



2014
Volume 4

RESULTS IN THE LATIN AMERICA & CARIBBEAN REGION



THE WORLD BANK

IBRD • IDA | WORLD BANK GROUP

Latin America & the Caribbean

Opportunities for All



RESULTS IN THE LATIN AMERICA & CARIBBEAN REGION

TABLE OF CONTENTS

6	Foreword	56	Capturing the Impact of the 2010 Haiti Earthquake
9	Shared Challenges and Shared Resources in Brazil	60	Enhanced Stability in Honduras' Financial Sector
13	Integrated Municipal Water Management in Uberaba, Brazil	64	Better Nutrition and Job Skills for Youth in Honduras
18	Productive Inclusion in Brazil	68	Jamaica Responds to HIV/AIDS
21	São Paulo Rethinks the Virtual Classroom	72	Mucho Corazón: Using a soap opera as a vehicle for financial education in Mexico
26	Peace and Development go Hand in Hand in Colombia	76	Timely Interventions to Reduce Climate Change Vulnerability in Mexico
31	Colombia Prepares to Meet Development Challenges	80	Mobile Factoring, a new solution to boost small farmers' productivity in Paraguay
35	Towards a more Sustainable Agriculture Commodity Exchange in Colombia	84	Improving Service Delivery in Peru
39	Better Electricity Services in the Dominican Republic	87	Peru Improves Social Inclusion
43	Guatemala improves Maternal-Infant Health and Nutrition	94	Winning Investors Who Come Knocking, Trinidad and Tobago
47	Adoption of Clean Technology Practices by Micro, Small and Medium Enterprises		
51	Improving Access to Water and Sanitation in Rural Haiti		

FOREWORD



Interest for Latin America and the Caribbean comes from all directions. The region's recent impressive socioeconomic development motivates much interest globally, and not the least from within the region itself, as countries increasingly look at themselves to learn about development solutions and experiences. Perhaps like no other region, Latin America and the Caribbean demonstrates that eradicating extreme poverty and promoting shared prosperity through broadening opportunities for all is possible.

The region has been able to halve extreme poverty, lifting some 80 million people from poverty and adding more than 50 million to the middle class, significantly reducing inequality in the process. Although the favorable global economic context was important for these results, they would not have been possible without the sound social and economic foundations laid by the majority of governments.

But behind these outcomes are innumerable human stories, of people whose lives have been transformed for the better by growth, jobs and government initiatives, many of them supported by the World Bank.

People like Concepción Iberbuden, who now has income security and more productivity for his banana crop thanks to a simple and effective scheme that provides working capital to small farmers in Paraguay. This publication has many such examples of actions that are effectively transforming people's lives for the better: from empowering communities to build peace through opportunities in Colombia, to providing safe water to thousands in Haiti, promoting health in Jamaica, attacking malnutrition in rural Guatemala or helping Brazil raise millions of families out of poverty.

The World Bank is proud to be a part of these development stories. Results on the ground are what really counts. I hope that this publication will contribute to showcase how growth with social inclusion creates a virtuous circle of progress.

Jorge Familiar Calderon
Regional Vice President
Latin America and Caribbean Region
World Bank Group

SHARED CHALLENGES AND SHARED RESOURCES

SMALL BRAZILIAN CITIES COOPERATE FOR MUTUAL BENEFIT

Five municipalities in Rio Grande do Sul participated in an experiment in subnational partnerships to enhance municipal management and make on-the-ground infrastructure improvements. The cities were a mix of small and medium sized “hub cities,” ranging from 120,000 to 334,000 inhabitants, with a combined total population of 1 million.

CHALLENGE

In the southern half of the State of Rio Grande do Sul, overall economic growth has slowed and the benefits of growth are unevenly distributed. Approximately one fourth of the population are estimated to live below the poverty line.

The shared challenges for the cities in the region include improving municipal governance, addressing rural and urban poverty, and improving infrastructure service provision. In addition, the municipalities need strategic interventions to

overcome continued economic decline, enhance their competitiveness, and accelerate sustainable economic growth. However, the municipalities were not individually large enough to qualify for

Approximately one fourth of the population of the State of Rio Grande do Sul are estimated to live below the poverty line.

a cost-effective municipal level World Bank loan. The Bank program of direct municipal lending in Brazil—began in 2004—targeted much larger cities, and these investments remained out of reach for Brazilians in small cities and rural areas.

SOLUTION

In 2008, the Bank experimented with a new scale for subnational partnerships in Brazil. With the Rio Grande do Sul Integrated Municipal Development Program (PDMI), the Bank worked for the first time with an integrated adaptable programmatic loan (APL) for five participating municipalities with a combined population of 1.04 million people, of which 95 percent are urban and 5 percent are rural. The five cities are Bagé, Pelotas, Rio Grande, Santa Maria, and Uruguaiana.

The overall strategy of the program was to enhance the capacity of municipal governments to improve infrastructure, economic growth, employment opportunities, and governance over the whole scope of their areas. The program’s design was unique because it allowed each municipality to tailor its projects to its individual needs and priorities. This included plans and studies for long-term improvements and direct investments in physical infrastructure. To bring about sustainable,

long-term improvements in government capacity, most projects included investments in sector-specific plans and tools to improve municipal management. These were targeted especially towards the environmental, mobility, and water supply and sanitation sectors, as well as towards long-term economic development.

The main infrastructure investments were:

- Highway and roads improvements.
- Public transport services improvements.
- Expansion of the water supply, sanitation, and drainage networks and treatment.
- Urban upgrading and housing and social improvements in selected low-income neighborhoods.

Economic interventions included:

- New agricultural production centers in Bagé.
- Implementation of the 9.5-acre Jockey Park in Santa Maria.
- Provision of appropriate commercial space.
- Improvement in the overall business environment.
- Facilitation of access to microcredit, training and capacity enhancement activities targeted at selected clusters.

RESULTS

Overall, the program successfully enhanced the municipalities’ capacity to provide services and implement infrastructure. Road infrastructure investments financed design, paving or rehabilitation of streets and installation of neighborhood drainage systems. The upgraded urban roads were complemented by improved sidewalks, landscaping, traffic safety measures, and bikeways. The program also opened opportunities for creative long term economic development in partnership with the private sector.

Most innovatively, the program provided important pilot experiences for small-scale activities aimed at improving local economic development by:

- Facilitating access to microcredit.
- Fostering research and development through the construction of technology parks.
- Supporting local and informal businesses and small producers under selected clusters.

The program’s water supply investments covered installation of micro and macro meters, rehabilitation of the water supply network,

construction of a water supply system in rural Pelotas, enhanced treated water reserves, and expanded capacity for sewage systems and small treatment plants. These investments resulted in reductions in water losses, energy consumption, and maintenance costs. Finally, service providers increased their revenues due to improvements in the accuracy of water and sanitation billing and reduced operation and maintenance costs.

WORLD BANK GROUP CONTRIBUTION

The Bank supported this program with a loan of US\$47.47 million.

PARTNERS

Counterpart contributions from the municipal governments were partially financed through Federal Government resources, including PAC (Programa de Aceleração do Crescimento) funds.

MOVING FORWARD

Because the program was designed with a long-term vision of improved municipal infrastructure and capacity, many of its results will continue to develop going forward, as plans are implemented. The program also invested in various planning tools and instruments to guide public management in

urban development, transport, water sanitation and sewage, and environmental management. Bank support during implementation of the program and after closing, includes intensive guidance in quality assurance and institutionalization of plans and studies to assure that their results are translated into real benefits for the population.

Almost all of the major interventions not completed during the program's lifetime, including

integrated water sanitation and sewage and urban improvements in Santa Maria's Km3 neighborhood, are scheduled to be completed this year.

BENEFICIARIES

Beneficiaries include the governments and residents of the participating municipalities.



Caracol Falls, State of Rio Grande do Sul. Photo: Tiago Fioreze, Wikipedia, CC©.

BRAZIL

INTEGRATED MUNICIPAL WATER MANAGEMENT IN UBERABA, BRAZIL

A SET OF INTERCONNECTED SOLUTIONS TO ADDRESS THE FULL SCOPE OF WATER ISSUES

In 2004, the World Bank began large-scale program of direct lending to municipalities in Brazil to help local governments build up their capacity and services in response to the 2000 Federal Fiscal Responsibility Law. Uberaba's Agua Viva, one of the first round municipal loan projects, promoted broad quality of life improvements in the municipality through integrated water management projects that mitigated flooding in the city center, increased the percentage of treated wastewater by over 40 percent, created 37 hectares of new parkland, and strengthened local environmental institutions and education.

CHALLENGE

Uberaba, a city of 315,000 inhabitants in the state of Minas Gerais, faced major challenges in water management both in terms of institutions and physical infrastructure. Although water supply coverage was high at 99 percent and 95 percent of wastewater was collected, poor infrastructure, especially the lack of virtually any wastewater

treatment, meant that serious quality of life issues with regard to water remained.

Changing land use, often coupled with deforestation and increased soil erosion, contributed to loss of biodiversity and deteriorated water quality of the Uberaba River. Direct discharge of untreated wastewater into the river

Changing land use, often coupled with deforestation and increased soil erosion, contributed to loss of biodiversity and deteriorated water quality of the Uberaba River.

before it passed through the municipality was also a major problem. Water supply from the Uberaba Reservoir and deep supplemental wells was adequately treated and distributed, but high losses led to occasional rationing. Macro-drainage problems in several neighborhoods and the city center were exacerbated by accelerated urban development and increased impermeability,



Photo: Projeto Agua Viva, www.uberaba.mg.gov.br

resulting in regular, severe flooding that led to property and commercial losses, snarling of traffic, and occasional injuries.

CODAU (Centro Operacional de Desenvolvimento e Saneamento de Uberaba), the local water utility, was not equipped to solve these issues with its insufficient management structure, ineffective metering, and historically low investments in infrastructure.

SOLUTION

Taking into account the interlinked nature of the city's water problems, Agua Viva designed a set of interconnected solutions to address the full scope of water issues present. The Project followed an approach to Integrate Urban Water Management (IUWM), in which water supply, wastewater management, drainage and related aspects were all effectively incorporated in the Project's analyses, planning and interventions.

The Project's efforts to ensure adequate levels of water quality by collecting and treating wastewater, to reduce flooding in the city center, and to combat potable water losses, were complemented with activities to educate the population on the benefits of water and environmental conservation while

providing the inhabitants with much-needed green spaces and leisure areas around the city's water bodies.

To achieve better treatment rates and corresponding water quality, wastewater conveyance systems for Conquistinha stream and the Uberaba River were undertaken. To control flooding, a retention pond was constructed and the area surrounding it was upgraded into a pleasant urban park setting; and micro and macro-drainage works implemented in flood-prone areas (especially in the city-center). To enhance water supply reliability, three water mains and over 100,000 micrometers were replaced, the municipal cadaster was updated and a program for water loss reduction was prepared.

Beyond infrastructure, the Project also confronted the larger issue of environmental awareness and engagement by the community by constructing two new urban parks, undertaking a successful social outreach campaign during the works themselves, and implementing a comprehensive environmental education program in the project-financed Center for Environmental Education.

RESULTS

The wastewater conveyance systems for the Conquistinha and Uberaba wastewater treatment plants are completed, including the Uberaba treatment plant working since 2009 and the Conquistinha plant soon to be completed. Eighty-two percent of the planned 26 km of wastewater interceptors in the city center have been constructed, and the local utility has begun monitoring water quality regularly. When all works are completed (expected by December 2015), 90 percent of wastewater collected in Uberaba will be treated—up from 44 percent at project closing, and 2 percent before Agua Viva.

Avenues with macro-drainage works installed have seen no major flooding since the implementation of the project's works, with a resulting 244 percent increase in property values in those areas and quality of life improvements for a broad section of the city's population. The water utility, CODAU, has reduced water losses by over 13 percent—equivalent to 1.2 million cubic meters per year. Additionally, the Project financed 37 hectares of new urban parks, and a comprehensive environmental education program, including relevant university courses, have been installed in the multi-use center for environmental education.

WORLD BANK GROUP CONTRIBUTION

Bank loan disbursements for Uberaba Agua Viva totaled US\$16.03 million— 93 percent of the US\$17.27 million allocated at appraisal.

PARTNERS

Both Brazil’s Federal PAC program and CODAU, the local water utility, provided funds towards the municipality’s project counterpart contribution.

MOVING FORWARD

The municipality remains committed to finishing the remaining project works, most importantly the sanitation infrastructure, which should lead major improvements in the Uberaba River’s water quality. Additionally, Uberaba will continue building its capacity in project supervision and monitoring, including environmental licensing, activities under the Project-financed Environmental Action Plan, and institutionalization of the Project Management Unit as a permanent municipal body.

BENEFICIARIES

Given the scale and integrated nature of the project, the whole city of Uberaba saw real quality-of-life benefits from the Project; in almost every category, the number of beneficiaries actually

exceeded the original target. Drainage works have mitigated flooding for over 3,000 properties, as well the city center; the entire municipal population’s water supply is more regular and secure; discharge of untreated wastewater has fallen dramatically; and the riverside “linear park” alone has had over 72,000 annual visitors. Participants of all ages, but especially children 8-11, were also directly benefited by the Project’s environmental education program.



Photo: Projeto Agua Viva, www.uberaba.mg.gov.br



Centro de Educacao Ambiental, Prefeitura Municipal de Uberaba

PRODUCTIVE INCLUSION IN BRAZIL

THE BANK PROVIDES KNOWLEDGE AND CONVENING SERVICES TO INCREASE EQUALITY

Brazil is strengthening its overall productive inclusion strategy within the extreme poverty eradication plan Brasil sem Miséria, and its articulation within the broader social protection system. To further this objective, the World Bank provided analytical and technical support to convene key stakeholders to discuss possible innovations in urban productive inclusion and present international best practice in rural productive inclusion practices.

