RESULTS IN THE LATIN AMERICA & CARIBBEAN REGION
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In the past decade, Latin America and the Caribbean has achieved impressive social and economic successes. For the first time in history, more people are in the middle class than in poverty. Inequality, although still high, declined markedly. Growth, jobs and effective social programs have transformed the lives of millions. In a striking departure from the crisis-prone Latin America of the past, the region has shown it is better prepared to weather the brunt of the global economic slowdown.

Now, the region faces the challenge of maintaining and expanding its hard won gains in an adverse context of low growth. This is caused in part by a decrease in commodity prices and reduced economic activity in major commercial partners such as China. In such a scenario, achieving development results – and learning from them – becomes more important.

This publication showcases stories about people and how their lives have been improved through better health and education, youth employment, disaster recovery and preparedness, infrastructure, and more.
People like Zenaida, a mother of five girls, whose outlook and prospects were greatly expanded by access to education under Mexico’s Oportunidades Program (now Prospera). This conditional cash transfer program supported by the World Bank made it possible for all of the sisters to study: the youngest is starting secondary school and the older four girls have already moved onto university. Development experience and knowledge generated by Oportunidades/Prospera now benefits numerous countries.

This publication has concrete examples of how countries are working with the World Bank to secure and multiply Latin America and the Caribbean’s achievements towards ending extreme poverty and boosting shared prosperity.

This year, in October, the region will be center stage of the global development debate at the Annual Meetings of the World Bank Group and International Monetary Fund, in Lima, Peru. The results and issues highlighted in this publication will be an added resource to the regional and global “Road to Lima” development discussions in the lead up to the Meetings.

Jorge Familiar
Vice President for Latin America and the Caribbean World Bank Group
Argentinian girl at the Vaccination Week. Photo: Pan American Health Organization-PAHO, CC©.
To improve its ability to control the A/H1N1 influenza epidemic, Argentina strengthened its epidemiological response and upgraded the health surveillance systems and network of hospitals. By December 2013, the health systems had the ability to collect and analyze health-related information and prioritize health problems. The systems also increased public influenza awareness, vaccinated the most at risk population, and carried out 65,000 influenza diagnostic laboratory tests.

**CHALLENGE**

In April 2009, the A/H1N1 influenza virus spread rapidly around the world. In Argentina, as the virus circulated through the country, the contagion reached its peak at the end of June. By December, the number of deaths had reached 613. The number of cases of influenza-like illness reported during 2009 was much higher than during previous epidemics. Children under five and adults between 45 and 64 years were the most seriously affected. In response to the overwhelming increase in demand for services, the country’s health system became over-extended. This resulted in an excess burden on emergency and hospitalization sectors. In addition, the pandemic generated significant economic losses from work and school absenteeism, and observed declines in tourism, purchases in commercial centers, and tickets for sporting and cultural events.
SOLUTION
The World Bank-financed Emergency Project for the Prevention and Management of Influenza-Type Illness and Strengthening of Argentina’s Epidemiological System was formulated with the objective of controlling the second wave of the A/H1N1 influenza pandemic and strengthening the Argentine health system’s capacity to respond to potential epidemiological outbreaks. The project complemented the Bank’s earlier immediate response to the first A/H1N1 outbreak with US$ 7.5 million from the emergency component of the Provincial Maternal-Child Health Investment Project.

The emergency generated by the pandemic deepened the provinces’ commitment to promote the use of quality health information for decision making. The project contributed to the development of capacities at the national and provincial levels in public health policy implementation. The project helped Argentina prepare for the second wave of A/H1N1 by supporting the strengthening of the surveillance system at the central and provincial levels, the application of the necessary vaccines, provision of antiviral medication, and prevention communication campaigns. The project’s adoption of a results-based financing mechanism provided incentives to the provincial governments to improve health outcomes by linking financing to results.

RESULTS
The project transformed the crisis into an opportunity with strategic and operational improvements in the monitoring and control of the A/H1N1 influenza epidemic. It also contributed significantly to improvements in public health. Some of the concrete results were:

- In December 2013, 36 situation rooms could generate health information at the provincial and departmental level in a systemic and timely manner.
The project supported the development of local communication campaigns that increased public influenza awareness, encouraged prevention through vaccination, and promoted self-care against the transmission of infectious diseases, by focusing on prevention measures for respiratory diseases and early visits to the doctor.

The project supported the successful implementation of a massive anti-flu and anti-pneumococcal vaccination. At the end of the 2010 campaign, no deaths from H1N1 were reported within the prioritized at-risk groups; during 2011 no deaths from the H1N1 virus were reported from any groups.

At the end of the 2010 campaign, no deaths from H1N1 were reported within the prioritized at-risk groups.

The country’s laboratory surveillance system has actively monitored respiratory viruses since 2008. Argentina currently contributes the greatest volume of information on respiratory viruses to the CDC for the development of the southern hemisphere influenza vaccine in the region.

WORLD BANK GROUP CONTRIBUTION
The Bank provided a loan of US$ 229 million. The project helped to strengthen the epidemiological surveillance system through the funding of interdisciplinary technical teams, training, technical assistance, purchase and distribution of computer equipment, publications and communications campaigns for prevention and self-care. While the government of Argentina funded the purchase and distribution of vaccines and antivirals, the project helped to create the necessary synergies between different levels of government to address the pandemic and outline intervention strategies in the long term.

PARTNERS
Project implementation was executed through the different technical units within the National Ministry of Health (Ministerio de Salud de la Nación), representing a new modus-operandi, which served to build up in-house capabilities and fostered greater cooperation among different health units.
MOVING FORWARD
The sustainability and institutionalization of the health situation rooms in the provinces will depend on their continued use and transformation into strategic tools for the management of health decisions. The inclusion of the A/H1N1 vaccine for high-risk groups and pneumococcal vaccine for children into the National Vaccine Calendar schedule is expected to reduce the likelihood of a new A/H1N1 influenza epidemic and reduce pneumococcus in children.

BENEFICIARIES
Before the A/H1N1 epidemic, the City of Santa Fe’s health situation room had not developed the capacity to integrate and provide information to support a health management strategy. With project support, the situation room began the systematic analysis of health-related information. Municipal Mayor Ana Maria Meiners said, “Our Health Room will be alive and all of the city institutions can provide useful data to start working on our problems. It will be a valuable meeting point where different stakeholders can provide available information. Let us begin creating mechanisms for data that we do not have yet.”

Argentinian girl at the Vaccination Week. Photo: Pan American Health Organization-PAHO, CC©.
ARGENTINA

IMPROVING OPPORTUNITIES FOR LIFELONG LEARNERS

Argentina is delivering employment and training services to more than two million unemployed workers and youth, of which about half are women, and has consolidated and increased the coverage of a lifelong learning and competency-based training system for disadvantaged adults.

CHALLENGE

As Argentina recovered from the economic crisis of 2001-2002 and the structure of the economy changed, effective macroeconomic management helped to establish four years of pro-poor growth. As the currency depreciated, manufacturing and the tradable sectors increased exports and absorbed more labor and unskilled workers. As a result, unemployment dropped significantly. In order to sustain this growth over the medium-term, however, Argentina needed to improve the investment climate and raise productivity levels and the quality of exports. The government identified education and training as major priorities in achieving its goals of poverty reduction and job creation. Secondary education was becoming a minimum requirement for access to good jobs. Thus, Argentina needed to invest in the less skilled through additional education and training for school leavers who had not completed secondary education.
The government identified education and training as major priorities in achieving its goals of poverty reduction and job creation.

SOLUTION
The objectives of the World Bank-funded Lifelong Learning and Training Project were to promote employment and reduce poverty by improving training and education opportunities. The project was the first of its type to use a results-based approach in Argentina. It proposed measures to increase the linkages between the education system and the labor market and improve the vocational education and training system. Through such comprehensive activities as general training, adult education, and internships, the project also promoted the idea of a system of lifelong-learning. The project also supported the creation or support of entities that provide employment and educational services, such as professional training institutes, adult education services of provincial ministries of education, and municipal employment offices. The decision to deliver the services in a decentralized approach, through the (strengthened) municipal employment offices, was crucial for the project’s success and showed that the rates of return to lifelong learning are substantial at the secondary school level for both youths and adults.

