has also been drafted.

CHALLENGE

Haiti's corporate sector accounting and auditing practices require significant strengthening to improve the country's investment climate and foster private sector development and governance. The statutory framework governing corporate accounting and auditing is incomplete and loosely enforced. The legally mandated National Accounting System is outdated and seldom applied. The pool of trained local accountants needs to be significantly expanded. Although a member of the International Federation of Accountants (IFAC),

The legally mandated National Accounting System is outdated and seldom applied.

the Institute of Licensed Professional Accountants in Haiti (OCPAH) does not comply with several of IFAC's Statements of Membership Obligations, including those regarding quality assurance, entry requirements, continuing professional education, and code of ethics. These weaknesses are exacerbated by a severe "brain drain," a poor image in the business community, divisions within the profession, and a severe lack of resources.

SOLUTION

The Strengthening Accounting and Audit Practices Project begins to address the identified institutional and professional weaknesses. Given Haiti's poverty and limited institutional development, carefully calibrated innovations were required to address capacity and absorptive constraints. First, it was necessary to design a gradual and multi-tier adoption of International Financial Reporting Standards (IFRS) to cater to a business sector characterized by a few medium or large firms and many small ones. A progressive simplification of IFRS for small and medium-size enterprises had to be designed. Second, an innovative balance sheet database will feed financial information into business statistics and a national accounts framework. Finally, close interaction with the tax administration was critical in developing this initiative given the need to measure any fiscal impact that the introduction of IFRS might have.

A clear roadmap to strengthen Haiti's accounting and accounting practices was developed.

RESULTS

Over the course of the project, a clear roadmap to strengthen Haiti's accounting and accounting practices was developed and endorsed by OCPAH, the Ministry of Finance, and the Prime Minister's Office; the chart of accounts was updated; and a modern statutory and regulatory framework was drafted, including amendments to the Tax Decree of 2005 and the Companies Law, to strengthen transparency and timely reporting.

The new legal framework enables OCPAH to associate with IFAC, the International Accounting Education Standards Board, and the Caribbean Community, and it reduces barriers to entry of foreign accounting firms—measures that will foster higher accounting standards, a stronger accounting profession, and greater investor confidence in financial reporting. All of this is a necessary foundation to enable foreign direct investment and to expand Haiti's private sector, which is the cornerstone for local employment and income in a country still recovering from a decade of crisis and natural disasters.

WORLD BANK GROUP CONTRIBUTION

The Bank provided US$245,000 for a wide range of advisory and design services from August 2010 through October 2012, to improve internal controls, identify and mitigate risks (information leaks, operational interruptions, unauthorized access to systems, and inaccuracy of information), establish a Risk Management Committee, design new policies and guidelines, and develop a business contingency plan.

PARTNERS

The World Bank partnered with the Institute of Licensed Professional Accountants in Haiti and the Ministry of Finance.

MOVING FORWARD

A steering committee of representatives from the Ministry of Finance, the Central Bank, and OCPAH met beginning July 2013 to guide implementation of the accounting and auditing reform roadmap (26 activities to be undertaken over five years at a cost of US$2.175 million). The Bank is financing follow-on activities through an additional financing of an emergency project that became effective February 2013. This will include a training program to better acquaint private- and public-sector accountants with IFRS. Haiti's Central Bank has agreed to partially fund the training initiative and to make available its training facilities at no charge.

BENEFICIARIES

The primary beneficiaries are the financial accounting and auditing institutions and their members, who will improve their performance and reputations. As Joseph Paillant, former OCPAH president, noted, "Haitian professional accountants could be in great demand in the Caribbean if they make the right choice today of reforming the organization of the profession and converging toward international accounting standards to produce reliable financial information." Improved accounting standards and performance will strengthen investor confidence, leading to greater growth in Haiti's private sector.

REDUCING VULNERABILITIES IN HONDURAS

IMPROVING FISCAL MANAGEMENT AND STRENGTHENING VIOLENCE PREVENTION

Drawing upon Bank funding, Honduras increased the number of large taxpayers filing electronically by 64 percent during 2012; deposited 100 percent of the contributions of the Teacher's Community Education Program (PROHECO) with the Teacher's Pension Institute (INPREMA); and also reduced the central Government's wage bill to 9.7 percent of GDP (2012) from 11 percent (2010).