CHALLENGE

Despite substantial gains over the last decade, poverty in Brazil remains high, and more than one person out of five lives below the poverty line. According to the National Institute of Applied Economics Research (IPEA), extreme poverty reached 7.3 percent in 2009, down from 15.2 percent in 2003; while moderate poverty declined to 21.4 percent from 35.8 percent. Despite these impressive gains, there is still a large number of people who remain poor in monetary terms and who lack access to basic services. Reaching these

people, and more importantly, establishing the conditions for their productive inclusion into the Brazilian economy, remains a challenge.

SOLUTION

The Brazilian Government committed itself to lifting 16 million people from poverty through a three-pronged approach that included a productive inclusion component promoting activities in rural and urban areas, and aimed at increasing the productivity of families in extreme poverty towards employment and income generation.

There is still a large number of people who remain poor in monetary terms and who lack access to basic services.

The World Bank and the Brazilian Government designed the Productive Inclusion within Brasil Sem Miséria non-lending technical assistance program focused on three areas:

- Support the Ministry of Social Development (MDS) in organizing a workshop on urban productive inclusion.
- Deepen the knowledge on rural productive inclusion, especially by sharing the Bank's experience in this area.
- Facilitate the discussion for a north-south exchange on the implementation challenges of social protection programs in metropolitan areas (Rio de Janeiro, São Paulo and New York), with a particular emphasis on the articulation of productive inclusion programs within the social protection system.

RESULTS

This technical assistance was strategic and effective in providing valuable knowledge to the Government of Brazil on the issue of productive inclusion. It also spearheaded the creation of partnership and knowledge exchanges with other Bank teams working in these issues. The Bank can play a crucial role in strengthening the Government's productive inclusion agenda, by taking advantage of all the knowledge and experience that it has accumulated over years of work at the subnational level in different states in Brazil, as well as in other countries, and of the strong relationships that it has created with the federal Government through the engagement with the MDS since its creation in 2004. Indeed, the Government has indicated that it values the support of the Bank in this area.



Photo: Mariana Ceratti / World Bank

WORLD BANK GROUP CONTRIBUTION

The Bank provided technical, advisory and financial support to the Government of Brazil in the organization of the workshop “Urban Productive Inclusion: Experience, Results and Challenges,” which took place in Campinas on May 8 and 9, 2013. The total amount of Bank funding was approximately \$10,000.

PARTNERS

This activity was developed with the Ministry of Social Development, Fight Against Hunger, and the University of Campinas.



Photos: Mariana Ceratti / World Bank

MOVING FORWARD

The Bank will continue to provide support for productive inclusion programs through existing projects and through the umbrella technical assistance program World Without Poverty.

BENEFICIARIES

State level social assistance Government professional and researchers were the primary beneficiaries of the project activities.



BRAZIL

SÃO PAULO RETHINKS THE VIRTUAL CLASSROOM

A World Bank review of a proposed educational model using interactive technology and content and a 10 year public-private partnership (PPP) service delivery contract highlighted the high costs and risks associated with the model. As a result, the State Government of São Paulo is rethinking and reformulating a multi-billion dollar investment in technology and education.

CHALLENGE

The State of São Paulo’s education system is hampered by under performance and poor quality instruction. In an effort to improve the quality of education, the Secretariat of Education introduced a program of interactive content and pedagogies. The Virtual Classroom project was intended to create a PPP with industry to manage the development and deployment of new interactive content and technology in all state secondary schools. With an estimated cost of over US\$7 billion this project represented the largest

technology and education project in the world. Moreover, a PPP of this magnitude had never been designed in the education sector.

SOLUTION

To assess the costs and risks of this program, the Government of São Paulo requested World Bank support in reviewing private sector proposals for the modeling of the project’s PPP arrangement. The Bank’s Brazil RAS São Paulo Support to Education PPP Project provided the feedback for these proposals, analyzing risks, creating an

evaluation framework, and developing a financial model.

With an estimated cost of over US\$7 billion, this project represented the largest technology and education project in the world.

At various stages of the process between August and November 2012, the Bank team provided input on the development of the technical model that emerged from the nine private sector proposals, including:

- Refinement of objectives.
- Key gaps in the model and options for filling those gaps.
- Monitoring and evaluation options.
- Intellectual property issues on content.
- Integration of content with learning management and content management systems.
- Advantages of outsourcing data management.

- Importance of a clear communication strategy and roles and responsibilities for project's various components.

The Bank team provided a comprehensive review of the risks associated with the project. Along with the identification and classification of risks, the team provided potential mitigation strategies and provided input on which risks should be retained by the Government and which risks should be allocated to the private sector. Through the value of money analysis the Bank team assigned probabilities and costs to these risks to model the financial viability of the project from a risk-cost perspective.

Through the value of money analysis the Bank team assigned probabilities and costs to these risks to model the financial viability of the project from a risk-cost perspective.

The team also provided a series of inputs to support the development of the monitoring and evaluation framework, the institutional arrangements for this framework, the integration of the framework into the financial model for definition of payment structures, and an outline of an impact evaluation for the project.

Finally, the team engaged in a series of steps to identify key aspects of the financial model and then develop and refine the model based on client feedback. The key deliverables for this aspect of the project included:

- An outline of categories for the financial model.
- A tool to compare the characteristics of the proposed financial proposals, assess the feasibility of the project's financial structure, and identify the key investment categories.
- A macro tool to run a number of simulations on the financial model.
- A final model and report on the simulation results.
- An economic evaluation of the project.

RESULTS

The analysis was a major factor in the Government's decision not to move ahead with the Virtual Classroom project. In addition, the engagement created a number of important results that would apply to other countries considering a large information and communications technology (ICT) and education-related project.

The PPP's focus on outputs and outcomes instead of inputs was a very interesting model for service delivery payment and in the education sector would have been the first of its kind. The team also incorporated innovative concepts around how to leverage the project for Big Data opportunities and personalized learning. Also, the solutions around open content, ownership and privacy of data generated through the project presented new opportunities to develop digital content and software markets in Brazil.

The intensive process of risk identification, risk mitigation, risk value, and risk allocation in the context of a PPP was unique to the education sector. The risk assessment highlighted issues such as delay risks, engagement risks, technology lock and 10 year contractual risk that have influenced planning. Some of the risks that had not been

considered by the client included:

- Challenges in the proposed model around delayed implementation and payment to the private sector partner.
- The ten year time frame for the PPP.
- The potential low impact on learning outcomes (the importance of placing more focus on student engagement and satisfaction).
- Intellectual property and digital content concerns.
- The challenge of “technology lock” with the initial choice of learning and content management systems.

Some of the innovative approaches to monitoring and evaluation included transparency and openness in sharing data to engage the public and increase accountability of the private sector partner; Big Data opportunities to use data more effectively to both analyze the education system as a whole and individual learning progress; citizen participation in data and accountability; and the use of dashboards for real time data access.

The technical quality was very high and broke ground with new thinking about the challenges and opportunities of PPPs in education. The client was very engaged throughout the whole process.

The team delivered all three outputs on time and included additional outputs such as an economic analysis and a legal analysis that were above and beyond the scope of the terms of reference.

The technical quality was very high and broke ground with new thinking about the challenges and opportunities of PPPs in education.

WORLD BANK GROUP CONTRIBUTION

The total cost to the Bank was around US\$310,000 and during this 6 month intensive engagement, the Bank positively influenced a multi-billion dollar and multi-year project. The team drew on experience and resources from across the Bank including Human Development and Education Network, the Transport Sector, Development Economics (DEC), International Finance Corporation (IFC), the ICT group (TWICT), and the Infrastructure Policy Unit to leverage the best experience from various parts of the Bank.

PARTNERS

The World Bank team worked with the Government team to develop and implement the financial model and to build the Government’s own capacity to run various simulations to test assumptions in the model. The main partners were the Secretariat of Education and the Secretariat of Planning and Regional Development.

The team helped the Government improve its understanding of the challenges and opportunities of digital content, particularly from a legal perspective, including issues around open source, privacy, and Big Data opportunities. The associated risks, costs and benefits of this design approach were well fleshed out at the end of the engagement. Through this intense engagement, the team members at the Secretariat of Education strengthened their ability to design a first-of-its-kind PPP for education.

MOVING FORWARD

The Government of São Paulo fully incorporated the Bank team’s inputs into the development of the model. While this project was initially on a very fast track to implementation, the Government decided to withdraw the original technical proposal to rethink its content and scope, such as the overall

pedagogical model, the locus of teacher training, objectives for digital content, and review of risks and risk allocation.

BENEFICIARIES

The main beneficiaries are the Government of São Paulo and the State’s Secretary of Education, who indicated that through this engagement he has a clearer perspective on the areas of education that could be outsourced to partners outside of Government and has a clearer and stronger understanding of the costs and risks of these partnerships.

Secretary of Education Herman Voorwald, credited the risk analysis as one of the primary factors in the decision to postpone the project:

“... the request to postpone the Project was made by the State Secretariat of Education, which highlighted the following as the principal motivations for rethinking the initiative: ‘the risk analysis of the project carried out by the World Bank, the consolidations of a new internal organizational structure—which presented a new context for the execution of projects—as well as new evaluations about the Projects basic assumptions.’”

PEACE AND DEVELOPMENT GO HAND IN HAND IN COLOMBIA

BUILDING PEACE AND CONFRONTING POVERTY IN REGIONS AFFECTED BY VIOLENCE

The Regional Development and Peace Program demonstrated achievements in i) reducing the risk of displacement and mitigating its effects, through the installation of basic assets, ii) generating socioeconomic stabilization of the participants through income generation and recovery of a social support network, and iii) preventing violence and reducing vulnerability, through the strengthening of participatory democracy.

CHALLENGE

Colombia, despite its impressive economic development faces a sustained challenge of high levels of inequality. The internal conflict and the high rates of violence have had a negative impact on the social and economic development of the country. Between 4.7 and 5.7 million people were internally displaced between 1985 and 2012. The conflict is waged primarily in rural areas over control of territory. It takes place in regions characterized by weak institutions and, in many



Photo: World Bank Collection

cases, corruption and cronyism, high levels of impunity, expansion of illicit crop cultivation, and little opportunities for participation by civil society institutions. The Project assumed the challenge of assisting low income and displaced populations in rural and urban communities in conflict-affected regions with the aim to reduce the risk of their exposure to conflict and mitigate the negative impact of possible derived effects. In particular the project utilized two approaches in conflict-affected regions in the midst of violence: i) building assets to mitigate the risk of displacement, and ii) restoring a basic safety net for displaced and vulnerable families as a vital first step in their social and economic stabilization.

Between 4.7 and 5.7 million people were internally displaced between 1985 and 2012.

SOLUTION

Over a 14 year period, the Project designed, tested and validated a development innovation (intervention model) that included three main components:

- A set of guiding principles of development to create conditions for lasting and durable peace.
- A proven methodology, which is highly inclusive and follows a step by step process that starts small and local and gains increasing size, complexity and influence over time.
- An institutional arrangement to manage the activities based on a partnership between civil society organizations and the government (at the national and territorial level) facilitated by the World Bank. The Project developed social, economic and environmental assets and community support for displaced and vulnerable families in the priority areas of the conflict-affected regions through a wide range of subprojects, from food security and income generation to social and cultural promotion.

RESULTS

The Project had positive impacts on overcoming poverty, which included: i) direct effects on the early stabilization of the vulnerable and displaced population whose poverty has been exacerbated by the armed conflict; ii) greater social capacities



Photo: World Bank Collection

for confronting poverty, associated with greater social integration, the strengthening of social organizations and networks, and an increase in community reciprocity; and iii) an increase in the level of trust and community relations with public institutions, helping 7 out of 10 participants to enroll in State social programs associated with the fight against extreme poverty and the provision of assistance to the displaced population.

- Social, economic and environmental assets were generated for a total of 89,367

beneficiaries, more than 60 percent of whom were enrolled in income-generation and social, cultural and environmental management subprojects. More than 700 subprojects were implemented by social and community based organizations.

- In terms of institutional and organizational strengthening, the Project strengthened the State at the local level, as it increased citizen and political participation, and effectively involved beneficiary organizations in matters

of municipal life. 664 beneficiary organizations were strengthened during the life of the Project. 60 percent increased their capacity indexes above the initial levels. Through the direct implementation of several types of subprojects, these organizations have increased their capabilities and are influencing public policies at the regional and local level.

- Finally, the Peace and Development Program has been incorporated in three National Development Plans (2002-2006, 2006-2010 and 2010-2014), and its innovative intervention model has inspired several National Policy Documents (CONPES) in the following areas: Victim's Integral Reparation, Community Action Boards, Children and Young People Recruitment Prevention, Promotion of Citizen's Participation, Territorial Consolidation and Reconstruction, Fight Against Corruption, Youth National Policy and other national policies (Democratic Culture and Entrepreneurship).

WORLD BANK GROUP CONTRIBUTION
IBRD provided US\$30 million in 2004 and an additional financing of US\$7.8 million in 2010 to the Government of Colombia. The European

Union contributed with about US\$130 million as counterpart funding of the Peace and Development Program, and the partner organizations at the regional level leveraged about US\$12 million between 2004 and 2012. Four operations were associated to the Peace and Development Program: Gender in Peace and Development (US\$100,000 Gender Trust Fund); Institutional Strengthening of Municipalities with Afro-descendant Populations (US\$1,58 million from the Institutional Development Fund), Human Rights in Peace and Development Regional Programs (US\$400,000 from the Nordic Trust Fund), and Access to Opportunities for Young People (US\$1,73 million from the Japan Social Development Fund), all administered by the World Bank.

PARTNERS

The partnership arrangement (listed in the previous section) allowed the participation of multiple parties and led to a productive combination and balance of “insiders and outsiders.” That is, combining in depth contextual knowledge, motivation and commitments, credibility, trust, legitimacy, and continuity provided by the leaders and staff of the Partner Organizations in the field and, as time went on, also by the leaders of community-based

organizations. External partners such as the government, the World Bank, United Nations and the European Union provided international experience, new ideas and techniques and external funding.