RESULTS
The project supported the government’s efforts to enhance employability for disadvantaged adults 18 years or older and strengthen a lifelong learning and competency-based training system. Between 2008 and 2013, these objectives were translated into the following outcomes:

• Since 2011, the Ministry of Labor has passed legal resolutions to institutionalize the Lifelong Learning System.
53.8 percent adults with competences certified obtained registered employment or higher salary.

- 53.8 percent adults with competences certified obtained registered employment or higher salary (40,580 adults).
- 48.7 percent of adults receiving basic education certificates continued training or education, obtained registered employment or higher salary (45,910 adults).
- 56 percent of youth participating in internships are formal employed (12,114 youth).
- 314 competency-based occupational standards registered by sector groups.
- 442 training institutions strengthened and 150 with a quality certification.
- 388,078 workers participated in competency-based training courses.

WORLD BANK GROUP CONTRIBUTION
The World Bank provided financing of US$200 million starting in 2007. Total cost, including the contribution from the client was US$678 million in five years. Bank supports included specialized consultancy services, promotional materials, and operating costs to support the work of the technical units; training of participants and sector experts by the Ministry of Labor in the competency-based approach and the equipment and supplies needed by the different organizations to carry out their functions.

PARTNERS
The Ministry of Labor was the implementing agency for the Lifelong Learning and Training Project. The municipal employment offices network was key in the context of Promotion of Youth Employment. Internships and Training were provided in collaboration with the Sector Council integrated by Unions and Firms. Agreements with provincial ministries of education were signed for the adults’ education activities.

MOVING FORWARD
The Ministry of Labor’s budget for 2014 includes the activities previously financed by the project. The Ministry will continue to provide promotion of
youth employment activities (orientation/soft skills courses and professional training), supported by an upcoming World Bank-financed project. The gains achieved through improvements in the integration and use of data bases will continue to be felt.

**BENEFICIARIES**

The primary target group was disadvantaged adults 18 years or older. The Ministry of Labor and the entities providing employment and educational services also benefited from the capacity-building activities to install a lifelong learning and training system linked to employment.
By 2010, notwithstanding San Juan’s strong economic growth and solid fiscal performance, key provincial human development indicators lagged behind the national average. Despite the fact that public health expenditures amounted to about 30 percent of total provincial social expenditure, maternal and infant mortality were above the national average and non-communicable diseases were a growing problem. The infant mortality rate (IMR) in 2008 was about 14 deaths per 1,000 live births, higher than the national average (13.3 deaths per 1,000 live births). At seven deaths per 100,000 live births, San Juan’s maternal mortality rate (MMR) was almost double the national average. Cardiovascular and respiratory diseases...
and tumors were the leading causes of adult death in the province, representing about 64 percent of total deaths, followed by external causes and diabetes representing 16 percent of total deaths of the province.

San Juan’s most important challenges in the education sector were the high levels of school failure in the first few years of primary education and unequal access to and permanence in schools for children from disadvantaged backgrounds. These weaknesses were evident particularly in primary school, where the repetition rates during the first six years exceeded the national mean, and the 2.7 percent dropout rate was well above the national average.

**SOLUTION**
San Juan Province addressed these human development challenges with the support of the World Bank-financed San Juan Social Inclusion and Development Project-SWAP (Sector-wide Approach). The SWAP financed specific programs in those sectors. The health sector component of US$28 million complemented two earlier projects by supporting the Ministry of Health in the areas of mother, youth and child health, and non-communicable diseases. The earlier Bank-financed projects were Plan Nacer, which aims to improve access and coverage in maternal and infant population, and the Essential Public Health Functions, which attempts to achieve universal coverage for prioritized health public programs. The Education Sector component of US$19 million supported two concurrent and ongoing programs: Todos Pueden Aprender (“All Can Learn”) and the Jornada Completa (“Full Day”). The component focused on the key challenges of school failure, unequal access, and permanence.

**RESULTS**
Overall, San Juan Province improved key mother and child health indicators, even surpassing the national average. By the end of the project, permanent safe blood provision in maternity
wards reached 100 percent, and the percentage of pregnant women attending the minimum required number of consultations before birth doubled. Also, the percentage of children with complete immunization in their first year of life was nearly 96 percent by the end of 2013. One of the most remarkable achievements was the registration into a database, created by the Ministry of Health, of the population without health insurance coverage. This valuable database will help the ministry’s budget process and the design and development of health policy in the province.

Communal health workers identified persons with diabetes and ensured that they received proper medical treatment, although the percentage of detected diabetic patients under regular care fell short of the target.

In the “All Can Learn” and “Full Day” programs, education authorities emphasized the teacher training. The result was a substantial increase in the promotion rate of students in the first school cycle, and a marked improvement in the percentage of students who achieved passing grades in both language and math. The number of Full Day schools reached 42 by December 2011, which was 10 more than the target. By the end of 2013, the number had grown to 51 and 11 more were planned for 2014.

**WORLD BANK GROUP CONTRIBUTION**
The SWAP provided a total financing of US$48.65 million, of which US$28 million was destined to the Health component and U$19 million destined to the Education component. The remaining US$1.65 million was utilized to fund technical assistance activities that supported the implementation of the main components.

**PARTNERS**
The San Juan Investment Promotion Agency (ASJDI) coordinated teams of the Ministries of Health, Education and Finance, and was the main point of contact with Bank. The agency followed progress in the achievement of objectives, producing semi-annual reports and a mid-term report which facilitated Bank supervision of the
project. The teams from both ministries mentioned that the contribution received from the Bank’s specialists was extremely useful.

**MOVING FORWARD**

The programs that were financed are now included in the San Juan’s budgetary process. This guarantees their funding and continuity. Public officials internalized the institutional and procedural reforms adopted during implementation and will likely continue applying them. Although there is currently no discussion about a follow-up operation the provincial authorities have expressed interest in a second loan of the same type.

**BENEFICIARIES**

The primary project beneficiaries are the users of public health and education services in San Juan Province. Many of these beneficiaries are among the poorest in the province. The institutions benefiting from the project include the provincial Ministries of Health and Education, the Ministry of Finance, and the San Juan Investment Promotion Agency, which is linked to the Ministry of Economic Development and Production, and had the responsibility for the overall management of the project.

*Photo: World Bank Collection.*
ARGENTINA

IMPROVING THE RURAL EDUCATION SYSTEM

A FOCUS ON COVERAGE, EFFICIENCY, QUALITY, AND GOVERNANCE

Argentina is making substantial progress in improving governance of its rural educational system at the provincial level. The reforms include collaborative planning activities necessary to prepare and monitor bilateral agreements and basing investment decisions on more careful assessments of learning conditions and educational performance in rural schools. Because of these reforms, more children are attending pre-school programs. Fewer primary students are repeating grades or dropping out altogether. The quality of the education is also improving, especially in language and mathematics, as measured by standardized learning assessment. of public health and education services in the province of San Juan were achieved.

CHALLENGE

In 2005, as Argentina was recovering from the social and economic crisis that had begun in 1998, the government began to shift its focus from crisis response to addressing long-term structural issues. One focus was the educational system available to the rural populations in the rural Northwestern and Northeastern provinces. In rural areas, the educational system suffered from pockets of limited coverage with incomplete access to the ten obligatory years of education. The quality of education was significantly lower than that of
urban areas, with high repetition and dropout rates. Moreover, because they were located in areas of low population, rural schools tended to be low priority in terms of the allocation of resources. To that end, the main provision of the 2006 National Education Law included (i) the recognition of the rural modality in education policy, (ii) the extension of compulsory education to 12 years, (iii) promotion of quality at all levels, and (iv) increased participation in preschool, particularly in low-income areas. These provision sought to guarantee equal opportunities by improving the educational attainment of the rural populations in the Northwest and Northeast.