CHALLENGE

A large share of public resources devoted to the wage bill and the weaknesses in tax administration have been undermining Honduras's growth potential. Achieving a fiscally sustainable wage bill remains a crucial challenge for the public administration. Increases in teachers' salaries together with the creation of new posts, pushed the wage bill from 9.3 percent of GDP in 2008 to 10.9 percent in 2009 and 10.7 percent in 2010—or about 75 percent of tax revenues. The decline in tax revenue reflected continuing tax exemptions, weak revenue administration, the expiration of tax measures adopted in 2010, and a Supreme Court ruling against changes to the income tax from 2011.

SOLUTION

In this context, the First Programmatic Reducing Vulnerabilities for Growth Development Policy Credit supported the reform effort towards enhancing fiscal sustainability and improving tax administration through approving a registry of large taxpayers and strengthening the large taxpayer unit within the Tax Administration

Agency. The project was a regular budget support operation, prepared to support key elements of the Government's Country Partnership Strategy.

In particular the project supported the violence prevention strategy and inter-institutional coordination mechanism of the citizen security policy.

RESULTS

The project supported the Government's efforts to strengthen fiscal management and the institutional mechanisms and programs responsible for an integrated violence prevention strategy. The operation supported four areas: (i) improving tax administration, (ii) reforming the pension systems to lessen contingent fiscal vulnerabilities, (iii) reforming civil service to achieve a fiscally sustainable wage bill, and (iv) strengthening citizen security. The project supported progress towards the Country Partnership Strategy objectives of expanding opportunities, reducing vulnerabilities, and improving citizen security. The project's key outcomes included the following:

- As of December 2012, 549 large taxpayers (88 percent of total) were filing their declarations electronically, with another 62 large taxpayers in the process of converting to electronic filing. This represents a 64 percent increase from the baseline, surpassing the target of 10 percent increase.

- As of end 2012, 100 percent of the Teacher's Community Education Program (PROHECO) pension contributions were flowing into the Teacher's Pension Institute (INPREMA).
- The wage bill of the central Government declined to 9.7 percent of GDP in 2012, a fall of 1.3 percentage points of GDP better than the 0.7 percent target. This achievement responded to the implementation of a Fiscal Emergency Decree which froze public sector hiring and reduced the wages of high earners.

WORLD BANK GROUP CONTRIBUTION

The single tranche loan of US$86 million was disbursed upon loan effectiveness on December 15, 2011.

PARTNERS

Project design was based on solid analytical work conducted by the World Bank, the Inter-American Development Bank (IDB) and the International Monetary Fund (IMF). The project was prepared in close consultation with the IDB and IMF as part of a coordinated multilateral effort to support

As of end 2012, 100 percent of the Teacher's Community Education Program (PROHECO) pension contributions were flowing into the Teacher's Pension Institute (INPREMA).

the Government's agenda to consolidate fiscal sustainability and macroeconomic stability. Additionally, the Bank has been working on the security agenda in collaboration with the G-16 donor group, including the European Union, United Nations Development Programme (UNDP), the Spanish Cooperation Agency (AECID), USAID, the US State Department, IDB, and the Canadian International Development Agency (CIDA). The UNDP has been advising the Ministry of Security on the national citizen security policy and the Safer Municipalities program, which defined a strategy at the local level. Finally, the Bank also discussed with the European Commission on opportunities for collaborative interventions on violence prevention.

MOVING FORWARD

The Government demonstrated interest in continued financial and technical support from the Bank. In principle, the Bank will continue providing assistance in the policy areas supported under the First Programmatic DPC, although a second operation was cancelled in response to fiscal slippages in 2012 and a significant risk of further deteriorating fiscal performance in 2013. While the first DPC helped address several long standing structural issues related to the pension and public sector wage bill, these reforms alone were not enough to ensure the macroeconomic framework remained adequate. However, the Bank continued providing assistance in the policy areas supported under the project through the Safer Municipalities Project, which addresses crime and violence issues in selected municipalities.

These actions have helped enhance economic growth, benefiting the public sector and the entire Honduran population.

BENEFICIARIES

The project improved tax administration and compliance, and reduced the wage bill of the central Government through several measures, such as freezing public sector hiring, reducing the wages of high earners, permanently delinking teachers' salary adjustments from the private sector minimum wage, and meeting demands for new teachers. These actions have helped enhance economic growth, benefiting the public sector and the entire Honduran population.