MOVING FORWARD

All the Regional Peace and Development Programs incorporated into the Peace and Development Program have continued to operate after the end of the project and several of them are playing a key role in the formulation and implementation of peace and development related policies, particularly victims, rural development and participation. The intervention methodology of the Program during eight years of implementation has proven to be effective in relation to national agenda issues, in scenarios of both armed confrontation and transition, allowing the recovery of poor communities affected by the violence, as well as the generation of conditions for the arrival of more robust institutional interventions. In recent years, the lessons generated by the Program have been employed for the design of public policies, as well as the active participation of the Program's Partner Organizations in various endeavors. Recently, the World Bank has created a Multidonor Peace Fund to continue promoting peace and development

in Colombia. Project's to be financed under this Fund can benefit from the Peace and Development Program's lessons and can take advantage of the institutional capacities that have been installed at the regional and local level.

BENEFICIARIES

Project's beneficiaries are poor and vulnerable families, as well as displaced people that return or are relocated; community organizations, small producer associations and micro-businesses, municipal governments; partner organizations presented in the legal representatives of the Regional Peace and Development Programs.

In the project's beneficiaries' words, the Peace and Development Program has contributed to increased levels of reciprocity and trust in our communities; we have greater confidence in our public institutions, particularly the police and the military; we feel more responsible for our own future; we have increased capacity and willingness to participate, to assume leadership positions and to influence public affairs; we now resolve conflict by using community strategies and prefer a collective action over an individual one to address threats by illegal armed actors.

COLOMBIA

COLOMBIA PREPARES TO MEET DEVELOPMENT CHALLENGES

ENHANCING SUSTAINABILITY IN THE FISCAL FRAMEWORK

The Colombian Government, is working to ensure its financial sustainability and reduce its vulnerabilities, while sustaining needed social spending. With a strengthened fiscal position, Colombia will be better equipped to meet current and future development challenges.

CHALLENGE

Colombia's considerable reliance on oil revenues, relatively high poverty and inequality levels, high exposure to natural disaster risk, and a relatively complex political economy represent major challenges to making the Government's fiscal framework sustainable. At the same time, sustaining growth in the longer run needs smart investments in infrastructure, health, and education without risking fiscal and debt sustainability.

SOLUTION

The Fiscal Sustainability and Growth Resilient Development Policy Loan series supported a strong program of reforms to strengthen Colombia's fiscal position. Reforms included the implementation of a Fiscal Rule Law in 2011 that defines an adjustment path for the structural budget deficit. To preserve the Government's capacity to respond to negative short-run shocks, the targeted deficit indicator took into account short-run fluctuations in commodity prices and the economic cycle. Other supported reforms in the tax system helped



Photo: Isabelle Schaefer / World Bank

to increase revenues. On the expense side, the loan supported measures to mitigate expanding government costs arising from natural disasters and a complex health system. For example, new incentives were created to increase agricultural insurance and clearer criteria were established for health-related reimbursements.

RESULTS

The program's success was a result of a close consultation with the Government, which took full ownership of the implemented reforms. The program's comprehensive packaging was not

limited to the fiscal system, but clearly identified exposure to health and disaster risks. It also benefited from the Bank's expertise in other sectors. Results of the program included:

- The structural fiscal balance was reduced. The Fiscal Rule Law led to prudent fiscal management and reduced the structural fiscal balance from a predicted deficit of 3.7 percent of GDP in 2011 to an actual deficit of 2.4 percent in 2013. Furthermore, the rule did not hinder the Government from enacting a counter-cyclical stimulus program amid an economic slowdown in early 2013.

- Non-oil tax revenues increased. By supporting tax administration measures and tax reform, the program helped increase non-oil tax revenues from 12.0 percent of GDP to 12.9 percent in 2013. By increasing revenues, the Government did not have to cut back on social expenditures to meet the deficit target.
- Liabilities were contained.
- Supported reforms in the health sector improved the policy of health cost reimbursements and its monitoring, which has contained recurrent costs outside the mandatory insurance scheme at its 2010 level.
- New incentives supported by the program led to a doubling of the coverage of insured agricultural area between 2010 and 2013.
- The number of financial instruments to mitigate natural disaster risks increased from two in 2010 to three in 2013.

WORLD BANK GROUP CONTRIBUTION

The Bank provided a loan of US\$500 million. The Bank continues to provide assistance to key policy areas through lending and non-lending follow-up projects.

PARTNERS

The Ministry of Finance and Public Credit, Ministry of Health, and Ministry of Agriculture were key partners in this project.

MOVING FORWARD

The operation led to an intensified policy dialogue with the Government of Colombia. A series of follow up activities supported further lending operations and helped to inform further reforms. For example, the Enhancing Fiscal Capacity to Promote Shared Prosperity Development Policy Loan supported linking fiscal policy to redistribution and the Growth and Competitiveness Development Policy Loan is supporting an agenda of structural reforms to further support growth resilience.

BENEFICIARIES

The program's achievements and, especially, the resulting policy dialogue and follow-up operations ensured fiscal support for important Government programs, such as the conditional cash transfer program Familias en Accion, which expanded from 514,000 households in 2005 to about 2.79 million households in 2012 and benefits poor households.



Passionfruit. Photo: World Bank Collection

COLOMBIA

TOWARDS A MORE SUSTAINABLE AGRICULTURE COMMODITY EXCHANGE IN COLOMBIA

ANALYTICAL WORK PROVIDES THE BASIS FOR POSITIVE REFORMS

Based on recent challenges in the performance of the Agriculture Commodity Exchange of Colombia, the BMC (Bolsa Mercantil de Colombia) itself and the Government of Colombia requested the World Bank's technical assistance to help improve the operations, market development, and legal and regulatory framework to support the sustainable developing of the market, enhancing efficiency and risk management. The sustainable development of the agriculture commodity exchange is based on improving the volume of trading as well as the type of contracts and services being offered, while ensuring proper management of risks to avoid systemic losses. Following improvements proposed in a final analytical report, several improvements in the performance of the BMC have been made and innovative financing instruments evaluated.

CHALLENGE

Between 1998 and 2000, the Colombian financial sector went through a crisis due mainly to a program of high risk loans to benefit poor farmers

without access to credit. During this time period and in the following years, the BMC experimented with the trading of certificates on live animals (certificados ganaderos a termino - CGT), which

led to severe losses in 2010 and 2011 due to inappropriate risk management measures by the BMC.

In light of the operational and regulatory challenges that were leading to the negative performance of the BMC, its management and the Colombian Government – the Ministry of Agriculture and Rural Development – approached the World Bank in 2011 to provide advice to the BMC on operational, legal/regulatory and market development aspects to help develop the commodity exchange market.

SOLUTION

Between April 2012 and September 2013, a World Bank team reviewed the BMC's operative, legal, and regulatory frameworks and proposed key improvements to strengthen the market and ensure its long-term financial sustainability as well as to pursue innovations that could help develop the agricultural sector. Specifically, the team sought improvements that could be made for the development of current and new agriculture and financial-related contracts to be traded at BMC.

The report also provided useful benchmarking data from both failed and from the most successful

agricultural commodity exchanges in the region, highlighting international lessons-learned and proposals to use successful approaches and systems from other countries where relevant. For example, key characteristics of Agricultural Commodity Exchanges were presented from Chile, Argentina, the United States, Brazil, South Africa, and other countries as recommendations for consideration when developing similar contracts/market aspects in Colombia. The project also held a regional workshop in Chile and a regional study tour through LAC for key BMC and Colombian Government officials to view and better understand other countries' systems and agriculture commodities contract types being traded.

The project held a regional workshop in Chile and a regional study tour through the region to view and better understand other countries' systems and agriculture commodities contract types being traded.

RESULTS

The final analytical report presented recommendations in several key areas, among others:

- Improvements in the operations and legal/regulatory framework of the exchange.
- Potential new products and instruments to introduce in order to enhance the effectiveness and sustainability of the exchange.
- Options for new compensation and liquidation systems for the exchange.

The analytical report – in addition to a study tour and various meetings with key government and other stakeholders – enhanced key processes in the BMC, built capacity in both the government and BMC's management and Board of Directors, deepened knowledge of the relevant topics within Colombia, and generated innovative solutions to market challenges.

Key changes that were enacted or are under consideration for the market as a result of this project include:

- Adapting the legal/regulatory framework according to the various markets in the agriculture commodity exchange,

differentiating between the Cash Market, the Public Purchases Market, the Financial Products Market, and the Derivatives Market.

- Introduction of innovative price hedging instruments for agriculture commodities.
- Reforms to operational processes within the exchange and corporate governance reform.

The analytical report enhanced key processes, built capacity, deepened knowledge of the relevant topics, and generated innovative solutions to market challenges.

WORLD BANK GROUP CONTRIBUTION

The World Bank financed this analytical report as a Reimbursable Advisory Service, with a total cost of US\$230,000.

PARTNERS

Key partners were representatives from the BMC as well as officials from the Ministry of Agriculture and Rural Development (MADR).

MOVING FORWARD

Based on interest in several of the regulatory proposals laid out in the main report, the Government of Colombia has requested the Bank's ongoing technical and financial support in implementing specific legal and regulatory reforms, in particular the review of the capacity of intermediaries/brokers to operate in the different markets at the exchange.

BENEFICIARIES

The BMC and other financial stakeholders in the agricultural commodities and futures markets will benefit from increased market coordination, better functioning exchange and streamlined and improved risk management and regulatory structures. Citizens working in the agricultural sector in general will benefit from better access to more effective financial investment and risk management instruments.



Photo: World Bank Collection

DOMINICAN REPUBLIC

BETTER ELECTRICITY SERVICES IN THE DOMINICAN REPUBLIC

IMPROVING THE QUALITY AND AVAILABILITY OF ELECTRICITY

The Government of the Dominican Republic, worked from 2008-2013 to rehabilitate electricity distribution companies in order to increase the hours of service and reduce the frequency and length of blackouts. The project helped to rehabilitate 13 circuits in the three electricity distribution companies (EdeEste, EdeNorte, and EdeSur) and reached 101,197 households, 24.2 percent higher than the original target of 81,439 households.

CHALLENGE

Throughout the 1990s, the electricity sector in Dominican Republic provided substandard service, with inadequate generation capacity and frequent power cuts. The historical roots were a combination of politics, corruption and the inefficiencies of a state-owned monopoly. At times, the problems boiled over into national crises. Over the past decade, the Government restructured the sector and made major progress

in most areas, including the professionalization of senior management of the distribution companies, better targeting of the subsidies, the revival in investments to rehabilitate the energy grids, and the strengthening of regulations. The service improved with an increasing number of clients receiving electricity 24 hours (around 791,000 or 35 percent of the market).

SOLUTION

The World Bank-financed Electricity Distribution Rehabilitation Project in the Dominican Republic helped the Government to improve the quality of electricity service in the three electricity distribution companies. The project was successful in reaching 101,197 households, increasing the number of hours of service in the three distribution companies, and reducing the number and frequency, as well as the duration, of blackouts.

The activity supported the increase of the electricity quality services by ensuring that the electricity distribution companies prepared and

executed grid rehabilitation projects. The projects increased the performance of the companies by:

- Achieving economies of scale and more competition in procurement,
- Introducing “supply and installation” contracts,
- Incorporating the best practices of the three Distribution Energy Companies (EDEs) in terms of both investments and community outreach, and
- Having robust monitoring and evaluation so that lessons are learned and mistakes corrected faster.



Photo: World Bank Collection

RESULTS

The project achieved two main results through rehabilitating the circuits, introducing innovative community outreach and strengthening the management of the EDEs:

- The project interventions from 2011 to 2013 helped to increase the average service availability index (ASAI) in each EDE as a whole (EdeNorte by 1.2 percent, EdeEste by 13.5 percent and EdeSur by 22 percent), and to increase the Cash Recovery Index (CRI) in two of the three companies (EdeNorte by 10.7 percent and EdeEste by 15.5 percent).
- It is estimated that the project increased the quality and availability of electricity for a total of 101,197 households in the three companies.

The project increased the quality and availability of electricity for a total of 101,197 households in the three companies.

In addition, the project won two prizes on sustainability in the Shared Prosperity Days (Delivering jobs, inclusion and sustainability – December 3 and 4, 2013).

WORLD BANK GROUP CONTRIBUTION

The World Bank contributed a loan of US\$42 million to cover investments, and technical assistance for this project. A second loan for US\$120 million is currently under preparation.

PARTNERS

The Bank supported the Dominican Corporation of State Electricity Companies (CDEEE) and its coordinating unit in the design and implementation of the Project. A strong partnership was built during implementation among the Bank and the three distribution companies of the Dominican Republic (EdeEste, EdeNorte, and EdeSur), as well as with the Holding Company CDEEE.

The total project cost was \$152 million, and the project was co-financed by the Inter-American Development Bank (IADB) (US\$42 million), Organization of the Petroleum Exporting Countries (OPEC) Fund (US\$30 million), and the

Government's own funds. There were several joint missions with IADB and close collaboration has been maintained through project implementation and supervision.

MOVING FORWARD

There is a Distribution Networks Rehabilitation IBRD loan for US\$120 million currently under preparation. It aims to increase the Cash Recovery Index of the three electricity distribution companies in selected areas and improve the quality of electricity service, and is a continuation of the project that closed in September 2013.

Additionally, the Bank is developing an Energy Sector Management Assistance Program (ESMAP) activity (technical assistance US\$50,000) with the objective "to strengthen the Government's capacity to design and implement a commodity risk management strategy that could, in combination with other structural reforms in the power sector, help strengthen the Government's capacity to manage fuel price volatility and its fiscal impact."

BENEFICIARIES

Direct beneficiaries are those connected to the rehabilitated distribution circuits, and were a total of 101,197 households. Indirect beneficiaries are the total customers of the three distribution companies through a reduction in losses, reduction on the customer's energy bills, and increase in the quality of electricity service measured by the average service availability index (ASAI) per circuit, that had a substantial improvement in the EDEs, and less black outs.

GUATEMALA

GUATEMALA IMPROVES MATERNAL-INFANT HEALTH AND NUTRITION

REDUCING CHRONIC MALNUTRITION IN CHILDREN YOUNGER THAN 2 YEARS OLD IN RURAL AREAS

Based on a number of measures, Guatemala has achieved the Under 5 Mortality Millennium Development Goal (MDG) target 4 and has progressed towards the achievement of MDGs 1 and 5. With World Bank support, Guatemala is increasing access to a basic package of health, nutrition, and reproductive health services to over a million people, including approximately 160,000 children under five.