The quality of education was significantly lower than that of urban areas, with high repetition and dropout rates.

The government’s National Rural Education Program was designed to address the requirements of the education system in rural areas and support coverage of the 10-year compulsory education, while improving the quality of basic education.
SOLUTION

The Argentina Rural Education Improvement Project was instrumental in creating a national policy for rural education. The project objectives reflected the provisions of the 2006 education law.

The project’s design included the lessons learned from previous projects in Argentina and best practices from other countries and focused particularly on the pre-school and primary levels, because they determine a child’s future. The project provided textbooks, learning materials, teacher training and clusters of rural schools, upgraded buildings and classrooms, and the extension of schooling in the lower secondary levels.

RESULTS

- **Coverage**: Preschool enrollment between 2004 and 2013 in rural areas (excluding Buenos Aires Province) increased 32.4 percent. The target of 85 percent for access from 7th to 8th was achieved in 2011 and 2012, while in 2013 the value was slightly below. Coverage improved significantly given that lower secondary enrollment increased 30.8 percent between 2004 and 2013 in rural schools (excluding Buenos Aires Province). The project also contributed to increasing the access to lower secondary education (8th grade).

- **Efficiency**: The target for the promotion rate in primary education was exceeded. The project successfully contributed to a significant reduction of repetition and dropout in rural areas.

- **Quality**: About 4,696 teachers enrolled in a 400-hour training session, of which 2,735 graduated.

- **Governance**: The bilateral agreements, including the Provincial Rural Education Plan, were signed with all the Provinces, followed by the signing of the first annual covenants specifying activities, goals and indicators. Every year of project implementation, a complementary Act was signed to update the bilateral agreements, followed by annual covenants to program activities.

*About 4,696 teachers enrolled in a 400-hour training session, of which 2,735 graduated.*
• **Institutional changes**: contributed to consolidating accountability among participating Provinces by implementing bilateral agreements between the federal government and the Provinces and strengthening capacity in the Provinces.

**WORLD BANK GROUP CONTRIBUTION**
A US$467,000 trust fund grant for technical assistance supported project preparation. The Bank supported the project with a US$150 million loan.

**MOVING FORWARD**
The Bank is continuing to support the government’s national education policy with a new loan on rural education, Argentina Second Rural Education Improvement Project. The project will support the government’s policy of increasing access, quality, and relevance in secondary education in Argentina’s rural areas.

**BENEFICIARIES**
The main beneficiaries of all these achievements were the estimated 868,540 students, ages 5 to 14, enrolled in Argentina’s rural schools.
ASSESSING THE IMPACT

CHANGING INTERGOVERNMENTAL FINANCE IN BRAZIL

An assessment of the impacts of proposed changes in intergovernmental finance arrangements provided the government of Brazil with important messages for policy changes.

CHALLENGE

Brazil faces many challenges in its intergovernmental finance arrangements, which, if addressed, would help boost the country’s long term growth prospects. Past attempts at reform have failed, because of the multitude of interests at stake. However, recent court rulings on the main intergovernmental transfer from the federal government to the states (FPE), the legislative decision to change the oil royalties sharing scheme, and the court rulings on the illegality of the fiscal war among states, have led to an ongoing discussion of multiple fiscal federalism reforms. The first challenge was to understand and assess the impact of these reforms in relation to the subnational governments. This knowledge was needed not only from a due diligence aspect of the portfolio, but also to inform future engagements with the subnational governments, the World Bank’s main clients. The second challenge was to communicate the findings of the study to the authorities to inform their decision and raise awareness of their options.

The first challenge was to understand and assess the impact of these reforms in relation to the subnational governments.
**SOLUTION**

Under the Brazil Intergovernmental Finance Non-lending Technical Assistance Project, the Bank utilized its knowledge and convening resources to craft a solution. The technical assistance benefited from an early round of consultations with specialists on the theme and experienced peer reviewers to fine tune the proposal. Drawing on these consultations, the Bank team enlisted knowledgeable local experts to elaborate background papers on intergovernmental transfers, oil and mining royalties, and subnational debt. The Bank team then built on the simulations done for each proposed change to produce a table consolidating the changes for each state and for each reform under two different scenarios. Moreover, the spreadsheet set was done in such way that it could be easily updated with new data or scenarios. A summary report included the consolidated tables and an analysis of the estimated impacts as well as background information on the proposed reforms.

**RESULTS**

The technical assistance successfully achieved its objectives of evaluating recent changes to the intergovernmental fiscal framework and assessing its implications for the subnational governments. Recognizing the high quality of the assessment, the government invited the Bank team to present the results at the State Finance Managers Group (GEFIN) meeting, which brings together all the state finance managers, in the context of the National Council for Fiscal Policy (CONFAZ).

The report’s key messages were:

- If all subnational fiscal reforms took place simultaneously, the top winners would be small, less developed states which produce little or no oil.

- There would potentially be complementarity between reforms regarding the interstate trade tax (ICMS), FPE, and royalties. However, even if the reforms happened in all areas at the same time, such “endogenous” compensation would not be enough to be “distributively neutral”.

Recognizing the high quality of the assessment, the government invited the Bank team to present the results at the State Finance Managers Group meeting.
WORLD BANK GROUP CONTRIBUTION
This project was entirely financed out of the Bank’s Brazil Country Management Unit budget at a total cost of US$90,220.

PARTNERS
The Bank team carried out the assessment in intense consultation with Brazil’s Federal and subnational governments and other development partners, including the Inter-American Development Bank, and seasoned experts in fiscal federalism. This successful experience also led to improved cooperation with CONFAZ/GEFIN.

MOVING FORWARD
The final report is serving as an input for the fiscal and debt analysis of upcoming development policy loans (DPLs), because the proposed changes might represent a fiscal risk to the states or, in certain cases, a stable revenue gain. For the cases in which there will be losses, the Bank can help the client mitigate the losses with revenue enhancing and expenditure efficiency measures.

The Bank’s Brazil Country Management Unit also asked the team to continue to monitor developments in this area.

BENEFICIARIES
The direct beneficiaries were the Brazilian Federal and subnational governments.

Photo: Rio de Janeiro, Brazil, leonardobarbosa.net. CC©.
LEVELING THE PLAYING FIELD FOR QUILOMBOLA COMMUNITIES

The remote and isolated quilombola communities of Northeastern Brazil are improving their capacity to identify and address the barriers to improved community infrastructure and economic development in a more sustainable manner.

CHALLENGE
Quilombolas are the descendants of African slaves with distinctive cultural values, religious beliefs, and livelihoods. They maintain a distinctive collective identity and a strong attachment to their communities. However, quilombola communities in the states of Bahia, Ceará, and Pernambuco lack access to basic public services and are overrepresented among the poor and extremely poor populations. Moreover, as a result of social exclusion, or marginalization, these communities confronted barriers in terms of organizational skills, access to information, and the experience necessary to identify and access the necessary external financing for improved public services.

SOLUTION
A project grant from the World Bank-executed Leveling the Playing Field for Quilombola Communities in Northeastern Brazil: Ceará, Pernambuco and Bahia States Trust Fund was designed to broaden the participation of quilombola leaders and empower the remote quilombola communities by improving their ability to engage in collective action and community-level
initiatives. Workshops carried out in preparation for the project identified the barriers that isolate remote communities, such as the lack of telephone lines, inadequate access to the Internet, and other basic physical infrastructure. To tackle these barriers, the project developed new or strengthened existing community organizations and provided information on government programs and other public and private resources. Project activities addressed the lack of official documentation regarding such issues as official recognition, association status, or land tenure documentation. The project’s technical assistance addressed the need for culturally appropriate and participatory technical assistance in community planning, developmental and participatory
initiatives, preparation of community proposals for external financing and monitoring and evaluation. The technical assistance included training in basic administration, accounting, subproject preparation, implementation and monitoring and evaluation.