JAMAICA ENHANCES FISCAL SUSTAINABILITY

IMPROVING PUBLIC FINANCIAL MANAGEMENT AND THE TAX SYSTEM

Jamaica reduced interest payments to 11 percent of GDP in fiscal year 2010–2011, down from 16 percent in the previous year. Drawing upon Bank and other multilateral funding, the country also reduced losses of public entities, generating savings of 2.3 percentage points. Additionally, the Government developed the Fiscal Responsibility Framework, restructured the Debt Management Unit, published a detailed Medium Term Debt Management Strategy; and incorporated separate tax collection units into the Tax Administration of Jamaica.

CHALLENGE

The large share of public resources devoted to debt service and the wage bill has imposed severe constraints on Jamaica's growth. The public debt-to-GDP ratio averaged 135 percent of GDP in the 2000s and bound 13 percent of GDP to debt servicing. In that period, wages and salaries comprised, on average, 31 percent of total expenditures, or 10 percent of GDP. In this context, the Programmatic Debt and Fiscal Sustainability Development Policy Loans supported the reform effort towards enhancing fiscal and debt sustainability, increasing the efficiency of public financial management and budgeting processes, and improving the effectiveness and efficiency of the tax system.

SOLUTION

The Bank supported the Government's efforts to enhance fiscal and debt sustainability, increase the efficiency of public financial management, and improve the efficiency of the tax system. The Debt and Fiscal Sustainability Development Policy Loan series supported the Government's reform program in seven policy areas:

- Fiscal Responsibility Framework.
- Debt Management.
- Rationalization of Public Bodies.
- Public Service Compensation and Incentives.
- Fiscal Discipline and Strategic Allocation of Resources.
- Public Financial Management.
- Tax Efficiency and Administration.

Key reforms included:

- Promoting fiscal and debt sustainability by consolidating overall public sector balances, rationalizing public bodies, and containing the wage bill.
- Improving transparency and efficiency of public financial management and budget processes by preparing timely financial statements, and further advances in auditing and operational capacity to improve the efficiency of budget allocation.
- Reducing distortions and enhancing the efficiency of the tax system by taking measures to broaden the tax base, reduce the number of special tax regimes and exemptions, simplify tax payment processes, and increase tax compliance.

RESULTS

Both operations supported improvements in several key indicators:

- Debt interest payments declined to 11 percent of GDP in 2010-2011 better than the 14.5 percent target, partly due to the 2010 Jamaica Debt Exchange, which restructured most of the domestic debt by increasing the tenor of the debt and reducing debt servicing payments in the near term.
- The fiscal balance of public entities was -0.5 percent of GDP in 2010-2011, better than the target of -1.8 percent. Employment surveys were completed for the entire public sector, laying the groundwork for the restructuring undertaken by the Public Sector Transformation Unit.
- Budgets for fiscal years 2011-2012 and 2012-2013 were supported by Medium-Term Debt Management Strategies, which included borrowing plans.
- A Central Treasury Management System was created to reduce waste by centralizing all Government payments via a single treasury account.
- The Government implemented a methodology for prioritizing capital investments, which was used in the six largest ministries during the fiscal year 2010-2011 budget process and has been applied to rank public investments in the fiscal year 2012-2013 budget process.
- The Tax Administration Jamaica was created to reform tax administration. Measures were put in place to increase tax collections, such as a single payment system for all taxes. Tax collection increased 17 percent in the first quarter of fiscal year 2012-2013 over the same period in 2011-2012.
- Perhaps the most important achievement was the establishment of the Fiscal Responsibility Framework, which provides quantitative targets for the debt-to-GDP ratio, the wage bill, and the budget balance to be achieved by 2016. Regulations governing the Fiscal Responsibility Framework were put in place in April 2012.

WORLD BANK GROUP CONTRIBUTION

The Bank's support consisted of two single tranche loans and technical assistance. The first single tranche loan of US$200 million was approved on February 23, 2010. The second single tranche loan of US$100 million was approved on September 8, 2011. Both operations disbursed upon loan effectiveness. The programmatic structure of the Debt and Fiscal Sustainability DPLs provided Jamaica and the Bank the necessary flexibility in a fairly uncertain environment. The Bank's technical assistance supported institutional capacity building and advancing public sector reform.