CHALLENGE

Guatemala's high maternal mortality rates were the result of inequities in access to health services. In the early 2000s, one in five pregnant women had no pre-natal care at all, and half had their first pre-natal care visit during the first trimester of pregnancy. Low birth weight, deliveries under unsafe conditions, malnutrition, infectious digestive diseases, and respiratory infections raised infant mortality. Furthermore, Guatemala had the highest prevalence of chronic malnutrition

(stunting) in the region, with half of all preschool children chronically malnourished. Chronic malnutrition and the poor health of young children not only led to higher infant mortality, but also short stature, negative cognitive development, poor school performance, and reduced adult productivity. The resulting irreversible losses of human capital formation affect current and future generations and will ultimately undermine the country's economic growth.



Photo: Maria Fleischmann / World Bank

SOLUTION

To address some of the root causes of Guatemala's health crisis, in 2005, the Guatemalan Government sought to increase health care access by strengthening the Extension of Coverage Program (Programa de Extensión de Cobertura, PEC). The program guaranteed the universal provision of an improved basic package of health services in over 100 largely rural and vulnerable municipalities through a two-phase approach. The first phase was implemented in 41 prioritized municipalities. The Bank's Maternal-Infant Health and Nutrition Project supported the second

phase of the PEC, which expanded coverage to an additional 70 municipalities. Through the Extension of Coverage Program and other health and nutrition related interventions, the project worked to improve maternal and infant health in the areas of intervention and reduce chronic malnutrition among children younger than two years of age in rural areas. Other interventions included strengthening 40 secondary level facilities to promote safe births, and supporting community-based and institutional integrated maternal and child nutrition centers.

RESULTS

The following key outcomes in health improvements were measured among the target population (pregnant women and children under two years of age) in the areas of intervention:

- The indigenous/non-indigenous maternal mortality ratio fell from 3.2 percent in June 2006 to 1.24 percent in December 2012.
- The percentage of institutional deliveries increased from 22.3 percent in 2006 to 42 percent in December 2012.
- The percentage of children with chronic malnutrition fell from 73 percent to 60 percent.

The percentage of children with chronic malnutrition fell from 73 percent to 60 percent.

WORLD BANK GROUP CONTRIBUTION

A US\$49 million Bank loan supported the Maternal and Infant Health and Nutrition Project. This was the first Bank financed project in the health sector in Guatemala.

In addition, the Bank provided significant project-related technical assistance and was closely engaged on the ground.

PARTNERS

The Ministry of Public Health and Social Welfare (MSPAS) implemented the project, provided all relevant data and complied with the loan's conditions, including social and environmental safeguards to make the project successful. The Bank team worked in close collaboration with the MSPAS Health Team to design the project and remained engaged during program implementation. The Inter-American Development Bank's Mesoamerican Health Initiative 2015—Guatemala Project also seeks to improve maternal health, reproductive and neonatal health, and strengthen access to and quality of services, while contributing to the achievement of the MDGs. It currently includes health facilities in 236 communities. A number of private initiatives also focus on maternal and infant health.

MOVING FORWARD

The Bank has remained engaged in the sector, implementing a health system strengthening non-lending technical assistance project, which also supports the Government's Pacto Hambre

Cero (Zero Hunger Pact) program. The Zero Hunger Pact, launched in 2012, identifies the reduction of malnutrition as a basic priority. The pact incorporates most of the elements found in the project, such as the provision of basic health services, promotion of proper nutrition, hygiene and breastfeeding, complimentary feeding and supplementation with micronutrients, and a focus on the population most vulnerable to food insecurity.

BENEFICIARIES

The story of Berly Noemi Perez, from La Puerta village in San Pedro Pinula, is an example of a malnourished girl who benefited from the project. When Berly was almost two years old, Luisa,

her mother, took the young child to the health center due to the child's poor weight gain. Luisa was informed that her daughter suffered from an acute respiratory illness, and was affected by poor hygiene in the household. Luisa was also very sad to learn that her daughter was considered malnourished. From that moment on, Luisa attended health and nutrition education sessions offered by the project and after some time the girl successfully gained weight and improved her energy levels. She is now a healthy four years old.

“Thank you!” states Luisa, “your advice helped me a lot and now I am able to take care of my children so that they stay healthy.”

GUATEMALA

ADOPTION OF CLEAN TECHNOLOGY PRACTICES BY MICRO, SMALL AND MEDIUM ENTERPRISES

THE GUATEMALAN EXPERIENCE

The Guatemalan Center for Clean Production drew on World Bank funding and knowledge services to help more than 20 micro-, small- and medium-sized enterprises (MSMEs) adopt clean production and logistics practices, reduce water consumption and increase energy efficiency. For 17 MSMEs from the agribusiness and tourism sectors, the project also supported training, technical assistance and creating action plans to adopt clean production practices.

CHALLENGE

In Guatemala, the tourism and agriculture sectors involve a number of operations that consume resources and generate waste and emissions, affecting health, worker safety and rational resource use. Guatemalan MSMEs are particularly significant sources of pollution in these industries, making them ideal candidates for adopting clean production technology. Cleaner production can



Guatemalan Clean Production Center. Photo: World Bank

cut costs, reduce emissions, improve the quality of products or services, enhance the competitiveness of enterprises and enable participation in new markets in which environmental management is a prerequisite.

SOLUTION

The World Bank-supported Promoting Clean Technology with Value Chains Project focused on developing a clean production value chain prioritization model to identify 20 value chains within the tourism and agribusiness sectors that had good potential for adopting clean production technologies. The project also supported two pilots in the tourism and agribusiness sectors to improve adoption of clean technology practices by MSMEs. This project was linked to the US\$32 million Enhancing MSME Productivity Investment Project, which could incorporate clean practices in its selection criteria for MSMEs.

The project supported two pilots in the tourism and agribusiness sectors to improve adoption of clean technology practices.

RESULTS

During the first semester of 2013, the project helped more than 20 MSMEs adopt clean production and logistics practices, reduce water consumption and increase energy efficiency. Through the pilots, 17 MSMEs from the agribusiness and tourism sectors received training and technical assistance to incorporate clean production practices into their businesses. Each company defined an environmental baseline and prepared an action plan to improve its business through clean production practices.

As examples of clean production practices the project team recommended the following:

- Investing US\$210 to replace 56 incandescent light bulbs with compact fluorescents could cut energy costs by 80 percent, save US\$900 per year and reduce emissions by 1.74 tons of carbon dioxide equivalent (CO₂e) per year.
- Investing US\$1,500 to replace 32 fluorescent lamps with LED tubes could cut energy costs by 84 percent, save US\$2,600 Per year and reduce emissions by 3.5 CO₂e tons per year.
- By decreasing maximum water temperatures, a hotel with an average of

62 guests per day could cut fuel costs by 40 percent, save US\$20,000 per year and reduce emissions by 56 CO₂e tons per year.

- Reducing the number of times a cold room is opened could cut energy costs by 30 percent, save US\$3,500 per year, and reduce emissions by 4.5 CO₂e tons per year.
- For every US\$1 invested in clean production practices, participants could save approximately US\$0.70 per year.
- By implementing their action plans, pilot MSMEs could reduce water consumption by 5,742 m³ (equivalent to 2.3 Olympic swimming pools) per year and cut emissions by 156 tons of CO₂e (the amount of carbon sequestered by 3,676 tree seedlings grown for 10 years) per year.

For every US\$1 invested in clean production practices, participants could save approximately US\$0.70 per year.



Training and Technical Assistance provided to MSMEs. Photo: World Bank

PARTNERS

This initiative was funded by a Norwegian Trust Fund for Private Sector and Infrastructure (NTF-PSI). The Guatemalan Clean Production Center (CGP+L) implemented the pilots.

The Guatemala Development Foundation (FUNDESA) collaborated with consultants on the value chain prioritization exercise. The Clean Production Technology Committee, which is made up of ministries, associations, and universities, and the Guatemalan National Congress supported activities implemented by the project.

In addition to the project-sponsored activities, the Korean Ministry of Knowledge and Economy (MKE) supported the complementary Creating Green and More Competitive Value Chains Project.

The Korean Energy Management Corporation (KEMCO) conducted energy audits for the leather and textile value chains.

MOVING FORWARD

The Center of MSME Development and its regional offices will disseminate the results (investment needed, economic benefits for the firm and environmental benefits for the country). The project includes a subcomponent for strengthening and increasing the number of business development services providers so that MSMEs can access services similar to those received by beneficiaries of the pilot. In addition, the Bank could expand the lessons learned from the Promoting Clean Technology with Value Chains Project by integrating clean production practices into the criteria for selecting value chains for the US\$32 million Enhancing MSME Productivity Investment Project.

BENEFICIARIES

According to the Guatemalan Tourism Agency (INGUAT), 2,690 hotels and lodging places were registered in 2012. According to the national census, there are more than 1,000 MSMEs in the agribusiness sector. Consequently, about 4,000 MSMEs could benefit from this pilot, either directly

(as beneficiaries of the MSME project) or indirectly (through learning about these results via the Centers of MSME Development and being enabled to replicate their experiences).

Luis Rey, General Manager of Hotel Ajau, said, *“For the Hotel Ajau, the training and technical assistance provided by the Guatemalan Clean Production Center through the project funded by the World Bank was very beneficial. Learning about the importance of adapting clean production practices was very important. We have implemented some changes in our hotel in order to save energy and water consumption without affecting the comfort of our clients. We have benefitted from these changes by reducing our costs and also because we promote them among our clients as part of our marketing strategy; we want to let our clients know that we care about the environment as well as to encourage them to adopt clean practices at home.”*

HAITI

IMPROVING ACCESS TO WATER AND SANITATION IN RURAL HAITI

RURAL COMMUNITIES OF THE SOUTH AND NIPPES DEPARTMENTS

Haiti has built safe drinking water systems serving more than 50,000 people and school latrines for more than 5,000 students and teachers in rural Haiti. The government also helped establish professional operators and water and sanitation committees in nine communes and provided hands-on training to the operators and committees in community mobilization, conflict resolution, billing and accounting, meter reading and repairing, chlorination as well as plumbing.

CHALLENGE

While more Haitians have gained access to improved drinking water sources over the last decade, reducing the gap between urban and rural water access remains a challenge. In rural parts of Haiti, less than half of the population has access to improved water sources and only 17 percent of people have access to improved sanitation.

In rural parts of Haiti, less than half of the population has access to improved water sources and only 17 percent of people have access to improved sanitation.



Water Kiosk. Photo Jean-Martin Brault / World Bank

The limited resources available for water supply outside the Port-au-Prince metropolitan area were mostly used for urban water supply in secondary towns. In addition, the Ministry of Health's rural water units had limited funds and had become inactive. There was also no specific institution responsible for sanitation. Without an institutional presence in rural areas, it was difficult to prioritize investments in order to reach the neediest citizens. Local communities could not properly maintain infrastructure and many rural water systems were managed by water committees often consisting of unpaid volunteers elected by the community.

The performance of water committees varied widely, but most water committees were not able to collect sufficient funds for operation and routine maintenance.

Adding to these challenges, a cholera epidemic struck Haiti in October 2010 exposing the important health risks related to low water supply and sanitation coverage in rural areas, as well as the need to speed up investments in building and rehabilitating water and sanitation infrastructure.

SOLUTION

The World Bank partnered with the State and Peace-Building Fund (SPF) and the Haitian National Water and Sanitation Directorate (DINEPA) to address the challenges of increasing access to water supply and sanitation services in rural communities of the South and Nippes departments of Haiti. The Rural Water Supply and Sanitation Project introduced a professional management model involving local, professional water operators (OPs), which were selected and contracted by the community to operate, maintain and manage the water supply systems. It also promoted cost recovery, metering, and the use of water kiosks, as well as gravity-fed piped systems to minimize potential technical issues. Where pumping was necessary and cost-effective, the project preferred renewable energy, such as solar.

The communities were selected by evaluating their willingness to pay for water services and by using a participatory approach providing communities with a series of choices for different water service levels – household connection or water kiosk—and different tariff structures.

In line with the national sanitation strategy, the Bank also conducted hygiene and sanitation

promotion and training activities, focusing on the development of incentives to encourage Haitians to build, maintain and use their own toilets.

RESULTS

The project supported improvements in water and sanitation through several key outcomes.

The main results of the water supply interventions include:

- Construction or rehabilitation of 15 drinking water systems to serve 59,367 people. Systems were equipped with a chlorinator and each operator has a test kit to measure water quality.
- Establishment of a new management model in nine communities serving 49,712 people. The water and sanitation committees (CAEPAs) and OPs were trained in community mobilization, conflict resolution, billing and accounting, meter reading and repairing, chlorination as well as plumbing. In addition, following the cholera epidemic, members of CAEPAs, OPs and plumbers were trained in the basic response to cholera and other waterborne diseases.

- Installation of 1,598 household connections to water networks, and construction or rehabilitation of 55 water distribution kiosks and 34 public fountains.
- Installation of eight boreholes with hand pumps serving 4,000 people.



Water Kiosk. Photo Jean-Martin Brault / World Bank

The main results of the sanitation interventions are:

- Sanitation works in 14 public schools and one health center reaching 5,547 students and teachers.
- Construction or rehabilitation of 25 sets of latrines, 25 urinals and 28 hand-washing stations.
- Training for 14 masons from seven communities and one Rural Development Units (URD) technician to build latrines in the participating communities.
- Training for 28 trainers and 28 community workers in the Participatory Hygiene and Sanitation Transformation (PHAST) approach.
- Launch of hygiene and sanitation promotion campaigns on two regional radio stations.
- Training sessions on hygiene promotion and sanitation in schools and health centers, increasing the proportion of households that own and use a latrine.

WORLD BANK GROUP CONTRIBUTION

The Bank contributed to DINEPA's Rural Water and Sanitation Program with a \$5 million grant in 2011.