RESULTS
The project contributed significantly to raising the visibility of quilombola communities and strengthening the participation of quilombola leaders in policy decision-making. Quilombola communities forged partnerships with regional and state quilombola movements, and multiple government agencies. Quilombola communities now enjoy greater access to information, state policies, and public services.

Improvements in organization and increased funding of local projects demonstrate the strengthened participation of the quilombola organizations. For example, the number of formalized, well-functioning and broadly representative community associations grew by 35 percent in the three states. The communities also improved their awareness of public and private funding or services, as measured by (i) a 35 percent increase in the local priority initiatives identified and matched with external funding sources and (ii) a 30 percent increase in the formulation and approval of community-based sustainable development initiatives. Finally, the communities improved the participation of community members in local decision making, as measured by (i) a 25 percent increase in the number of representatives actively involved in the rural poverty project’s municipal councils and other key decision-making bodies and (ii) a 15 percent increase in the number of externally funded proposals from quilombola communities.

WORLD BANK GROUP CONTRIBUTION
The Bank supported the project activities and training with a grant of US$1.9 million from the Japan Social Development Fund (JSDF).
PARTNERS
The JSDF funding supported the project activities and technical assistance at the local and state levels. The project worked with state and local organizations to identify and implement the project components. The partners included state and local governments, the community-based organizations Quilombola Territorial Councils and the Bahia State Council of Quilombola Communities and Associations, the Ceará State Commission for the Rural Quilombola Communities and the Ceará Institute of Rural Quilombola Communities, among others. The three implementing agencies were the Companhia de Desenvolvimento e Ação Regional (CAR) in Bahia, the Secretaria de Desenvolvimento Agrário (SDA) in Ceará, and the Programa Estadual de Apoio ao Pequeno Produtor Rural (Prorural) in Pernambuco.

MOVING FORWARD
Building on the progress made, state governments are funding new or existing programs to benefit the quilombola communities. In Bahia, the state’s Vida Melhor Program allocated nearly a R$500,000 to finance the project “Innovation, Sustainability and Institutional Strengthening for the Consolidation of Quilombolas’ Needs.” In Ceará, the state government established a productive inclusion program, which provided R$1 million to productive inclusion projects for quilombola communities.

BENEFICIARIES
The beneficiaries included the quilombola communities and the state and community level organizations. In Bahia, the project supported the creation of seven Quilombola Territorial Councils and the Bahia State Council of Quilombola Communities and Associations. In Ceará, the project strengthened the State Commission for the Rural Quilombola Communities (CEQUIRCE). In Pernambuco, 120 quilombola representatives of 46 project beneficiary communities participated in 56 decision-making arenas, such as territorial, municipal and state councils.

The project’s technical assistance supported the preparation of 327 community subprojects. Of
these, 96 have were approved for external funding, benefiting 24 percent of the targeted quilombola communities.

In all three states, project beneficiaries emphasized how the project contributed to raising the self-esteem of the communities. Many beneficiaries mentioned the importance of bringing them together to rebuild the group perspective and to learn about their culture and history. Going forward, the communities will continue to benefit from their improved advocacy skills and a greater capacity to make their voices heard; increased awareness about local priorities, civil rights, and state policies available for the quilombola population; and from their enhanced relationship with the government agencies.

Photo: Comunidade Quilombola São Francisco do Paraguaçu, Brazil. Aristeu Chagas / AGECOM. CC©.
MINAS GERAIS IMPROVES PUBLIC SERVICE DELIVERY

NEW MODEL INCREASES CITIZEN PARTICIPATION IN PRIORITIZATION OF POLICIES

The state government of Minas Gerais continued its program of public management reforms by further strengthening and consolidating its reform model and increasing citizen participation in the prioritization of policies for service delivery.

CHALLENGE

Since 2008 the “Minas Gerais Partnership Series” has consolidated the state’s fiscal adjustment efforts by significantly improving operating balances, increasing investments, and reducing debt, while at the same time enhancing public service delivery and tackling poverty. The successful Management Shock (Choque de Gestão) and subsequent reform phases were underpinned by fiscal discipline and paralleled by an innovative management reform program based on results and rigorous prioritization of actions. In 2012, in a challenging economic context, the state government needed additional fiscal support to continue this reform effort.

SOLUTION

Decisively committed to the ongoing program reform, the state government reshuffled its debt portfolio through coordinated financing from the World Bank, the French Development Agency, (Agence Française de Développement) and Credit Suisse. The Third Minas Gerais Development Partnership project was designed to assist the government’s efforts to deepen its innovative
management model and strengthen its budget management and sectoral policy management in the areas of social inclusion, environmental management, and metropolitan governance. It included an innovative component on citizen participation.

**RESULTS**

The project supported improvements in the efficiency of the public sector as a means to improving service delivery and inclusion. It supported improvements in the following key outcome areas:

- Strengthened the Results-Based Management (RBM) organizational structure, systems and processes, with decentralized monitoring, promoted further institutionalization of strategic management and built capacity throughout the administrative apparatus, ultimately improving the execution capacity. Improvements in the execution rates of priority projects reached 88.8 percent of priority projects compared to a baseline of 61 percent.

- Improved predictability and control of budget execution through the introduction of a financial management system and procurement portal.

- Increased number of municipalities (100 percent) receiving state transfers to finance services and benefits to the most vulnerable and at risk local populations.

- Increased number of social deprivation maps (more than 140) based on the United Nations Development Program (UNDP) methodology, with a view to portraying the multidimensional aspects of poverty that go beyond economic variables and include health, education, living conditions, and to provide a fundamental tool for planning and designing adequate government programs to address the needs of the most vulnerable.

- Integrated processes on environmental licensing ensured better collaboration and more efficient environmental regulatory system.
• Strengthened governance of the metropolitan region of Belo Horizonte, enabling the coordination of state and municipal public policies and aiming at improving the quality of life of the region’s population. Reduced average time for land parceling procedures. Established new metropolitan agency for intersectoral and intergovernmental level coordinating functions.

WORLD BANK GROUP CONTRIBUTION
The Bank’s support included a US$450 million loan.

PARTNERS
Agence Française de Développement, provided a €300 million loan. Credit Suisse provided a US$1.3 billion loan to compose the refinancing package for the state.

MOVING FORWARD
The Bank team maintains its support for the state’s innovative management reform program of building solutions for development issues regarding the evolution of the RBM model.

BENEFICIARIES
The staff of the state government were able to make more informed decision based on the RBM system, as secretariats improved their coordination and communication. Improvements in public sector management benefit all citizens through more cost-efficient and transparent administration, through higher quality public service delivery, and through more inclusive and participative governance.

Photo: Mountains at Nova Lima City, Minas Gerais, Brazil. Igor Avelar CC©.
A DIALOGUE ON MOBILITY

SUSTAINABILITY AND URBAN MASS TRANSPORT

The collaboration of the Bank in this Non Lending Technical Assistance has enabled an arrangement to support improvements in urban public transportation, road safety, airport infrastructure, and pro-bicycle programs in Quito and Cuenca, Ecuador. As a result, a comprehensive urban transport finance guide, or White Paper, and a Bicycle-inclusive Planning Operational Manual have been developed as a resource for municipalities and national governments around the world.

CHALLENGE

Ecuador’s transport system faces structural problems, which undermine its reliability and performance. Limitations of connectivity and access, particularly in remote rural areas contribute to economic and social exclusion, limiting economic, social, and health outcomes. The poor quality of the road networks hinders the country’s competitiveness and historic underinvestment in rail and ports limits the development of tourism and other correlated economic activities.

Despite progress in the road sub-sector, since 2006, limited mass transport services in urban centers affect productivity and create a trend towards a high-carbon motorized urban footprint.

The poor quality of the road networks hinders the country’s competitiveness.
To address this infrastructure gap, the government has undertaken significant reforms. Enhancement of the planning and management of transport systems and increased investments in infrastructure are critical to maintain the sustainable growth of urban centers.