> *Tax collection increased 17 percent in the first quarter of fiscal year 2012-2013 over the same period in 2011-2012.*

PARTNERS

The loans were part of a multilateral package of support from international financial institutions and donors, including the International Monetary Fund (IMF), the Caribbean Development Bank (CDB), the European Union (EU), and the Inter-American Development Bank (IDB). The package was designed to provide market liquidity and reduce risks to participants in the debt exchange, while supporting the Government's medium-term reform program. There was a good level of donor coordination. Fiscal and debt sustainability was given priority in all donors' programs. On February 4, 2010, the IMF approved a 27-month Stand-By Arrangement in the amount of US$1.25 billion to manage short-term difficulties and support the longer-term reform agenda. While this program went off track a year later, the Fund remained in close dialogue with the authorities and is currently working with them to put a new program in place.

MOVING FORWARD

During a Bank mission to Jamaica in August 2012, the Government requested further technical assistance. The proposed team to deliver technical assistance would include a resident advisor to work with the Expenditure Division in the Ministry of Finance on budget processing, a consultant to work with the Public Enterprise Division on post-privatization monitoring and other issues, and a specialist who could work with the Ministry of Finance on consolidating and taking forward various initiatives on public sector reform.

BENEFICIARIES

The operations benefited the Government and the Jamaican people because they improved tax administration and enhanced economic growth and competitiveness.

> *Perhaps the most important achievement was the establishment of the Fiscal Responsibility Framework, which provides quantitative targets for the debt-to-GDP ratio, the wage bill, and the budget balance to be achieved by 2016.*

MEXICO STRENGTHENS ITS FINANCIAL RESILIENCE

GROWTH DURING THE GLOBAL FINANCIAL DOWNTURN

The World Bank delivered a comprehensive set of services that mitigated the impact of the global financial crisis in Mexico. Measures to boost productivity, support counter-cyclical policies and strengthen financial market resilience supported the strong economic recovery in 2010-2011. Mortgage financing markets, severely affected by the crisis, were stabilized, helping 40,000 low-income families to gain access to housing finance during the crisis.

CHALLENGE

Affected by the global financial downturn of 2008, Mexico's financial sector confronted worsening access to capital markets and distressed financial intermediaries in the housing sector. Domestic demand experienced a severe decline in 2009, when the country's gross domestic product (GDP) contracted by 6 percent. A severe contraction of external demand, particularly from the United States, and the effects of a severe flu outbreak added to the growing economic uncertainty and credit crunch. In addition, the bankruptcy of a large retailer, exposed to exotic exchange rate derivatives that bet on a continuous peso appreciation, froze the Mexican commercial paper market. In this context of increasing risk aversion, commercial banks curtailed credit growth. To support the housing and commercial paper markets and to play a countercyclical role, public guarantee credit schemes were enhanced and Mexican public banks expanded their balance sheets.

SOLUTION

The World Bank worked with the Government of Mexico to develop and implement a customized and innovative package of services to support growth and increase the resilience of the Mexican financial sector to external shocks. The services responded to four strategic pillars with a short and medium-term horizon: (i) strengthening the financial sector, (ii) improving crisis preparedness, (iii) supporting the implementation of countercyclical policies to support growth, and (iv) improving productivity of the Mexican economy to sustain economic growth. Between 2008 and 2011 the specific engagement of the Bank included:

Financial Services:

- Supporting low-income housing financing through a restructuring of the balance sheet of the Federal Mortgage Society (*Sociedad Hipotecaria Federal* – SHF).
- Customizing the financial conditions to manage roll-over and foreign exchange risks.
- Improving crisis resilience and improved business environment through budget support lending.

Knowledge services:

- High level mission led by the Bank's Chief Economist in response to the mortgage housing crisis.
- Financial crisis simulation exercise.
- Evaluation of financial sector stability and development and formulation of medium-term reform agenda for the sector (Financial Sector Assessment Program, FSAP).

Convening services:

- Two Regional conferences on Development Banks and Competitiveness.
- Entrepreneurship Forum with CNN Expansion on Innovation and Entrepreneurship.

RESULTS

The World Bank's comprehensive engagement helped minimize the impact of the global financial crisis in Mexico. Specific results include:

- Contribution to the stabilization of the mortgage financing markets in Mexico, helping 40,000 low-income families to gain access to housing finance during the global financial crisis.
- Measures to boost productivity, support counter-cyclical policies and strengthen financial market resilience supported the strong economic recovery in 2010-2011.
- Access to IBRD funding reduced the Government's financing cost, supporting their fiscal expansionary efforts to mitigate economic and employment contraction. To illustrate, the extension of the temporary employment program increased the work-shifts of employees hired by this program by 15 percent.