PARTNERS

The State and Peace-Building Fund contributed an additional \$5 million. The professional operator management model was adopted by the Inter-American Development Bank (IADB). Subsequently, the Bank and IADB have been coordinating investments and sharing lessons learned.

MOVING FORWARD

As a result of the successful implementation of the professional operator management model in the South department, a new project is under preparation to scale up the model to the national level. The new project will accompany DINEPA in its decentralization process and in efforts to achieve sustainable access to water supply and sanitation services in rural areas and small towns. It will build on the lessons learned from the implementation of this project, from best practices in sector reform from other countries and from global health and water supply and sanitation practices to help prevent and control cholera.

BENEFICIARIES

The project has successfully increased access to water services in participating rural communities. The water systems constructed or rehabilitated have benefited 59,367 people in 15 communities. The project has also contributed to increasing access to and use of sanitation to 4,964 households in the seven communities targeted for this intervention. In addition, sanitation was improved in one health center and 14 schools which received a total of 25 new or rehabilitated latrine blocks to benefit 5,547 students and teachers. Finally, 27.5 percent of households surveyed in beneficiary communities reported having built a latrine with their own resources in the last five years.

CAPTURING THE IMPACT OF THE 2010 HAITI EARTHQUAKE

ENHANCING PUBLIC SECTOR FINANCIAL MANAGEMENT

In the aftermath of the 2010 earthquake in Haiti, the World Bank provided significant technical assistance to the design and management of a national poverty survey, introducing the use of new data entry techniques. Haiti now has the first living condition survey in more than a decade, with reliable and detailed households consumption data for the first time since 1998, and the Haitian Institute of Statistics has enhanced capacity to implement reliable surveys for future use.

CHALLENGE

A troubled past, persistent weak governance and civil unrest have resulted in staggering poverty rates in Haiti, very poor access to basic services, and low human development indicators. Data availability in the country has been limited due to scarce resources and low capacity in the Haitian Institute of Statistics. As a result, knowledge on living conditions in the country has traditionally been limited. The only poverty rates available

in Haiti date back to 2001 when poverty was measured using income and international poverty lines. However, income is widely recognized as a less optimal tool to capture welfare in a context like Haiti.

SOLUTION

In the aftermath of the 2010 earthquake, Haiti sought to conduct a living conditions survey. While part of the sampling work was already finalized



Delmas 32, Port-au-Prince, Haiti. Photo: World Bank Collection

by 2010, the survey preparation was delayed due to the disruption of the natural disaster and low capacity of the Government.

In February 2012 a new team, supported by the World Bank, took over survey preparations and successfully fielded the survey six months later. Less than a year later, the data was available for data cleaning and the quality was found to be very high, with only a 1.4 percent non-response rate.

This success can be contributed to quality preparatory work, which was supported by World Bank technical assistance to the Government throughout the activity, as well as to the adoption of an innovative use of tablets (instead of normal paper questionnaires) in the survey process.

RESULTS

The survey in general and the consumption data in particular will allow the establishment of a national poverty line for the country, and a series of baseline indicators to monitor poverty and shared prosperity in the future. The survey has quickly become one of the building blocks of the new poverty monitoring system for Haiti, which in turn is going to become a powerful evidence-based tool for policy-making.

Furthermore, the activity was implemented in close collaboration with the Haitian Institute of Statistics. The Institute benefitted from significant technical assistance in survey design and management, including the use of new data entry techniques.

WORLD BANK GROUP CONTRIBUTION

The survey cost almost US\$1.7 million to implement. The activity benefitted from several sources of financing including: US\$400,000 from the Spanish Fund for Latin America and the Caribbean (SFLAC), which financed the technical assistance involved in the preparatory phase of the survey; US\$850,000 from the World Bank's Infrastructure and Institutions Emergency Recovery Project, which financed most of the survey costs; and US\$463,000 from World Bank budget.

The only poverty rates available in Haiti date back to 2001 when poverty was measured using income and international poverty lines.

PARTNERS

Successful survey completion was the result of a partnership among three institutions: the Haitian Institute of Statistics (IHSI), the World Bank and DIAL, a French public research center. DIAL additionally contributed US\$180,000 to the survey.

MOVING FORWARD

The next steps to the survey have already been initiated:

- A second wave of the survey was fielded 8 months after the initial wave;
- A national poverty line was developed with the Government of Haiti using the data
- A multi-sectorial poverty assessment was launched based on the new evidence and is scheduled to be delivered in 2015/16.

BENEFICIARIES

The direct beneficiary of this project was the IHSI, which benefited from extensive technical assistance and the reliable data resulting from this survey. By extension, the Haitian Government will benefit from this activity, as decision makers will be able to base their policies on sound evidence. Finally, in the long term the people of Haiti will benefit from this activity, particularly if it contributes to a new culture of monitoring and evaluation and evidence-based policy making.

A multi-sectorial poverty assessment was launched based on the new evidence and is scheduled to be delivered in 2015/16.



Rosa Mercius, Haiti. Photo: Christelle Chapoy / World Bank Collection

ENHANCED STABILITY IN HONDURAS' FINANCIAL SECTOR

IMPROVING PERFORMANCE AND REDUCING RISKS OF ILLEGAL TRANSACTIONS

By 2003, the stability of the Honduran banking system was in question. This project contributed to restoring confidence by helping the Banking and Insurance Commission (Comisión Nacional de Bancos y Seguros, CNBS) and the Central Bank improve their operations. Together with a relatively stable macroeconomic environment, the measures taken resulted in a significant increase in the volume of savings in banks available to finance the economy.

CHALLENGE

In October 1998, Hurricane Mitch hit Honduras with devastating effects that included a severe shock to the financial sector due to an upsurge in the volume of bad debt and substantial financial losses. By 2003, the stability of the Honduran banking system was weakened. The 2003 Financial Sector Assessment Program (FSAP) update highlighted significant vulnerabilities in the financial sector, including weak compliance with the internationally accepted Basel Core Principles

for effective banking supervision, insufficient loan loss provision reserves for loans adversely affected by exogenous shocks, low capital asset ratios, and high numbers of non-performing loans. In addition, there were major weaknesses in the legal framework and practices to combat money laundering, and the country's payments system had a number of structural shortcomings resulting in high exposure to credit, liquidity, legal, operational, and settlement risks for both fund transfers and securities transactions.

SOLUTION

This technical assistance project worked with CNBS from 2004 to 2013 to help adopt a risk-based supervisory model by amending financial sector laws (including the Financial System Law) and issuing regulations governing their implementation. In addition, the project provided input for the operation of a high-level early warning committee of all relevant financial sector authorities able to undertake prompt corrective actions if financial system entities deteriorate. It also supported CNBS in improving its capacity to detect illegal financial transactions, contributing to an increase in the number of suspicious transactions reported monthly, from 12 in 2004 to more than 60 in 2013.

Moreover, the project helped modernize the Central Bank of Honduras by acquiring and implementing a modern general ledger, an automated foreign exchange auction module, a Real-Time Gross Settlement (RTGS) System and Central Securities Depository, and an electronic document management system. The new systems replaced numerous fragmented, cumbersome, vulnerable and error-prone systems. Together, they constitute the key financial infrastructure for the operation of the country's large-value payments

and government securities systems, foreign exchange auction system, and interbank market, enabling the efficient implementation of monetary policy.

RESULTS

The financial system of Honduras has benefitted from the initiatives supported by the project in terms of improved performance and reduced risks:

- The authorities found the initial diagnostics and business plans funded by the project very useful to better understand and address the weaknesses of the system.
- Supervision of the banking sector improved significantly due to the implementation of an ambitious plan to strengthen the supervisory capacity of CNBS.
- Overall, the project contributed to restoring confidence in the financial system and consequently to the growth of the economy through a higher savings rate and greater availability of financing. Lending by banks went up from 31 percent of GDP in 2004 to 42 percent in June 2013. Among other things, the total volume of deposits in the banking system grew from US\$3.4 billion to US\$9.1 billion between

2004 and 2013. Bank performance also improved significantly, with the level of non-performing loans decreasing from 8.7 percent to 2.2 percent over the same time period.

The authorities found the initial diagnostics and business plans funded by the project very useful to better understand and address the weaknesses of the system.

The Central Bank successfully introduced new banking technology:

- The new general ledger and connected systems (including the foreign exchange auction module) became operational in 2012.
- The new RTGS payment system became operational in March 2013 with all banks connected. The RTGS has already improved the efficiency and security of the country's large payments, reducing the time needed to settle such transactions

from up to four hours to less than a second, and allowing participating banks to review their transactions online.

These new technologies also contribute to enhancing the operational efficiency of monetary and exchange rate policies. In turn, these benefits will help Honduras deepen its financial system to serve more individuals and businesses in a less costly manner.

WORLD BANK GROUP CONTRIBUTION

The total cost of the project was US\$11 million at inception. The International Development Association (IDA) contributed US\$9.9 million through a technical assistance loan. The Government of Honduras contributed US\$1.1 million. The Bank's resources were used mainly to strengthen the capacity of the Central Bank and the Banking and Insurance Commission through technical assistance and the acquisition of necessary Information and Technology infrastructure.

PARTNERS

The principal partners were government agencies directly involved with the financial sector, including the Central Bank, CNBS, the Ministry of Finance, and the Technical Secretariat of the Presidency.

A Project Coordination Unit at CNBS, which provided fiduciary support to manage the project, coordinated implementation.

The international financial community—the World Bank, the International Development Association (IDA), the International Monetary Fund (IMF) and the Inter-American Development Bank (IDB)—coordinated to support the reforms. The IMF provided a Poverty Reduction and Growth Facility. The IDB provided additional complementary technical assistance. IDA provided a subsequent policy loan in support of the policy reforms.

MOVING FORWARD

The Bank and the Borrower are discussing options for further technical assistance in areas such as drafting regulations to implement new laws; developing a new supervisory framework for the cooperative sector and others; developing a financial inclusion strategy that would focus on rural and agricultural finance systems and the corresponding public sector activities; and implementing measures to strengthen the oversight of insurance and banking systems, including aspects related to combating money laundering. The Central Bank foresees further consulting and equipment needs to continue improving its systems

while broadening them to address emerging needs of the general ledger and payments system.



Photo: World Bank Collection

BENEFICIARIES

The beneficiaries of this project include Honduran financial institutions, whose performance has improved because of the strengthening of the regulatory framework and financial system infrastructure. The 21 percent of all adults in the country who hold an account at a formal institution will also benefit, insofar as savings in the form of bank deposits and other investments will be less vulnerable to potential losses. Greater confidence in the financial system will also contribute to a higher savings rate and thus greater availability of financing for investments.

BETTER NUTRITION AND JOB SKILLS FOR YOUTH IN HONDURAS

THE NUTRITION AND SOCIAL PROTECTION PROJECT

With Bank support over several years, Honduras created a Ministry of Social to law a national Social Protection Policy, reached 36,000 children under two years old in 1,038 poor rural communities with nutrition services, and provided technical and life skills training to improve the employability of 4,883 at-risk youth.

CHALLENGE

In 2005, Honduras was one of the poorest countries in Latin America. Despite modest gains in poverty reduction in the 1990s, the prevalence of vulnerability remained high. For many, economic and human development was beyond their reach and the most vulnerable were young children and unemployed youth. These groups were exposed to additional risks that increased their probability of being poor. For young children, the critical risk was chronic malnutrition; for youth 15-19 years of age, the risk was the inadequate level of skills due to

incomplete and low quality education.

The Government of Honduras was focused on addressing the challenge of breaking the intergenerational transmission of poverty and accelerating human capital accumulation through integrated social policies targeted to the most vulnerable groups, with complementary social protection interventions, as well as creating a framework for an integrated social protection system.



Photo: World Bank Collection

SOLUTION

The World Bank had been working with the Government to develop analytical and operational building blocks to support public efforts to reduce poverty sustainably. Based on this foundation, the Nutrition and Social Protection Project was designed to improve Honduras' social safety net for children and youth and reduce the exclusion of vulnerable groups by addressing three related social policy challenges: poverty, malnutrition, and limited opportunities for youth.

The Project helped improve the overall social protection system by developing a legal and policy framework for social protection and a coherent institutional structure to coordinate budget allocations and monitor social protection interventions. It expanded a community nutrition program to the six poorest Departments while piloting a parenting intervention to promote children's cognitive, socio-emotional, and linguistic development and real-time cell phone monitoring of nutrition indicators. The Project worked closely with the private sector to implement an innovative youth employment program that combined life skills training, technical skills instruction, and internships.

RESULTS

The International Development Association Credit supported the following results:

- Development of a Social Protection Policy that was signed into law.
- Creation of the Secretary of Social Development, mandated to oversee all social protection interventions.
- Establishment of a social protection information system, a beneficiary registry, a social programs registry, and monitoring and evaluation tools. These tools will

provide a clear vision for social protection and the means to implement it.

- Delivery of nutrition services to 36,000 children under two years old in 1,038 communities, resulting in a 4.7 percentage point reduction in chronic malnutrition for children were involved in the program for an average of 12 months.
- If children had been involved in the program for the full two years (birth through age two), the reduction would have been 11.5 percentage points using the National Center for Health Statistics (NCHS) growth reference.
- Positive behavioral changes (e.g., exclusive breastfeeding, feeding practices for children 6-24 months, etc.).

The Project worked closely with the private sector to implement an innovative youth employment program that combined life skills training, technical skills instruction, and internships.

- Training of 4,883 at-risk youth, 47 percent of which are women, and 30 percent of whom found employment within 6 months of graduation, even a in the challenging context of political crisis and restrictive labor laws for youth. The average salary for beneficiaries was higher than the national average for that age group (15-19 years old).
- Establishment of an employment information service, which now has budget and personnel within the Secretary of Labor.

WORLD BANK GROUP CONTRIBUTION

The Project provided a total of US\$20.9 million, of which US\$1.92 million financed social protection, US\$12 million financed nutrition, and US\$7 million financed youth employment. Additionally, US\$1.2 million from the Rapid Social Response (RSR) trust fund was used to further strengthen the nutrition response.