At the provincial level, medium-sized cities need to enhance sustainable mobility and accommodate increases in the number of cars on the road, improve road safety, eliminate bottlenecks, and improve access to the city for all.

**SOLUTION**

The Bank has provided technical assistance in planning, design, and policy to the municipality of Cuenca, bringing international best practices to strengthen the municipal government’s capacity to incorporate cycling as a mode of transport. In Quito, the Bank has supported investments to expand and upgrade the urban public transport system, including the construction of an underground Metro line, through an investment lending operation with a central government guarantee for the Quito Metro line One Project.

**RESULTS**

An important product of this technical assistance is the White Paper “Sustainable Urban Transport Financing: Capital, Operations, and Maintenance Financing for the Sidewalk to the Subway,” in which different ways of financing transport infrastructures are addressed under a general perspective, which can be useful for any city around the world. This report was presented on several occasions in Ecuador, Brazil, Mexico, and the United States. In addition to the White Paper on sustainable urban transport financing, the NLTA supported the following activities:

• The workshop event “Hacia Ciudades Seguras, Sostenibles e Incluyentes,” held on June 14 and 15, 2012, in Cuenca – Ecuador.


• Cycle-Inclusive Planning.

• Bike Sharing: Implementation and Scheme for Cuenca.

• The event “Biciturismo de los Sabores de Cuenca,” designed to enhance the use of the bicycle in Cuenca, highlighting the gastronomy and culture of the city, and presenting the city of Cuenca to an international audience.

• Improvements of technical, operational, commercial, and financial aspects at the Mariscal La Mar Airport.

• A bicycle-inclusive planning operational manual, culminating with knowledge sharing cooperation and guidance for other cities.

• Review of the designs of projects underway and resolution of crosswalks to improve road safety.

• Improvements in the preparation of procurement documents for the first automatic public bicycle system in Ecuador.

WORLD BANK GROUP CONTRIBUTION
The program served as a leveraging resource to enable outcomes from other Bank-supported projects, such as:

• The Quito Metro Line One Project.

• Manta public services improvements.

• Ibarra transport infrastructure improvements.

• Advances in traffic safety, focusing on data aspects.

• Just-in-time assistance on the commercial and revenue enhancement aspects of airport safety.
**PARTNERS**
The Quito Metro Line One Project was co-financed by the Inter-American Development Bank (IDB), the Andean Development Corporation (CAF), and the European Investment Bank (EIB). Collaborating partners included but were not limited to the Ministry of Finance, Municipality of Quito, Municipality of Cuenca, Ministry of Transport and Public Works, Ministry of Planning & Development, Ministry of Coordination. To promote donor harmonization, coordination meetings took place with the government of Spain, the IDB, and the CAF. Further, as CAF has developed a regional urban transport observatory, particular attention will be paid to leverage ongoing efforts and use of available data.

**MOVING FORWARD**
As this program is demand driven, new deliverables can arise from the collaboration between entities in Ecuador and the World Bank, based on new needs and changes in government structure or policies. Possible future activities could scale up efforts incorporate cycling infrastructure on a wider scale and develop estimates for the potential for carbon footprint reduction through greater use of bicycles. The technical assistance also envisions analytical work to support more energy efficient mobility, as could be incentivized with the reduction of fuel subsidies proclaimed in the *Plan Nacional del Buen Vivir*.

*Technical assistance could leverage resources from ongoing operations seeking to mobilize additional trust fund resources.*

Within the traffic safety field, new possibilities may arise through partnerships between the Bank and those municipalities that already have improved traffic management, enforcement, and control (i.e. Cuenca, Ibarra, Manta, Ambato and Loja). Technical assistance would facilitate further learning and experience exchanges between cities within Ecuador and elsewhere. Finally technical assistance could leverage resources from ongoing operations seeking to mobilize additional trust fund resources.

**BENEFICIARIES**
Beneficiaries include the staff and experts from the Municipality of Quito, the Municipality of Cuenca, and the Ministry of Finance. In addition,
the government and urban infrastructure finance experts benefited from the workshops, especially the staff from Cuenca dedicated to non-motorized mobility. Operational staff from the Airport Corporation of Cuenca also benefited.

A more effective and cycle inclusive planning process will also improve the lives of residents and tourists of Cuenca.

Manuel Larriva Carrera, who lives in Cuenca, and works for EMOV_EP (Empresa Pública de movilidad no motorizada) as a non-motorized mobility analyst reported: “The institutional strengthening acquired with this technical assistance, has built the necessary capacity within the municipality to develop projects like the public bicycle or the necessary cycling urban infrastructure to complete the network.”

Verónica Hormazabal, who works in the same department as Manuel, thinks that “The vision of traffic and transportation under which the city of Cuenca was being handled, did not contribute to optimal solutions for the growing rate of motor vehicles or for the integration of all the transport modes. After the technical assistance provided by the World Bank, this vision changed and is now heading to a concept of sustainable mobility and respect for all users.”

Photo: Metro construction, Quito. World Bank Collection.
EXPANDING ACCESS TO FINANCIAL SERVICES THROUGH NEW TECHNOLOGICAL CHANNELS

Authorities in El Salvador developed an enhanced legal and regulatory framework to increase access to financial services. Within six months after elements of the framework were enacted, 484,128 basic banking transactions totaling nearly US$45 million were processed through the new channels.

CHALLENGE

El Salvador has one of the lowest levels of use of formal financial services in Latin America. Out of the 40 percent of the population with the lowest incomes, just 6 percent have accounts at financial institutions. Although financial access has expanded, most credit and deposit-taking activities still occur in the capital of San Salvador. Often, banks do not open branches elsewhere, because the volume of transactions is too low to be cost effective. This makes it particularly difficult and costly for residents in rural areas to access basic financial services. To expand access to financial services and to establish an enabling legal and regulatory framework for this access, the Salvadoran government expressed an interest in learning from global best practices.
SOLUTION
The World Bank-funded Developing the Legal and Regulatory Framework for the Provision of Financial Services through New Technological Channels Technical Assistance supported efforts by Salvadoran authorities to develop the legal and regulatory framework and enable the provision of financial services with new technologies.

Building on the success of similar models worldwide, the Bank team provided feedback on the regulation establishing a framework for financial correspondents—third parties, such as grocery stores, pharmacies and gas stations—authorized to provide basic financial services for banks. The Bank team also supported stakeholder dialogues; for example, the team made a presentation of retail payments at a Financial Inclusion Forum organized by the Central Bank in June 2013. In addition, the Bank team provided feedback on different models of regulation for mobile financial services and electronic banking. Finally, the Bank team also provided feedback on a declaration to support financial inclusion that supports the framework for retail payments, electronic money and basic bank accounts with simple conditions and lower fees. The Bank team also provided input to the draft mobile financial services regulation and financial inclusion decrees, both of which are pending approval.

RESULTS
The Bank’s technical assistance supported financial inclusion in El Salvador in the following ways:

- In June 2013, a regulation establishing a framework for the use of financial correspondents—third parties such as grocery stores, pharmacies and gas stations authorized to provide basic financial services for banks—was enacted. It entered into effect in August 2013.

- To date, two banks have received approval to utilize this new framework.
• Between December 2013 and May 2014, 484,128 basic banking transactions totaling nearly US$45 million were processed through financial correspondents.

• The mobile financial services regulation was made available for public comment in December 2013 and is pending approval with the Committee of Regulation. The financial inclusion decree was submitted to the Legislative Assembly for approval in June 2014. If these efforts are passed and implemented, they are expected to support additional channels with the potential to promote financial inclusion.

WORLD BANK GROUP CONTRIBUTION
The 2010 World Bank/IMF Financial Sector Assessment Program (FSAP) diagnostic, which highlighted challenges in payment systems and financial inclusion, provided the analytical foundation and recommendations that gave rise to this project. The technical assistance provided through this project was made possible by a US$40,000 grant, funded by the Financial Sector Reform and Strengthening (FIRST) Initiative Multi-donor Trust Fund.