WORLD BANK GROUP CONTRIBUTION

In order to strengthen financial sector resilience and support growth through countercyclical policies and enhance productivity, the International Bank for Reconstruction and Development (IBRD) provided US$2.5 billion through three lending operations. In addition US$450,000 were mobi-

lized from trust funds, largely from the Spanish Fund for Latin America the Caribbean (SFLAC), to support advisory and convening services. IBRD also funded several knowledge services through its budgetary resources.

PARTNERS

The Bank maintains close partnerships with other donors and multilaterals, especially the Inter-American Development Bank (IADB) and the International Monetary Fund (IMF). For example, the 2011 Financial Sector Assessment Update, conducted jointly by the Bank and the IMF, formulates a series of recommendations to foster sound financial sector development in Mexico. In addition US$450,000 were mobilized from trust funds, largely from the Spanish Fund for Latin America the Caribbean (SFLAC), to support advisory and convening services.

MOVING FORWARD

The Bank will continue to support the Mexican authorities in their efforts to improve competitiveness and productivity by enhancing the business environment, promoting competition, fostering sound financial sector development, supporting the Mexican innovation system and developing

40,000 low-income families gain access to housing finance during the global financial crisis

infrastructure. In addition, Bank engagement in Mexico focuses on addressing other key challenges to sustain shared prosperity such as improving the quality of education, assuring energy security, and strengthening institutions.

BENEFICIARIES

The population of Mexico as a whole benefited from the financial and advisory support to the financial sector and to boosted economic growth for the country. In addition, 40,000 low-income families were able to access housing finance as a result of the project.

SAINT LUCIA REDUCES VULNERABILITY

USING DISASTER RISK MANAGEMENT TO PREPARE FOR ADVERSE NATURAL EVENTS

The Second Disaster Management Project (DMP II) supported a long-term effort by the Government of Saint Lucia to reduce the country's vulnerability to disaster risks. As such, the project financed the following: civil works to reduce physical vulnerability and build infrastructure resilience to disaster risk; capacity building activities to build disaster response capacity, including purchase of specialized emergency equipment and investment in emergency infrastructure and training; technical assistance and institutional strengthening of key ministries and agencies dealing with disaster management.

CHALLENGE

An important issue confronting Saint Lucia's development is the vulnerability of its population and economy to adverse natural events. The island is exposed to a number of natural hazards, such as heavy rainfall, tropical storms, hurricanes, winds and droughts.

Disasters caused by these weather-related hazards impose large costs on the country's fragile economy and exacerbate poverty levels. They have destroyed infrastructure and disrupted the provision of essential services. They have also absorbed a growing share of the national budget to cover recovery and reconstruction efforts. Up until the late 1990s, the conventional approach to adverse natural events

The island is exposed to a number of natural hazards, such as heavy rainfall, tropical storms, hurricanes, winds and droughts.

in Saint Lucia has been primarily response and recovery post-disaster, with very limited focus on disaster preparedness, risk mitigation, or prevention. This reactive approach to disasters in Saint Lucia was the result of weak institutional framework and lack of capacity in the area of disaster risk management.

SOLUTION

Following the extensive damage caused by Tropical Storm Debbi, in 1997 the first World Bank Emergency Recovery and Disaster Management Project (ERDMP) financed primarily post-disaster reconstruction and rehabilitation. It also financed some physical mitigation and prevention investments and disaster response capacity building activities. Building on the lessons learned and successful achievements of ERDMP, DMP II was prepared as a follow on operation to scale up disaster risk reduction interventions. Following the multi-sectoral approach of ERDMP, clear benefits could be derived from improving the country's disaster preparedness and response capacities and its prevention-oriented physical investments, institutional strengthening, and capacity building activities. DMP II was also aligned with the National Hazard Mitigation Policy which was under preparation at the time of project appraisal in 2003 and which highlighted the need to emphasize long-term disaster prevention measures that would embrace all relevant economic and social sectors (public and private) and facilitate the more effective use of scarce financial resources in a comprehensive approach to disaster management.