PARTNERS

Consistent with the Paris/Accra harmonization efforts, the Project supported Honduras' development priorities and promoted

harmonization of all stakeholders. Analytical work, policy dialogue and operational support for social protection were coordinated with the Inter-American Development Bank. Through the Project, the Bank was able to leverage US\$1.2 million from the Rapid Social Response (RSR) trust fund.

MOVING FORWARD

The Project supported a transition agenda for the new Government, summarizing the country's achievements in social protection to ensure continuity of human development policies. An ongoing Social Protection (SP) Project will continue to strengthen national capacity to administer social protection programs, particularly the Conditional Cash Transfer program, Bono 10,000. The RSR grant has developed mobile technology for data collection to facilitate evidence-based decision making in nutrition. The youth employment model has been adopted and is being implemented by other development partners in the country through a €40 million project.

BENEFICIARIES

When asked if mothers follow the recommendations of the community nutrition program, one community worker (monitora) from

the Department of La Paz said, "Yes, we had a girl who was about to become malnourished, every month with the same weight. I went to her house, went to visit, talked to the mother about what how to feed her child. I was glad I went, and the mother learned. Now the girl is well."

The youth employment model has been adopted and is being implemented by other development partners in the country.

JAMAICA RESPONDS TO HIV/AIDS

From 2002 to 2012, Jamaica drew on World Bank funding to support its National HIV/AIDS Response. During this time period, Jamaican adult HIV prevalence was maintained at less than 2 percent and new infections declined by 25 percent. By reducing the mother-to-child transmission rate from over 10 percent in 2006 to 2.4 percent in 2011, Jamaica is on track to achieve the regional target of eliminating mother-to-child transmission.



Photo: World Bank Collection

CHALLENGE

In 2008, AIDS and other sexually transmitted infections were the second leading cause of death for young people between the ages of 15 and 24. Although prevalence rates varied across population groups, men who have sex with men (MSM, 20-30 percent) and female sex workers (FSW, 9 percent) were the groups driving the epidemic. However, heterosexual transmission was reported by 90 percent of persons with HIV.

Risky behaviors included participation in commercial and transactional sex, failure to use condoms with non-regular partners, early initiation of sexual activity, gender inequity and gender roles, poverty, and stigma and discrimination, all of which negatively affected the ability of individuals to improve their health.

SOLUTION

Between 2002 and 2012, Jamaica has drawn on World Bank funding to support its National HIV/AIDS Response. Activities supported by the project included increased condom distribution and testing, delivery of integrated treatment to AIDS patients at 23 treatment sites, development of legislation to support an enabling environment, and a strengthened health system through the upgraded capacity of the biomedical waste management plan to treat 83 percent of annual medical waste from public health facilities.

In 2008, the Jamaica Second HIV/AIDS Project was prepared in eight months as part of the Government's emergency response to HIV/AIDS and in support of the financing needed to implement the National HIV/AIDS Strategic Plan (NSP). It included retroactive financing for a seamless transition from the first to the second

project. The project pooled Bank funds and other donor funds to allow the Government the flexibility to finance different activities aligned with NSP priorities. This approach proved to be effective particularly when the 2008 global financial crisis hit Jamaica and limited the resources for implementing the NSP.

Jamaica was able to use the Bank loan as its counterpart funding to meet a condition of a grant from the Global Fund to Fight AIDS, Tuberculosis and Malaria. When funding improved, the Government reallocated funds to allow the project to catch up with delayed activities.

RESULTS

The following results were achieved under the Jamaica Second HIV/AIDS Project:

Prevention

- 91 percent of female sex workers reporting condom use with their most recent client (target: maintain more than 90 percent).
- 59.2 percent of female sex workers who received HIV testing in the last 12 months and who know the results (target: 50 percent).

- 40,445 female sex workers and 22,145 men who have sex with men reached through prevention activities (target: FSW 14,955; MSM 14,059).
- 19 percent of prison inmates reached through prevention activities (target: 15 percent).
- 1.4 percent of infants born to HIV infected mothers who are also HIV infected (target: less than 5.0 percent).
- More than 95 percent of antenatal clinic clients counseled and tested for HIV (target: maintain more than 90 percent).

91 percent of female sex workers reported condom use with their most recent client.

Treatment, Care, and Support

- 10,469 men, women and children with advanced HIV receiving antiretroviral combination therapy according to national guidelines (target: 9,000).
- 85.8 percent of HIV positive pregnant women receiving a complete course of antiretroviral (ARV) prophylaxis to reduce the risk of mother-to-child transmission (target: maintain more than or equal to 80 percent).

Strengthening Institutional Capacity for Legislative Reform, Policy Formulation, Program Management, Monitoring and Evaluation

- 100 percent of reported cases of HIV related discrimination receiving redress (target: 70 percent).
- 100 percent of institutions/organizations reached adopting HIV/AIDS policies (target: 93 percent).

WORLD BANK GROUP CONTRIBUTION

The Bank's total investment contributions in support of Jamaica's response to HIV/AIDS include the first loan for US\$15 million, which was implemented between March 2002 and May 2008, and the follow-on Second HIV/AIDS Project for US\$10 million, implemented between May 2008 and March 2013.

PARTNERS

The project was implemented by the Ministry of Health, its four decentralized regional health authorities, four non-health line ministries, civil society organizations, and the Jamaica Business Council. The project was critical in helping the Government leverage additional donor funds, which included US\$44.22 million from the Global Fund and US\$26 million from the United States Agency for International Development, President's Emergency Plan for AIDS Relief (USAID/PEPFAR). Based on the sustainability study conducted by the Bank in collaboration with the Government and the United Nations Program on HIV/AIDS (UNAIDS), the Global Fund has provided an additional grant of approximately US\$2 million to assist Jamaica during the transition from external to domestic financing of the National HIV/AIDS Program.

MOVING FORWARD

Due to limited fiscal space, the Government has focused on improving program efficiency and cost-effectiveness of interventions. In March 2013, the National HIV/AIDS Program was integrated into the National Family Planning Board to strengthen the link between family planning, HIV, sexually transmitted infections, and sexual and reproductive

health, as well as to maximize coverage and health outcomes and optimize the use of scarce resources. This integration is expected to improve the National HIV/AIDS Program's capacity to attract funding and international assistance, providing a more optimal governance framework for project financing and monitoring. The Bank remains engaged with the Ministry of Health, providing technical assistance for the costing of the Non Communicable Diseases National Strategic Plan.

BENEFICIARIES

Project beneficiaries included:

- At-risk populations, particularly men who have sex with men and female sex workers, benefited from the prevention programs.
- Persons living with HIV/AIDS benefited from better access to treatment, care, and support interventions.
- Pregnant women and newborns benefited from the antenatal and prenatal programs.
- School youth, prison inmates, and drug users benefited from improved prevention services.

MUCHO CORAZÓN: USING A SOAP OPERA AS A VEHICLE FOR FINANCIAL EDUCATION IN MEXICO

The World Bank assisted producers of a soap opera (telenovela) in Mexico with including messages related to basic financial education in the script. A qualitative evaluation showed that viewers like learning through entertainment media and those viewers who identified more closely with the characters in the soap opera were more likely to change their behavior.

CHALLENGE

As financial inclusion spreads worldwide, the issue of how to provide effective financial capability training is a growing concern for policymakers. Data on the use of financial services in Mexico indicate that many people could benefit from simple advice. The 2012 Mexican Financial Capability Survey found that significant majorities agree with statements that show a short-term mentality such as “The future will take care of

itself.” It is no surprise, then, that only 7 percent of Mexicans save in a formal account, compared to a regional average of 10 percent. Moreover, only 12 percent of Mexicans in the bottom 40 percent by income distribution have a formal transaction account, compared to 41 percent in Brazil.

SOLUTION

One area where Mexico does not lag is access to television—approximately 95 percent of



Photo: <http://mediaimpact.org/>

households own at least one set. To integrate financial education with televised entertainment, the World Bank worked with the producers of the Mexican telenovela Mucho Corazón to include financial messages in several story lines across 7 of 35 episodes. World Bank staff advised the show’s producers on the selection of financial topics and reviewed some scripts.

95 percent of households own at least one TV set.

Mucho Corazón is a typical telenovela—but with a financial twist—intended to educate as well as to entertain. It tells the story of Maruch, a young indigenous woman from a rural community in Chiapas. Creating a budget, saving, investing, and avoiding financial abuse are all themes in Mucho Corazón.

Mucho Corazón was broadcast in 2012 in Chiapas and subsequently in approximately 20 other Mexican states through state-owned TV channels and in six other countries, mostly in Central America.



Photo: <http://mediaimpact.org/>

RESULTS

Lessons were drawn from a qualitative evaluation of the financial messages in Mucho Corazón in two Mexican states, Queretaro and Oaxaca. The research included twelve diverse focus groups and 32 individual interviews, in both of which participants saw the same short scenes from the telenovela where financial issues were being addressed. The two most important results that emerged were:

- People liked learning through entertainment media. Viewers enjoyed learning about financial topics through Mucho Corazón and saw financial topics as an advantage for the soap—something useful and new in entertainment programming. In particular, viewers saw the discussion on savings positively.

- The effects of the intervention were context specific. To analyze and compare viewers’ reactions to Mucho Corazón, the interviews asked respondents to evaluate the clips on five dimensions. Data shows the results regarding the savings theme for both Oaxaca and Queretaro. Both groups understood the educational message about savings and said it was conveyed clearly. In Oaxaca, viewers also indicated a high level of identification with the topics and said they experienced a “change of perception” that could lead to behavior change. Oaxaca is one of Mexico’s southernmost states, borders Chiapas (where Mucho Corazón was produced and filmed), has a large indigenous population, and incomes are below the national average. Residents of Queretaro, by comparison, were less likely to identify with the clips, and few indicated that their attitudes were affected by a “change of perception” that could lead to behavior change because of the show. Queretaro is north of Mexico City, is more urban and has a higher-income population. In other words, Mucho Corazón was more effective where people more closely identified with the characters and setting.

WORLD BANK GROUP CONTRIBUTION

The Bank supported the project with a US\$68,174 loan.

PARTNERS

- The State Government of Chiapas produced the telenovela with assistance from PCI Media Impact.
- PCI Media Impact, a New York-based nongovernmental organization that helped the State Government of Chiapas produce the telenovela.
- Simo Consulting conducted the evaluation research.

MOVING FORWARD

Further study using quantitative methods is planned to complement this qualitative study.

The knowledge that effects are context specific (i.e., that respondents from Queretaro did not identify with the show and did not change their attitudes about the educational themes, but viewers from Oaxaca experienced more change) is informing future broadcast plans for the soap opera, which will likely focus on more rural, indigenous populations.

Future evaluation work with Mucho Corazón may include outreach activities such as text or voice messages, which give viewers a concrete link to government agencies or financial services to make it easier to take action.

BENEFICIARIES

A 24-year-old woman from Oaxaca commented: *“It is a subject [audiences in] Oaxaca would be interested in, since we do not have a culture of saving money.”*

A young man in Queretaro, when asked whether he would prefer to learn about financial topics through a soap opera or more traditional methods such as a classroom presentation, said he favored the soap opera. He said it allows him to see how someone can develop financial skills by watching the characters in the drama, which is easier to understand than just being told what to do.

TIMELY INTERVENTIONS TO REDUCE CLIMATE CHANGE VULNERABILITY IN MEXICO

The Mexican states of Campeche, Michoacan, Oaxaca, and Zacatecas initiated a multi-stakeholder process that led to the integration of plans with feasible and broadly supported interventions to reduce climate change vulnerability in each state. These processes were crucial for the state Governments to elaborate their respective Climate Change Action Plans.

CHALLENGE

Mexico is recognized as a global leader in addressing the challenges of climate change. It has enacted one of the most comprehensive legal frameworks on climate change, embraced ambitious targets to lower emissions, and begun the preparation of plans to manage and address the risks of climate change. In addition, all 31 states are requested to prepare specific Climate Change Action Plans (CCAPs). Each CCAP must establish

the state's emissions baseline and inventory, define climate change scenarios, identify priorities for adaptation, and, where relevant, mitigation actions, and set forth specific actions to achieve these priorities. CCAPs thus reflect the individual situation in each state and indicate specific mitigation and adaptation measures.

SOLUTION

Beginning in 2011, the World Bank supported the state Governments of Campeche, Michoacán, Oaxaca and Zacatecas to prioritize interventions for climate change adaptation. The World Bank approach consisted of Strategic Environmental Assessments that combined:

- Solid analytical work.
- Participatory mechanisms.
- A focus on institutions and governance.
- Social learning mechanisms.

The analytical work included the preparation of climate change scenarios, while the engagement of a broad range of stakeholders (including from academia) focused on the validation of such scenarios, prioritization of impacts, and selection of feasible interventions to address priority impacts.

Another key element of the Bank support was the identification of the institutional reforms needed to support these interventions. While the approach was consistent across states, the Bank's support was tailored to the needs of each state.

Key issues identified in Campeche included coastal erosion, sea level rise and higher frequency and

While the approach was consistent across states, the Bank's support was tailored to the needs of each state.

intensity of storms, while higher temperatures, reduced water availability, and impacts on agriculture were identified as priorities in Michoacán and Zacatecas. In Oaxaca, the Bank supported the preparation of the Climate Change Atlas, which provides a series of maps of the state's regions, districts and municipalities, illustrating data on climate change, extreme weather events, bioclimatic parameters and droughts.

RESULTS

The efforts supported by the Bank from 2011-2013 helped to identify climate change adaptation priorities in each state, recognizing their different circumstances and vulnerabilities. As a result, relevant state authorities have approved the policy papers based on a participatory process to prioritize actions and more than 50 percent of actions called for in the policy papers are now reflected in corresponding work plans and programs in

Zacatecas, Oaxaca, Quintana Roo and Campeche. In addition, guidelines to prepare state climate change action plans based on Social Accounting Matrices have been prepared for Campeche and Quintana Roo.

Consequently, Campeche, Oaxaca, Zacatecas and Michoacán submitted their Climate Change Plans to the Federal Government by early 2013. Additional work in Campeche, Yucatán and Quintana Roo on Green Inclusive Growth is ongoing.