PARTNERS
This initiative complemented financial sector development work being carried out by the United States Agency of International Development (USAID El Salvador).

MOVING FORWARD
Currently, there is a window of opportunity to implement regulations to define the provision of mobile financial services and enact the financial inclusion decree to continue to expand financial services in El Salvador. The Bank team will follow up with the Central Bank to coordinate future support on this topic.

BENEFICIARIES
“This project financed by the FIRST fund has facilitated the creation of appropriate regulation to support financial inclusion in El Salvador, with the expected impact of providing basic financial products and services to populations that have been traditionally marginalized by the formal financial sector, so as to have low-cost money transfers and facilitate payments and transactions through mobile devices, such as cell phones.”

Central Bank of El Salvador
The Haitian government sought to develop a new approach for the reduction of poverty, vulnerability, hunger, and malnutrition. The ensuing analytical work and technical assistance contributed to a policy and strategy dialogue for service delivery and support to families in the areas of nutritional security, social protection, and disability services.

CHALLENGE
Access to basic social services is very limited in Haiti. Families living in remote rural areas lack such essential services as water and sanitation, health services, quality education for their children, and income-generating opportunities. Many Haitians also suffer from poor hygiene practices, malnutrition, and food insecurity. The lack of financial resources and absence of coordination by government has left non-governmental organization (NGOs) and faith-based organizations as the sole providers of essential social services in most of the country. Existing programs have low coverage and are often of ad hoc or limited nature (covering a small geographical area or narrowly

Social interventions are fragmented, underfunded, and uncoordinated, limiting any real impact on the poor.
defined set of beneficiaries). As a result, social interventions are fragmented, underfunded, and uncoordinated, limiting any real impact on the poor.

**SOLUTION**
The World Bank-funded Haiti Nutritional Security and Safety Nets project (NLTA) supported training, information sharing, and policy dialogue on a national framework for service delivery using community workers. The project also used the Bank’s convening power and technical expertise to promote a dialogue on cash transfers and income support programs, identification systems, targeting, disability services, and hygiene education to combat cholera. This, in turn, enabled the government to leverage financing from the Rapid Social Response (RSR) Trust Fund to implement the new service delivery model.

**RESULTS**
The project’s assessments resulted in policy discussions and actions to improve the following areas:

- Nutritional security (conditions, programs, and policies).
- Social safety nets (coverage, type, and funding).
- The effectiveness of community workers (roles and possible improvements).
- Cash and food transfer programs.

These assessments led to the development of a national nutrition policy and the conceptualization of a national framework to address malnutrition and food insecurity. They also contributed to (i) the development of a national targeting tool, which will allow the government to identify the poorest and most vulnerable Haitians, and (ii) the design and implementation of the Kore Fanmi service delivery model.
model. Kore Fanmi has, so far, reached 65,000 citizens (13,000 families) in three rural communes and has provided vaccinations, nutrition services, oral rehydration salts, long-lasting insecticide-treated malaria bed nets, and life-saving commodities (such as soap, water treatment tablets, micronutrients, and food supplements) to poor and vulnerable families.

**WORLD BANK GROUP CONTRIBUTION**
The Bank supported the project with a US$456,570 grant, which funded staff costs, consultant’s contracts, trips, dissemination events, and publications. The Trust Fund for Environmentally and Socially Sustainable Development (TFESSD), funded by Finland and Norway, also supported the project.

**PARTNERS**
The project included partnerships with various non-governmental organizations (NGOs), the government of Haiti, United Nations Children and Emergency Relief Fund (UNICEF), the World Food Programme, and the United States Agency for International Development (USAID). The project also played a key role in leveraging funds from the Rapid Social Response (RSR) Trust Fund to implement the Kore Fanmi service delivery model and to support development of a social protection system.

**MOVING FORWARD**
The Bank-supported project, Improving Maternal and Child Health through Integrated Social Services, will expand the new Kore Fanmi service delivery model. Bank support for social protection will continue through a new project, Moving Toward a Social Protection System in Haiti, supported by the RSR Trust Fund. This grant will build on completed activities and support the government in moving toward a social protection system through the construction of the basic building blocks (a common targeting tool, unified social registry, and a social protection strategy, among others).

*This grant will build on completed activities and support the government in moving toward a social protection system through the construction of the basic building blocks.*
BENEFICIARIES

The Déismé family of 13, like the majority of families in rural Haiti, used to practice open defecation. Through a communication campaign provided by the Kore Fanmi agent, James Noel, and other agents, to nearly 3,000 families, the Déismé family realized the importance of using a latrine. They were one of nearly 400 families that decided to use their own resources and labor to build a latrine. The family now uses the toilet and keeps clean. Madame Déismé said, “I give more importance because my bathroom is my own and I realized it.” The Kore Fanmi agent said that the Déismé family sensitized other families in the neighborhood, which then also dug holes to eradicate the root causes of diarrheal illness in the community.

Photo: Mariclode Déismé, Haiti. World Bank.
The Central District of Tegucigalpa Municipality (AMDC), the city’s governing authority, sought to access financing from the International Finance Corporation for basic infrastructure services. However, because the central government did not provide a sovereign guarantee, the city needed to demonstrate that it had the institutional capacity and borrowing track record to qualify. This required a satisfactory public financial management (PFM) system.

**CHALLENGE**

The Central District of Tegucigalpa Municipality (AMDC), the city’s governing authority, sought to access financing from the International Finance Corporation for basic infrastructure services. However, because the central government did not provide a sovereign guarantee, the city needed to demonstrate that it had the institutional capacity and borrowing track record to qualify. This required a satisfactory public financial management (PFM) system.

*Because the central government did not provide a sovereign guarantee, the city needed to demonstrate that it had the institutional capacity and borrowing track record to qualify.*
SOLUTION

To support the government of Honduras’ decentralization strategy and build on synergies with the IFC, the World Bank undertook an assessment of AMDC’s PFM framework and practices, through a Public Expenditure and Financial Accountability (PEFA)1 exercise. The PEFA process provided the foundation for AMDC to develop and implement a balanced budget and to provide the municipality’s partners a reference to evaluate the evolution of AMDC’s PFM performance over time.

A joint AMDC-donor supervision and monitoring team was responsible for approving the work plan and the assessment results. A technical team led by World Bank staff and consultants was responsible for the assessment of the municipality’s performance with regard to the PEFA indicators. Validation workshops addressed the preliminary assessments of each indicator and provided an initial roadmap for PFM reforms.

RESULTS

The PEFA assessment process provided AMDC with a sound diagnostic of its PFM system, strengthening their ability to access finance for infrastructure investments. It also improved the transparency of the PFM system and renewed confidence in the AMDC’s financial management. Following the assessment, three local banks requested an early cancellation of the IFC’s Risk Sharing Facility in order to provide direct loans without a sovereign guarantee to AMDC.

The assessment fostered dialogue between the AMDC and the donors and central authorities and provided a foundation for the central government’s fiscal decentralization effort. It also contributed to defining the standards for monitoring and control of the indebtedness of municipalities and other sub-national entities.

WORLD BANK GROUP CONTRIBUTION

The World Bank-executed Public Private Infrastructure Advisory Facility (PPIAF) Trust Fund provided $84,000 through its Sub-National Technical Assistance (SNTA) program. This program helps sub-national entities improve their creditworthiness and their access to market-based financing.

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1 The PEFA Performance Measurement Framework is an internationally accepted, integrated benchmarking tool that uses a set of high-level indicators to assess PFM performance against international standards and good practices. http://www.pefa.org
PARTNERS
The main development partners working in public financial management in Honduras contributed to the PEFA Report’s quality review process. The PEFA follow-up Committee within the Aid Effectiveness Technical Roundtable (formed by the World Bank, USAID, European Commission and Inter-American Development Bank) provided consolidated comments to the preliminary report, which were considered in the final version. The final report was presented as part of the Aid Effectiveness Technical Roundtable. The report was well received by the development partners as a valuable tool to explore further collaboration with the AMDC in supporting their PFM reform agenda.