RESULTS

Saint Lucia's vulnerability to adverse natural events was successfully reduced, through the following improvements:

- Infrastructure improvements against the impact of adverse natural events, including the retrofitting of three health centers and four schools, rehabilitation of two bridges, coastal protection works, and small mitigation works in various communities across the island. These improvements proved to be effective, according to an assessment taken after Hurricane Tomas in 2010. They significantly increased the percentage of population with access to improved infrastructure, from 30 percent in the pre-project phase to an estimated 80 percent by project completion.
- The completion of the central Emergency Operation Center, construction of 11 satellite warehouses, purchase of specialized emergency communication equipment, and the provision of technical assistance and training in areas of disaster preparedness and response improved preparedness, and response capacity.
- Strengthened capacities of various ministries and agencies dealing with disaster management through technical assistance and training, improved enforcement of territorial planning and building code regulations, flood risk assessments in Dennery and Soufriere, and landslide risk assessments in seven communities. Drought hazard maps informed land use planning and physical development policies and decision-making.

Dennery Bay St. Lucia Photo by: Joe Wheeler

WORLD BANK GROUP CONTRIBUTION

The total amount of the project funding, including the additional financing, amounted to US$13 million, of which 29 percent was financed by an IBRD loan; 53 percent financed by an IDA credit; and 18 percent financed by the Government of Saint Lucia.

MOVING FORWARD

While progress has been made to reduce the country's vulnerability to disasters, Saint Lucia will continue to face challenges in understanding and managing natural hazards, particularly in view of a changing climatic environment. The Saint Lucia Hurricane Tomas Emergency Recovery Loan was approved by the Board in March 2011, and took into account the achievements and lessons learned from the previous projects. Through its reconstruction and rehabilitation activities of damaged and critical public infrastructure, the project is working to ensure reduced vulnerability of existing infrastructure, in addition to providing continued technical assistance to strengthen institutional disaster risk management capacity.

BENEFICIARIES

Broadly, the beneficiaries included the entire population of Saint Lucia who benefited from improvements to their local and national infrastructure and an improved civil protection system that warns of imminent events and facilitates timely evacuation and secure protective sheltering.

The primary beneficiaries of the project were the specific communities where investments were executed, including the 5,000 inhabitants of Dennery village, the seven communities (216 households) that benefitted from the slope stabilization interventions, the 150 school children that attended the retrofitted school facilities, which also serve as emergency shelters to nearly 210 local inhabitants, and the 14 communities that benefited from the improved health facilities.

In addition, more than 150 small local contractors were employed to carry out the small mitigation works, and hence benefitted directly from the project.

CONSERVING URUGUAY'S NATURAL GRASSLANDS

INTEGRATING ON-FARM NATURAL RESOURCES MANAGEMENT FOR CONSERVATION GRAZING

In Uruguay, around 25 percent of the country's vulnerable family farmers adopted economically and environmentally sustainable practices through the intervention of the Integrated Natural Resources and Biodiversity Management Project. These interventions promoted practices that integrate soil, water, and biodiversity management. The project funded over 5,300 on-farm sub-projects and covered 880,000 hectares throughout the country.

CHALLENGE

Threatened by climate-related extreme events, Uruguay's challenge is to increase agricultural output while also conserving the country's vital natural resources. Uruguay has sought to develop strategies and mechanisms to exploit fully its natural resources in the pursuit of market opportunities presented by increasingly aware and demanding consumers.

Agricultural production and the agro-industries are responsible for over 70 percent of Uruguay's total export earnings. The extensive beef production sector uses 80 percent of the country's land, 70 percent of which is currently natural pasture. In addition, expanding irrigated agriculture accompanies reduced crop pressure on land and livestock pressure on natural pastures. To promote increased productivity on the same amount of available land, Uruguay will need to reduce soil erosion and degradation and utilize and manage water and pasture resources sustainably.

SOLUTION

The Integrated Natural Resources and Biodiversity Management Project made a considerable contribution to the improvement of natural resource management by supporting on-farm agro-environmental and climate-smart investments mainly in the beef and dairy subsectors throughout the country. The investments promoted technologies that reduce the vulnerability of livestock producers to the country's increasing climatic variability (such as severe droughts). The project also supported a comprehensive set of complementary services, which included technical assistance to farmers, training to all segments of the rural population, and improved communication and dissemination. Technical services provided by private professionals in extension were upgraded and more fully integrated with sound practices. The well-targeted combination of demonstrations through on-farm investments and knowledge management led to tangible behavioral changes within Uruguay's livestock and agricultural producers. These changes included the mainstreaming of biodiversity conservation in production systems, and in national agricultural institutions and organizations' agendas, which allowed for the creation of joint ventures for better rural practices.