WORLD BANK GROUP CONTRIBUTION

This analytical work was financed through a grant from the Spanish Fund for Latin America amounted a total of US\$350,000. The World Bank will provide additional financing supporting the states' efforts regarding a regional green inclusive growth strategy for the Peninsula of Yucatán.

PARTNERS

Key partners in completing this analytical and convening work were the Instituto Nacional de Ecología y Cambio Climático (INECC) and the Nature Conservancy (TNC).

MOVING FORWARD

Building on the states' climate change plans, the Government of Mexico is interested in a subnational initiative for Green and Inclusive Growth that will focus specifically on working with subnational Governments in the Yucatán Peninsula region with the objective of piloting green, inclusive growth in key areas in the region. Resilience and social inclusion are the key themes for this initiative.

BENEFICIARIES

The types of beneficiaries are broad in nature and extend to both the public (direct) and private sector (indirect).



Hiervelagua, Oaxaca, Mexico. Photo: Marcelo Guerrero. Freeimages CC©.

MOBILE FACTORING, A NEW SOLUTION TO BOOST SMALL FARMERS' PRODUCTIVITY IN PARAGUAY

A public financial institution in Paraguay designed and tested a new financial product to provide working capital to small farmers. A proof of concept demonstrated that a factoring solution implemented on mobile phones can effectively ease access to finance for small farmers. Scaling up the solution – starting with an upcoming pilot – may boost small farmers' productivity.

CHALLENGE

In Paraguay, agricultural value added is about 20 percent of GDP (10 year average), and agriculture employs about 24 percent of the labor force. Yet, many agricultural producers face challenges in financing their activities. In 2006-2007, only 18 percent obtained credit. Farmers and farming associations report that the top barriers to obtaining working capital are high interest rates

(68 percent), information requirements (65 percent), and physical distance (57 percent).

Many farmers sell their products at low prices due to weak access to markets and urgent need for cash.

In addition, most sales by rural farmers in Paraguay are informal. In a 2012 market study, 53 percent of farmers reported that sales were undocumented. Many farmers sell their products at low prices due to weak access to markets and urgent need for cash. Others, incorporated into value chains, usually sell on credit but need liquidity.

SOLUTION

The World Bank assisted Crédito Agrícola de Habilitación (CAH) – a public financial institution mandated to boost rural development by fostering access to finance for micro and small agricultural producers (MSAPs) – with the design of a mobile factoring scheme.

Assistance included the design of an electronic platform through which MSAPs could request credit over confirmed credit sales to registered buyers as well as the design of procedures, both of which were tested during the proof of concept. A training material, key element to ensure final users' understanding of mobile factoring, was also prepared.

The sale and credit processes are registered through the electronic platform. The MSAP may

request credit based on confirmed credit sales documented by deferred checks issued by the buyer (concentrators, supermarkets). CAH discounts these checks and, at maturity date, cashes them, cancelling the credit. This system will be further tested by CAH during the pilot phase.



Photo: World Bank Collection

RESULTS

Four successful transactions were processed during the proof of concept. These were result of real sales done by small cooperatives of farmers to the Central Paraguaya de Cooperativas (CEPACOOOP). Credits were disbursed and cancelled from June 2013 to January 2014 and channeled through 3 MSAPs that act as the small cooperatives' person in charge of preparing sales orders received from CEPACOOOP. The small cooperatives involved were Cooperativa Guayaivi Unido (95 members) from Guayaibí, District of San Pedro, and Cooperativa Pacova Poty (90 members) from Tembiapora, District of Caaguazú. On average, each credit (approximately 40 days) based on a sale of bananas to CEPACOOOP directly benefits 20 people, including agricultural producers and workers that prepare the loads.



Photo: World Bank Collection

During the proof of concept, internal processes at CAH were put in place, tested, and adjusted for the pilot phase that will come next. The Administrative Council approved the final version of the protocols in November 2013.

A final user training manual was delivered to CAH. The manual explains financial concepts and illustrates in detail the process for mobile factoring operations during the pilot. As such, the manual itself (in addition to the proof of concept) is a key input to the upcoming pilot.

WORLD BANK GROUP CONTRIBUTION

The Bank supported the Project with a US\$276,300 loan.

PARTNERS

- Crédito Agrícola de Habitación (CAH) in Paraguay, project client.
- Japan International Cooperation Agent (JICA), main partner. JICA financed a legal viability analysis and the market research to evaluate the potential demand, among Paraguayan MSAPs, for a factoring solution and the challenges and opportunities for CAH to offer mobile factoring as a viable product.

- Sistemas Electrónicos del Paraguay S.A. (SEPSA), technology partner. SEPSA developed the electronic platform to support the implementation of factoring on mobile technology. SEPSA is the largest company in Paraguay providing IT solutions to manage mission critical transactional operations using Electronic Data Interchange (EDI).

MOVING FORWARD

Due to legal restrictions on fully-electronic implementation (including the fact that electronic invoices and electronic signatures have not yet been implemented in Paraguay) the pilot will follow the same mix of paper-based and electronic processes used in the proof of concept.

For the pilot, CAH will negotiate with a local telecommunications company to deliver mobile phones to MSAPs and will provide training.

Once the pilot ends, CAH should work to provide market price information through the platform and upgrade its system to fully integrate the factoring scheme. New developments would also be required once electronic invoices and signatures are implemented.

BENEFICIARIES

Concepción Iberbuden is a small agricultural producer in charge of sales of bananas from Cooperativa Pacova Poty to CEPACOOOP. He considers CAH's new product of great importance because it gives him security about getting the cash needed to distribute payment on time.

“Disbursements from Argentina are every 30 to 40 days, sometimes we have problems with [the other] producers because they need to pay their bills, clean or sanitize their banana plantations; with this product we receive payment within the week [of sale] and this is very helpful for the small cooperative, the producers, and the buyer.”

IMPROVING SERVICE DELIVERY IN PERU

SUPPORTING SERVICE DELIVERY THROUGH NATIONAL AND SUBNATIONAL PUBLIC SECTOR STRENGTHENING

Focusing on the connection between public expenditures and results, technical assistance supported the Government of Peru's work to improve service delivery by strengthening the performance of national and subnational public entities. Analyses contributed to a better understanding of the issues associated with these key public sector development priorities and helped to continue dialogue on future engagement.

CHALLENGE

In Peru, there is significant dispersion in municipal-level service delivery and outcomes; the percentage of the population without access to water ranges from 3.1 to 100 percent (2007), while municipal level poverty rates range from approximately 0.1 to 97.8 percent (2009). Over recent years, the Government has been particularly concerned with improving service delivery and, through raising awareness of this progress,



Photo: World Bank Collection

strengthening the social compact between the Government and the general population. While a lack of financial resources can complicate service delivery, as evident in some municipalities in Peru, the availability of funds does not guarantee their use. (Municipal budget execution was 72.9 percent in 2011, pointing to a suboptimal use of resources.) Given the gaps in service delivery and the availability of public resources, the focus of dialogue has shifted from the availability of funds towards how funds can be used more effectively and efficiently to support development outcomes.

SOLUTION

Building upon recent decentralization efforts, work undertaken in previous years, and the growing importance of extractive industries, a set of analytical products designed to assess the determinants of public expenditure, propose recommendations to strengthen public spending and development outcomes, as well as improve institutional capacities at national and sub-national levels was prepared. These products were intended to inform decision-makers, serve as a basis for generating dialogue around complex questions in state modernization, and provide inputs for more targeted future engagement.

RESULTS

Understanding the constraints on implementation is critical for improving local governments' performance as well as for informing national-level considerations, like subnational capacity-building strategies and resource allocations. In order to understand these constraints and possible solutions, three analytical pieces were produced:

- Case studies of municipal development and public management in mining areas.
- A literature review of recent analyses of public management, investment and outcomes in Peru (with an emphasis on the subnational governments).
- A municipal-level analysis linking public financial management and outputs/outcomes. Work also contributed to identifying activities within the scope of the Local Governance and Mining (PKS), emphasizing the Apurimac region.

Work focused on improving national government capacity to monitor national goals supported the Presidency of the Council of Ministers (PCM) in identifying potential areas for institutional strengthening and possible future improvements to administrative systems under the PCM's

responsibility (civil service, strategic planning, and public sector modernization).

The Non-Lending Technical Assistance (NLTA) also fostered dialogue and helped to identify areas for future engagement, on topics such as tax and customs administration, logistics, and civil service reform.

WORLD BANK GROUP CONTRIBUTION

Analytical products were developed under the scope of a non-lending technical assistance activity. The project drew upon Bank expertise, international consultants with experience in both national and sub-national modernization, and discussions with authorities.

PARTNERS

No other partners were involved in this particular NLTA. However, the Integral Analysis of Logistics in Peru NLTA (P145783) and discussions on possible future technical assistance on tax administration and customs intervention that were developed under the scope of this NLTA involve partnerships with the IFC and the Swiss State Secretariat for Economic Affairs (SECO).

MOVING FORWARD

Supporting public sector management at the national and subnational levels remain key priorities for both Peru and the Bank, and technical assistance in these areas is continuing. Recent engagement includes collaboration with IFC to carry out municipal public management assessments in Apurimac, and a new non-lending technical assistance activity focused on fiscal resources and improving the quality of public investment and public spending.

BENEFICIARIES

The main beneficiaries of this NLTA were the Ministry of Finance (MEF), the Presidency of the Council of Ministers (PCM), the National Fund for State-Led Business Activity (FONAFE), and the Regional Governments of Apurimac and San Martin, as the analytical products developed under this NLTA were targeted at informing the decision-making and public management practices of these institutions. In addition, dialogue fostered with the Ministry of International Trade and Tourism (MINCETUR) and the National Superintendence of Customs and Tax Administration (SUNAT) helped to identify additional areas of collaboration with these agencies.

PERU

PERU IMPROVES SOCIAL INCLUSION

ENHANCING CAPACITY TO DESIGN, MONITOR AND EVALUATE SOCIAL POLICIES

Peru’s Ministry of Development and Social Inclusion (MIDIS), and the National Statistics Office (INEI), have deepened their knowledge sharing about the costs and benefits of alternative targeting formulas for resource allocations and programs. In addition, the MIDIS has strengthened its evidence-based decision making by consolidating its system of monitoring and evaluation (M&E).

CHALLENGE

To improve its social inclusion policies, the Peruvian government identified the following challenges:

Poverty mapping for better targeting: To guide the allocation of resources to poor areas, poverty maps are an extremely important and relevant tool from an operational and political economy context. The technical challenge was to identify the best way to estimate the maps. Additionally, the challenge was to connect the production of the maps by INEI to the use of the maps by MIDIS in their social

program targeting discussions, thereby increasing the overall policy relevance of the poverty maps.

Increasing the value of M&E information in MIDIS: The information generated by the M&E systems is only valuable if it is broadly used. Under traditional M&E arrangements, the efforts of the evaluation area are concentrated in generating evidence. However, in many cases, the users of the evidence do not have the technical capacity, the resources, or the incentives to use this information to improve evidence-based policy decisions.

SOLUTION

The non-lending technical assistance (NLTA) provided by the Poverty and Social Inclusion NLTA II to INEI ranged from completing the technical validation of the existing poverty maps, presenting a proposal to the Peruvian Poverty Committee about the best way to estimate the maps, and opening a broader discussion about targeting in Peru. In addition, the technical assistance supported activities with the more concrete objective of promoting the effective use of M&E information in the policy cycle. As part of this work the team has contributed to:

- Production of mobile apps to facilitate the use and increased transparency of MIDIS information.
- Development of a logical framework for the M&E activities in MIDIS focused on bridging the gap between the producers (M&E team) and the users (the social programs) of the evidence.
- Production of analytical products on poverty and social inclusion to serve as instruments to motivate and influence policies in MIDIS and in Peru.

RESULTS

The technical support translated into concrete actions to improve the impact of social programs in Peru. The poverty map support to INEI had significant impact on the discussion about targeting of programs. As a result, INEI is starting to work to develop a new poverty map in the context of a Poverty Committee which includes MIDIS, with the support of the Bank.

The collaboration between INEI and MIDIS on this area is a big step forward for the policy impact of poverty mapping, as the new map will likely help MIDIS to improve their targeting. Moreover, this project has helped to solidify the relationship between INEI and MIDIS. INEI has been able to demonstrate their high quality technical capacity, which in turns gives credibility to the social program targeting by MIDIS.

This project has also contributed to the sustainability and functionality of the M&E system by supporting the strategy of how MIDIS’ General Direction of Monitoring and Evaluation (DSGE) works within the ministry.

WORLD BANK GROUP CONTRIBUTION

The Bank provided funding of US\$174,000 for this technical assistance. The technical assistance consisted in:

- Analytical work to validate the poverty maps;
- Hiring a firm to develop mobile apps;
- Analytical work and advice on M&E;
- Training on poverty mapping and Tableau;
- Support for dissemination activities;
- Inviting international experts to Peru to meet with the Government officials.

PARTNERS

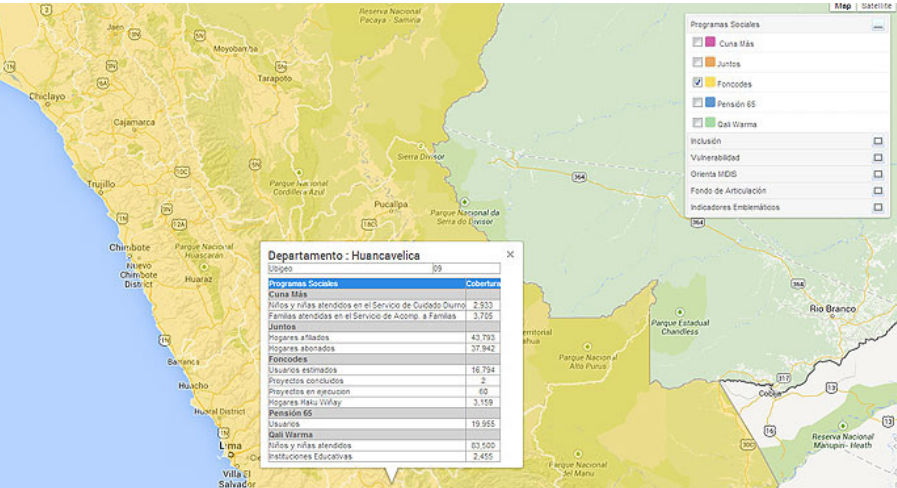
The main partners have been INEI, MIDIS, and the Peruvian Poverty Committee.