MOVING FORWARD
Building on the achievement of the PEFA assessment and the ability of the AMDC to access finance without sovereign guarantees, the IFC
is exploring the development of a public-private partnership project to decentralize potable water and waste water management services in Tegucigalpa. Currently, these are managed by the municipality’s Water Utility Agency, but AMDC is contemplating a joint venture with a private operator, an effort that might later involve the IFC as an advisor and co-financier. Development partners will almost certainly take into consideration the results of the PEFA assessment when making decisions on potential financing for AMDC.

allocation of resources and the efficient delivery of services. In this sense, the PEFA Report has been a very important document which has helped us to identify key areas to be strengthened within the framework of the reform.”

Mario Zerón
Director, Finance and Administration Directorate, AMDC.

“The PEFA Report has been a very important document which has helped us to identify key areas to be strengthened within the framework of the reform.”

BENEFICIARIES

“We recognize the importance of an adequate public financial management system as a mean to support policy and reach development objectives that endorse fiscal discipline, the strategic
SEGUNDO POPULAR: HEALTH COVERAGE FOR ALL

Seguro Popular is a public health insurance that covers a wide range of services without co-pays for its affiliates. It was established by the government of Mexico in an effort to expand health care to those without health insurance and reduce health inequities. Since 2004, Seguro Popular has gradually expanded to include 55.6 million people. During the project’s life between 2009 and 2013, 24 million people joined Seguro Popular and 2.8 million affiliates received a preventive health risk screening.

CHALLENGE
In 2002, before the creation of Seguro Popular, only half of the Mexican population benefitted from health insurance, largely through their employer. The self-employed, underemployed and unemployed accessed health services through public providers with a co-pay, or they paid for private care.

The budgets for public health care were uncertain and there was no defined package of free health services for the beneficiaries.
Poor and uninsured families, whose well-being was vulnerable to the financial consequences of illness or accidents, financed their health-care expenditures out-of-pocket. The budgets for public health care were uncertain and there was no defined package of free health services for the beneficiaries.

In fact, more than half of all health-care expenditures in Mexico were paid for out-of-pocket. By 2008, Seguro Popular counted over 27 million beneficiaries, who could access health services without a co-pay.

However, in 2009 the economic crisis led to a deep, though brief, contraction of over 6 percent of GDP, with increased poverty and pressure on the finances of vulnerable families. Seguro Popular was expanded in order to protect the health and finances of families who lost health insurance when they lost their jobs, as well as families who still lacked health insurance coverage.

**SOLUTION**

The Social Protection System in Health Project supported the expansion of Seguro Popular, using the program’s existing financial architecture, control mechanisms and management structure.

The National Commission of Social Protection is in charge of implementing the policy of Social Protection in Health, but the Federal contributions to the premiums are transferred to the 31 State Health Systems, which are then responsible for providing services to beneficiaries.
The project also aimed to improve the administration of the Seguro Popular entitlements by supporting technical assistance to the Commission and the State Health Systems.

RESULTS
The project supported the expansion in coverage of Seguro Popular for people without health insurance from the contributory social security system, and helped set the basis for reform of the system.

• Between 2009 and 2013, the number of individual beneficiaries of Seguro Popular grew from 31.1 million to 55.6 million.

• The states started a new program of preventive visits to screen new beneficiaries for a variety of conditions including high blood pressure and diabetes. By 2013, 22.8 million people had received a screening.

• The percentage of poor individuals that benefited from Seguro Popular, as a percentage of those not affiliated to a contributory social security system, grew from 42.3 percent in 2008 to 72.32 percent in 2012.

• Between 2006 and 2012, the gap in insurance coverage rates between indigenous and non-indigenous populations was virtually eliminated, and significant advances were made in narrowing service utilization gaps and even health outcomes, even though there remain significant service utilization differences.

Between 2006 and 2012, the gap in insurance coverage rates between indigenous and non-indigenous populations was virtually eliminated.

WORLD BANK GROUP CONTRIBUTION
The estimated cost of Seguro Popular over 2010-2013 was US$26,825 million. World Bank financing amounted to US$ 1,250 million. Mexico’s general policy regarding external financing is that the executing agencies do not receive additional resources to their budget. Rather, project funds were part of the Federal Expenditure Budget and subject to national financial and budget framework. As per usual practice, the Mexican government pre-financed the project, in this case, with the Federal Social Contributions to Seguro Popular,
and the World Bank subsequently reimbursed part of the eligible expenditures recorded under the corresponding budgetary lines.

**MOVING FORWARD**

The focus going forward is to strengthen the program’s organization, functioning, and supervision of the use of the resources in the states. Although the World Bank currently does not have an investment project in health in Mexico, it continues its policy dialogue with the National Commission of Social Protection, the Ministry of Finance, the Ministry of Health and the Mexican Social Insurance Institute (Instituto Mexicano
del Seguro Social, IMSS) around improving the efficiency and coordination among the different insurance schemes.

**BENEFICIARIES**

Cuetzalan is a remote town about a five-hour drive from the city of Puebla, in the state of Puebla. Just a few years ago, its antiquated public hospital was located in an area that was vulnerable to landslides. Using Seguro Popular funds, a new rural hospital was built in a safer area. It now includes a modern pharmacy, an ambulance service and a comprehensive traditional medicine unit. In this unit, pregnant women who are enrolled in Seguro Popular can receive free prenatal and delivery care from traditional birth attendants, who work in partnership with the hospital’s delivery service.

In the disperse communities in the mountains around Cuetzalan, several mobile clinics reach out to Seguro Popular beneficiaries on a regular basis. The off-road vehicles include a fully equipped doctor’s consultation room and some even include a dentistry unit.
IN TIMES OF CRISIS, MEXICO PROTECTED ITS HUMAN CAPITAL

THE COUNTRY’S CONDITIONAL CASH TRANSFER PROGRAM IMPROVED ACCESS OF POOR FAMILIES TO HEALTH AND EDUCATIONAL SERVICES

An expansion of Mexico’s flagship conditional cash transfer (CCT) program, Oportunidades, was critical in protecting human capital of the poor during the 2008 economic crisis. Stronger coordination with existing health and education programs has increased access of the poor to health insurance and to learning opportunities through scholarships and improved quality of education.

CHALLENGE
When a crisis hits, the chronically poor are most at risk of suffering irreversible losses. Because they have fewer strategies to mitigate the crisis, such as accessing more credit or seeking out more work, they have to reduce consumption of food, or other basic needs, and investments in education, thereby further reducing their long-term earnings potential. Even after the crisis passes, the poor have difficulty reversing these losses in nutrition, earnings, and education.

With a demonstrated ability to reach a large number of the poor with a positive impact, Oportunidades was central to the Mexican government’s domestic policy response to the global economic crisis of 2008; but, financing the social spending needed to increase benefit payments and
expand the program’s coverage was challenging, given increasing fiscal difficulties associated with the 2008 crisis.

**SOLUTION**
The World Bank-funded Support to Oportunidades Project was designed to support the country’s flagship conditional cash transfer program Oportunidades to improve household consumption, school attendance, and health and nutrition of the poor. Project design combined a cash grant with conditional support to beneficiaries component, with technical assistance to strengthen program impact. The technical assistance, directed at forging stronger ties with the health and education sectors, went beyond immediate crisis response; it fostered support for improved program quality and greater impact on the well-being of its beneficiaries. Technical assistance support expanded during implementation through grants and Bank-financed analytical and advisory services, which supported knowledge services in such key areas as program targeting, coordination, social protection, and governance.