RESULTS

The project assisted thousands of families operating small and medium-size farms through the implementation of 5,300 subprojects promoting natural resource management; 1,308 subprojects promoting biodiversity conservation; 627 subprojects applying an innovative approach for blending support to biodiversity-specific investments in livestock operations; and 47 subprojects promoting ecotourism initiatives.

The project served as a catalyst for "biodiversity-awareness" building in the productive and public sectors, spurring important behavioral changes for mainstreaming biodiversity in production and management decisions. More than 100 producer associations incorporated these practices into their institutional areas and agendas.

Other practices promoted regeneration and improved management of natural pastures, enhanced soil quality, increased accessibility to water, rehabilitated native forests, protected riparian forests, and controlled invasive alien species. As a result of these interventions, the conservation of 243 native species was supported, including 79 listed on the International Union for Conservation of Nature and Natural Resources (IUCN) Red List, 18 identified by

> *More than 100 producer associations incorporated these practices into their institutional areas and agendas.*

the Convention on International Trade in Endangered Species of Wild Fauna and Flore (CITES), and 51 defined as National Priorities.

Financial returns to project investments were measured as follows:

- About US$33.5 million per year total incremental income for project beneficiaries in the dairy sector.
- Over US$30 million avoided loss in livestock production due to summer droughts.
- Significant environmental externalities for the benefit of the Uruguayan productive landscape.

WORLD BANK GROUP CONTRIBUTION

This was a blended project of the World Bank and the Global Environment Facility (GEF). The success of this project contributed to the preparation of the US$49 million follow-up operation, Sustainable

Management of Natural Resources and Climate Change Project, with an expanded scope and focus on climate-smart agriculture, complemented by a US$6 million grant from the Adaptation Fund.

PARTNERS

The project was instrumental in supporting the development of strong partnerships among key agricultural institutions in Uruguay, such as the National Dairy Institute (INALE), the National Institute for Agricultural Research (INIA), the School of Agrarian Sciences of the National University (UDELAR), and more than 160 farmer organizations. Periodic meetings led by the Ministry of Livestock, Agriculture, and Fisheries (MGAP) with the most active multilateral agencies—the World Bank, the Inter-American Development Bank (IDB), the Food and Agriculture Organization (FAO), the International Fund for Agriculture and Development (IFAD), and others—helped coordinate investments and analytical work. The Ministry of Industry, Energy and Mining (MIEM), and the Ministry of Housing, Land Planning, and Environment (MVOTMA) are working much more closely on agro-environmental policies and programs.

> *Because of the effectiveness of the matching grants program and approach, 90 percent of on-farm investments are still in operation four to five years later.*

MOVING FORWARD

The US$49 million Bank follow-up operation has provided continuity and expanded scope with a focus on climate-smart agriculture and farm-level adaptation to climate variability. In addition, a study focused on climate-smart agricultural water management is currently in development. MGAP's newly acquired experience and technology will allow for scaled up initiatives, with continued support from the Bank and others.

Because of the effectiveness of the matching grants program and approach, 90 percent of on-farm investments are still in operation four to five years later. In addition, farmers are adopting many of the technologies and practices without supplementary support from the Government.

BENEFICIARIES

"The project helped many Uruguayan small producers. It provided opportunities to improve, motivate, and assist farmers like us to stay in the rural areas and improve our quality of life. On our farm, we witnessed improvements in pastures, ponds, irrigation, and fencing – which we value very much – and of course, we managed to improve production. "
Daniel Lalinde & family, livestock producers from Maldonado.

"... and now we work as a group ... suddenly you have three cows, another has five and another has ten, and all together we have a shipment that allows a differential price."
Wilson Pereira, livestock producer from Salto.

BIOSAFETY IN ACTION

A REGIONAL INITIATIVE IN LATIN AMERICA AND THE CARIBBEAN

For as little as US$4 million dollars from a Global Environment Facility (GEF) grant, during a period of four years, Brazil, Colombia, Costa Rica, and Peru worked together to strengthen the technical and decision-making capacity for biosafety risk assessment and management. In the process, the demonstrated importance of working on biosafety increased awareness in the region.