MOVING FORWARD

The World Bank will continue to explore areas of collaboration and support to both INEI and MIDIS to further strengthen the use of data in evidence-based policymaking. Potential areas of technical support to INEI include pursuing an Open Data initiative by strengthening the current Application Programming Interface (API) to improve data accessibility and usability by policy makers and citizens.

BENEFICIARIES

This activity contributed to improving the targeting and effectiveness of inclusion policies, which eventually will benefit the Peruvian people in the inclusion process.



Screenshot of the MIDIS Social Programs' Map. World Bank

AFTER HURRICANE TOMAS, SAINT VINCENT AND THE GRENADINES STRENGTHENS ITS RESILIENCE

AN EMERGENCY RECOVERY PROJECT LEFT THE COUNTRY BETTER PREPARED FOR FUTURE NATURAL DISASTERS

Following the devastation caused by Hurricane Tomas in 2010, the Government of Saint Vincent and the Grenadines supported the rehabilitation of damaged infrastructure serving highly vulnerable population and advanced its ability to manage disaster risk data. The project focused on retrofitting social infrastructure, integrating gender and social focus in the rehabilitation works.

CHALLENGE

In the Eastern Caribbean, the probability of a hurricane in any given year is about 18 percent, underscoring the need for disaster risk reduction and emergency preparedness.

Saint Vincent and the Grenadines’ vulnerability to natural hazards has been exacerbated by its deeply dissected topography, making the country prone

to landslides and flash flooding. Furthermore, increased disaster events have resulted in significant expenditures, generally not accounted for in the national budget, thus constraining economic growth.

Hurricane Tomas took a heavy toll on the country’s socio-economic development, with significant damage to schools and community centers that are

part of the national network of emergency shelters. Critical roads were cut by landslides or by the flooding of major rivers.

During and after the hurricane, community residents in certain areas were isolated and shelter facilities were damaged or inaccessible for several days. As a consequence, the impact of the hurricane was even more severe on the most vulnerable groups.

During and after the hurricane, community residents in certain areas were isolated and shelter facilities were damaged or inaccessible for several days.

SOLUTION

The Hurricane Tomas Emergency Recovery Project (HTERP) accelerated the recovery of critical infrastructure following Hurricane Tomas. The project retrofitted schools, community centers, road and river defense infrastructure that were heavily

impacted by Hurricane Tomas, and also made provisions for advancing risk analysis skills and tools used by the government for hazard mapping.

The investments under the HTERP focused on increasing the resilience of physical infrastructure, while including functional considerations, for instance introducing gender-specific restrooms for reducing gender-based violence and improving disabled access at shelter facilities.

Under the project, civil works targeted areas with the highest levels of poverty, hence most vulnerable to natural hazards. Moreover, the HTERP recognized the importance of enhancing institutional capacity in order to improve post-disaster responsiveness as a framework for encouraging mitigation and risk planning complimentary to the country’s response mechanisms.

RESULTS

The project supported the increased resilience of physical infrastructure, and the enhancement of institutional capacity to improve disaster preparedness and risk reduction through:

- Rehabilitation and hurricane retrofitting of schools and community centers which

double up as emergency shelters. Three schools and three community centers were retrofitted with critical improvements, including roof repair, hurricane-resistant windows and gutters, emergency water supplies, etc. Special consideration was taken in building gender-segregated washrooms and disability access ramps, and the most vulnerable communities (highest poverty levels) were targeted for intervention. In the December 2013 storm, which resulted in flooding and landslides, four out of six of these facilities were activated as shelters and housed people for over eight weeks following the disaster.

- Road repair and river defense works. The rehabilitation of Hopewell Road and the flood protection works on the Teviot and Zenga rivers improved the main communication artery between the capital Kingstown and its airport with the Eastern side of the island, with daily traffic flows of 3,000 vehicles on average.
- Increasing the government's risk mapping capabilities. Through training and the establishment of a Hazard and Risk Modeling Database, the country is better equipped to undergo predictive planning.

When the December 2013 storm hit, the impact assessments were able to utilize the baseline conditions of some buildings to better assess the damage that occurred.

WORLD BANK GROUP CONTRIBUTION

The total amount of the Bank's contribution amounted to US\$5 million, financed by the IDA.

MOVING FORWARD

Ensuring complementary among its disaster risk management initiatives, the Bank continues to support vulnerability reduction and climate resilience in Saint Vincent and the Grenadines through the larger Regional Disaster Vulnerability Reduction Project (RDVRP) operation.

This project scales up rehabilitation to other critical vulnerable infrastructure as well as continues to strengthen the government's capacity to analyze disaster risk with more advanced analyses. Furthermore, in May 2014 the Bank approved an Additional Financing to the RDVRP of US\$40.6 million of which US\$19 million were provided by the Bank's Crisis Response Window as emergency response to the December 2013 storm.

BENEFICIARIES

The project particularly prioritized the most vulnerable groups, namely poor communities lacking access to emergency shelters as well as those needing gender-segregated washrooms and disability ramps.

The investments have benefitted more than 2,175 school users and community centers during regular operations and as shelters. At project closure, in December 2013, over 225 people made homeless by exceptionally severe floods were sheltered in two community centers rehabilitated by the project. Similarly, some of the newly installed school emergency water systems were used to provide water to neighboring communities at the peak of the emergency.



Photos: World Bank



WINNING INVESTORS WHO COME KNOCKING

TRINIDAD AND TOBAGO IMPROVES INVESTMENT FACILITATION

Investment facilitation—effectively providing potential investors with country and sector information—is crucial to winning much needed foreign investment. An objective measurement of the performance of the investment facilitation services of InvesTT led to a number of operational recommendations that, following discussions with senior policymakers and agency staff, became the building blocks for an action plan designed to improve InvesTT’s responsiveness to investors over the coming year.

CHALLENGE

Effectively responding to inquiries from foreign investors is a critical first step towards attracting investment into desired sectors. However, a Global Investment Promotion Best Practices (GIPB) assessment in 2012 found that investment facilitation services in Trinidad and Tobago were in need of improvement, with investor inquiries handled at average levels compared to the rest of the world.

SOLUTION

In line with World Bank recommendations, the Government of Trinidad and Tobago separated InvesTT from Evolving TecKnologies and Enterprise Development Company Limited (eTecK) as the country’s dedicated investment promotion agency. In addition, in an effort to diversify its economy, the Government developed a four-year sector development plan with disbursement of funds tied to the achievement of specific indicators.

One of these indicators is improved handling of investor inquiries, by 20 percentage points by 2015 compared to the 2012 baseline.

For these reasons, Trinidad and Tobago needed to improve its investment facilitation services and requested a second GIPB assessment from the Bank. The 2013 GIPB assessment found that InvesTT had improved its inquiry handling performance by 7 percentage points compared to its 2012 results. In addition, it identified

major areas in need of improvement: poor sector information, service inconsistency, and a need to place more emphasis on promotion as a key element of facilitation. The GIPB provided specific recommendations to address each of these areas. The Bank organized a workshop with senior policymakers to discuss a way forward, followed by a full-day working session with InvesTT’s President and staff to discuss the GIPB assessment results in more detail and develop an action plan for continued improvement.

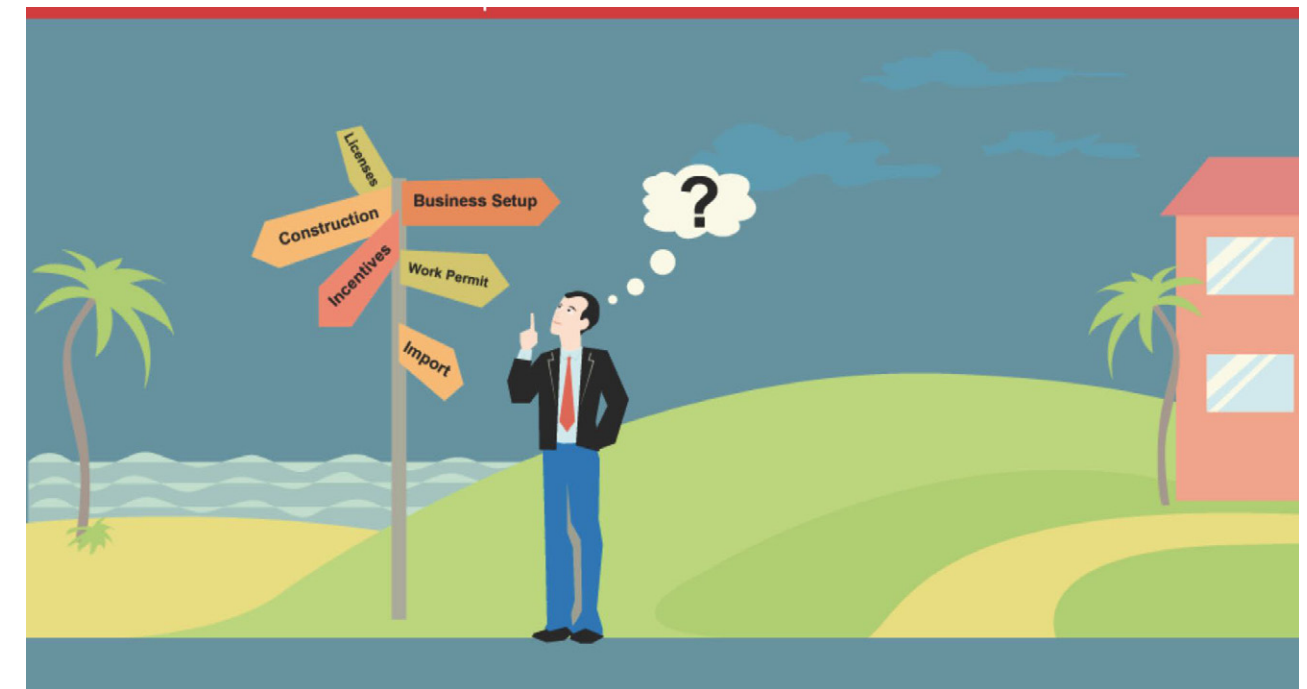


Image: www.investt.co.tt

RESULTS

The six detailed operational recommendations delivered to the Government in the 49-page results report, combined with the workshop discussions, increased implementation capacity for the client agency. This result will help the Government increase the quality of facilitation services offered to investors by minimizing service inconsistency, improving promotion of priority sectors, and strengthening customer service.

The GIPB informed Government policies and strategies. Senior officials from the Ministry of Trade, Industry, Investment, and Communications (MTIIC) including the Permanent Secretary, staff from Monitoring and Evaluation (M&E), Trade and Investment, Policy/Strategy, and members of the Board and management of InvesTT agreed that more attention needed to be paid to the newly identified priority sectors—among them information and communications technology (ICT),

This result will help the Government increase the quality of facilitation services offered to investors.

maritime, agribusiness, tourism, clean technologies and creative industries—to analyze further their competitiveness, develop winning value propositions, and make them a clear priority within InvesTT’s facilitation strategy. The new President of InvesTT joined the workshop and agreed with the recommendations in the report and expressed her commitment to developing new strategies.

By using two ‘mystery shopper’ investors, the GIPB assessment provided an objective measurement of InvesTT’s facilitation performance from the investors’ point of view and shed light on five specific areas for improvement. These included:

- Lack of follow-up to convert investor interest into strong leads.
- Inconsistency in the quality and depth of responses to investor inquiries.
- Limited efforts in promoting Trinidad & Tobago and its key sectors online and offline.
- Less than optimal customer service as a result of a burdensome inquiry screening mechanism.

InvesTT is now considering instituting its own mystery shopper testing as a means to monitor the level of services offered to investors.

WORLD BANK GROUP CONTRIBUTION

This activity was completed as a Just-In-Time Reimbursable Advisory Service (RAS). The budget for this work was under US\$50,000. It was completed within four months. The Bank utilized its long-standing Global Investment Promotion Best Practices (GIPB) survey methodology.

PARTNERS

This engagement was a successful collaboration across several Bank groups, including Finance and Private Sector Development for Latin America and the Caribbean (LCSPF) and the joint World Bank-International Finance Corporation (IFC) Investment Climate Department (CIC). The IFC office in Port of Spain provided invaluable local support. The GIPB methodology is jointly owned by the Bank, the IFC, and the Multilateral Investment Guarantee Agency (MIGA). Key external partners included the Ministry of Trade, Industry, Investment, and Communications (MTIIC) and InvesTT. The four-year sector development plan was partially funded by the European Commission.

MOVING FORWARD

The Government has requested additional annual GIPB assessments through 2015 aimed at measuring and continuously improving the

investment facilitation effectiveness of InvesTT. Future assessments will likely be incorporated into a larger technical assistance program currently under discussion. Additionally, CIC remains available to respond to follow up questions from InvesTT.

BENEFICIARIES

The program’s direct beneficiaries include the MTIIC and InvesTT. Implementation of the report’s recommendations will also benefit the private sector in Trinidad and Tobago because investors will receive higher quality information and assistance from the country’s investment promotion agency. Ultimately, the people of Trinidad and Tobago will benefit as increased investment in the private sector contributes to growth and creates jobs.

Racquel Moses, the President of InvesTT, stated: “*From my perspective, the GIPB assessment was the single most important input to our strategic planning that assisted InvesTT in defining our goals and potential as an IPA [investment promotion agency].*”





THE WORLD BANK

IBRD • IDA | WORLD BANK GROUP

Latin America & the Caribbean

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>

<http://www.worldbank.org/results/>

This book was produced by the
Latin America and Caribbean Regional Operations Unit
in collaboration with
Latin America and Caribbean External Communications Unit
October 2014