CHALLENGE

Latin America has been adopting genetically modified organism (GMO) foods at a faster rate than any other region of the world. This rapid adoption rate is the commercial outcome of the manifest delivery to the region's agricultural economy of benefits linked to the initial products of biotechnology. Concern is mounting, however, about the accelerating adoption of GMOs in Latin America without sufficient and scientifically-sound biosafety assessment, management, or decision-making instruments. Although, the region is improving its capacity to implement biosafety regulations in compliance with international standards and treaties, establishing biosafety capacity is complex, not only due to the unique and difficult problems facing diverse countries in addressing environmental risk, but also because of the range of technical topics involved, encompassing biological, climatic, socio-economic, health, legal and political aspects.

SOLUTION

The World Bank's rural development strategy highlights enhanced agricultural productivity and competitiveness as key pillars for rural poverty alleviation. The World Development Report (WDR) 2008 "Agriculture for Development" states that *"An important opportunity to contribute to the pro-poor agricultural development agenda will be missed if the potential risks and benefits of transgenics cannot be objectively evaluated on the basis of the best available scientific evidence and taking into account public risk perceptions"* and that *"countries and societies ultimately must assess the benefits and risks for themselves and make their own decisions."*

In this regard, the Bank is committed to helping developing countries assess, explore, and safely use biotechnology and other new technologies when the appropriate regulatory frameworks are in place. Towards that end, the Bank has been supporting agricultural research capacity in some 30 projects since 1995. This is the first multi-country biosafety project that the Bank has implemented globally.

This is the first multi-country biosafety project that the Bank has implemented globally.

RESULTS

All participating entities in the four countries are using the biosafety risk assessment and management strategies and methodologies developed by the project (guidelines, studies, geo-spatial databases, maps, etc.) for monitoring gene flow, impact on non-target organisms, visualization through geographic information system (GIS) tools and understanding producer and consumer behavior through socio-economic analysis. The project has also contributed to strengthening the cooperation and collaboration on biosafety risk assessment across institutions and participating countries. The inter-institutional and inter-country collaboration was achieved at different levels:

- Technical (technical staff received capacity building through participation in training events and exchange visits).
- Policy – two regional level meetings of biosafety decision-makers were held (in Costa Rica in April, 2011 and in Colombia in June, 2012).
- Project team – mission rotation enabled cross-exchange of knowledge and visits from all team members to the other participating countries and their institutions.

Four regional working groups (by thematic area) were created, inter-institutional alliances were

established, a professional network on biosafety was established, and a Google Earth map located the participants on the project website. During project implementation, 27 events were held with the participation of biosafety authorities. More than 150 representatives of the countries' authorities and 500 decision makers now have access to information for risk assessment. Each country has also developed a database of stakeholders and collaborators.

WORLD BANK GROUP CONTRIBUTION

The project was implemented with a US$4 million stand-alone grant from the GEF. It was complemented and jointly implemented with the GEF -funded Multi-country Capacity-Building for Compliance with the Cartagena Protocol on Biosafety Project (US$0.9 million), using the same institutional set-up, to address the biosafety knowledge and capacity gap.

PARTNERS

This GEF project was regionally coordinated by the borrower and the International Center for Tropical Agriculture (CIAT), which is a member of the CGIAR Consortium based in Colombia. It was implemented through the National Coordinating Agencies: the Colombian Agricultural Research Corporation (CORPOICA), the University of Costa Rica (UCR), the Brazilian Agricultural Research Corporation (EMBRAPA) and La Molina National Agricultural University (UNALM) in Peru. All implementing bodies provided in-kind contributions to the project. A network of biosafety decision-makers was established through the National Technical Commissions on Biosafety of the countries in the region.

MOVING FORWARD

During the closing conference of the project, a strong demand was expressed for a follow-on project at a larger regional scale, comprising around 10 countries, including the four countries that implemented the current project. CIAT has expressed its desire and willingness to pursue and coordinate this larger operation. They have approached the World Bank and GEF for further information on a follow-on larger regional project.

BENEFICIARIES

The primary target group under component 1 was comprised of the four National Coordinating Agencies and other participating entities—members of the technical/scientific communities in the participating countries. The primary target group under component 2 of the project was "biosafety competent authorities and practitioners"—Government officials, technical entities advising Government policy, universities, non-government organizations, and producer groups. Given the public nature of this project, the number of indirect beneficiaries can be significant, within and outside of the geographic boundaries of the four participating countries.

opportunities for all

Latin America and Caribbean Region
The World Bank
1818 H Street, NW
Washington, DC 20433, USA

http://wbi.worldbank.org/sske/result-stories
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