**RESULTS**
The project improved access to health and educational services of poor families, and built sustainable connections between Oportunidades and other social programs to improve outcomes. Results included the following:

- Coverage increased from 5.2 million families to 5.9 million between 2009 and 2013.
- The percent of students who transitioned from primary to lower secondary education increased from 82 percent in 2006 to 90 percent in 2013.
- The percent of students who transitioned from lower to upper secondary education increased from 56 percent in 2006 to 69 percent in 2013.
- The number of Oportunidades schools participating in the Ministry of Education’s school-based management program, *Programa Escuelas de Calidad*, increased from 25,000 in 2006 to 29,000 in 2013.
The percent of students who transitioned from lower to upper secondary education increased from 56% in 2006 to 69% in 2013.

- The number of Oportunidades beneficiaries with tertiary education scholarships from the National Scholarship Program for Higher Education (PRONABES) increased from 36,941 in 2008 to 68,181 in 2013.

Global knowledge: Over the years, often with Bank support, the program has contributed immensely to global knowledge sharing their experience through a number of South South exchanges with countries in Latin America (Brazil, Colombia, Honduras, Ecuador and Peru among others), Europe (Turkey and Croatia), Asia (Philippines, Bangladesh and India among others) and Africa (South Africa, Tanzania and Malawi among others).

**WORLD BANK GROUP CONTRIBUTION**

The Bank supported Oportunidades with US$2.75 million in lending and US$1.3 million in related technical assistance provided through trust funds and programmatic analytical work. This included US$0.26 million from the Spanish Fund for Latin America and the Caribbean (SFLAC). The technical and financial assistance enhanced the government’s crisis response capacity while strengthening Oportunidades and its long-term effectiveness (targeting, coverage, quality, and links with other services).

**PARTNERS**

The Inter-American Development Bank (IDB) provided a multi-year conditional credit line of up to US$2 billion and technical assistance. The Bank and the IDB coordinated joint supervision missions to ensure full alignment and to maximize the level of technical assistance.
MOVING FORWARD
The program remains highly relevant within the government’s priorities for social policy. It is expected to continue expanding, with the goal of reaching 6.5 million beneficiaries by 2018. Along with this increased coverage, the government assigns high priority to scaling up and consolidating its strategy to link beneficiaries with social and productive programs, helping them capitalize on opportunities for income generation. In addition to the government’s political and financial commitment to Oportunidades, it has requested a new World Bank Loan to support the redesign of the Oportunidades, now called PROSPERA Social Inclusion Program, with the objective of further improving its impact in this new priority area.

BENEFICIARIES
Conversations with beneficiaries reveal how Oportunidades is supporting the families’ investments in their own human capital. Zenaida, mother of five girls, explains how, through education and better nutrition, her daughters’ outlook on life has improved. Thanks to the program, they are all studying: the youngest is starting secondary school and the older sisters have already moved onto university.

Participation in Oportunidades also allowed Rigoberto to continue with his studies, something he could not have done otherwise. With many sacrifices, determination and some help by Oportunidades, today he is fulfilling his childhood dream of becoming a professor.

Photo: World Bank.
IMPROVING THE ACCESS AND QUALITY OF EDUCATION FOR MARGINALIZED COMMUNITIES

Mexico increased the coverage for early childhood education services and improved the quality of basic education in community and compensatory schools. Community schools are managed entirely by CONAFE in rural and marginalized areas that lack regular schools. Compensatory schools are regular schools run by the SEP, located in marginalized, rural, or indigenous communities that receive compensatory programs from CONAFE. Community and compensatory schools received dedicated support and the results in standardized national test (ENLACE) scores for students in the 3rd, 6th, and 9th grades improved between 2009 and 2013 in compensatory schools.

CHALLENGE
By achieving near-universal coverage among pre-school children aged four and five and primary school students, Mexico has increased coverage in basic education and narrowed some gaps for disadvantaged groups. Educational attainment also improved from 6.8 years in 1993 to 8.4 years in 2006.

Despite these achievements, Mexico’s indigenous populations and disadvantaged communities are still experiencing persistent inequity.
These marginalized populations continue to face unequal education opportunities, and the quality of education services that did reach these communities remained low. In 2009, for example, among all member countries of the Organisation for Economic Co-operation and Development (OECD), Mexico had the lowest results in the triennial test given by the Programme for International Student Assessment (PISA).

In 2009, among all member countries of the OECD, Mexico had the lowest results in the triennial test given by the Programme for International Student Assessment (PISA).

**SOLUTION**

The World Bank-supported Compensatory Education Project supported the expansion of services by the National Council for Educational Development (CONAFE), which provides educational services in rural and indigenous areas. Although CONAFE implements its programs nationwide, the project supported three interventions to expand CONAFE’s services in the 172 most marginalized municipalities. The three interventions were: (i) expansion of early child development (ECD) services; (ii) improvement of school-based management programs, Apoyo a la Gestión Escolar (AGE) and Fortalecimiento Comunitario para la Educación (FORTALECE); and (iii) mobile tutors or Asesoría Pedagógica Itinerante (APIs) in the worst performing schools. In addition, in an effort to understand the impact of these interventions, the Bank supported impact evaluations of the ECD, AGE, and API programs.

For the ECD intervention, the project supported capacity building of promoters, module supervisors, and zone coordinators, and the development of new appropriate and culturally sensitive capacity building materials for use in indigenous areas. For the school based management programs, the project supported capacity building for parents’ associations or Asociaciones de Padres de Familia (APFs), to foster collaboration in school planning and management, and improve school performance based on the creation of school improvement work plans, and the increased participation of parents.
RESULTS
The number of children attending at least 80 percent of ECD sessions increased to 57,983 in 2013. The project provided capacity building for an average of 47,286 Asociaciones de Padres de Familia (APFs) per year. Average ENLACE scores in compensatory schools increased significantly between 2010 and 2013. Grade 3 scores improved by 78.86 points, Grade 6 scores improved by 35.32 points, and Grade 9 scores improved by 69.5 points. These improvements narrowed the gap with the national average by 41.27 points for Grade 3, 11.94 points for Grade 6, and surpassed the national average by 34.7 points in Grade 9. Grade failure rates in Grade 6 in compensatory schools declined to 1.9 percent.

WORLD BANK GROUP CONTRIBUTION
The Bank supported interventions to expand ECD services (US$37.8 million), improve learning outcomes through AGE school-based management in compensatory schools (US$52.2 million), and improve learning outcomes through FORTALECE school-based management in community schools (US$1.2 million). These interventions complemented both the government’s and the Bank’s strategies to improve access to educational services and learning outcomes in the country’s marginalized communities.

MOVING FORWARD
CONAFE will continue to implement all the programs financed by the project. CONAFE is also partially supporting interventions in basic education with its own resources and those of other donor funds. An Inter-American Development Bank
(IDB) program is focused primarily on community schools. A follow-on Bank project will expand the API and ECD programs. Most of the schools that received capacity building and direct support through the project may also benefit from two newly designed programs by the Public Education Secretariat (SEP): *Programa Escuelas de Tiempo Completo* and *Programa Escuelas de Excelencia*, which will transfer large direct support for school based management and improved infrastructure.

**BENEFICIARIES**

The project financed capacity building for an average of 47,286 APFs per year in a total of 141,857 community schools, benefitting just over 2 million students. Around 200,000 young children in the most marginalized municipalities benefited from the ECD program, and another 42,000 from the API program.

*Photo: CONAFE.*
CONSOLIDATING THE PUBLIC SECTOR REFORM
TAX ADMINISTRATION, INTERNAL FINANCIAL CONTROLS, AND STATE OWNED ENTERPRISES

Paraguay is improving its internal controls through a standardized internal control system. It is also improving the tax system by strengthening the capacity of the Large Taxpayers Unit, and increasing the size of the large taxpayer’s base that is audited. The government significantly strengthened its oversight capacity of the state-owned enterprises through an improved institutional framework, financial transparency, and results-based management.

CHALLENGE
The government of Paraguay has successfully reformed its public sector in collaboration with the World Bank in the areas of tax administration, internal controls and state-owned enterprises (SOE). However, the government recognized the need to consolidate these reforms. The tax-to-GDP ratio was still one of the lowest in the region, the basic service delivery by SOEs was still weak, both of which were potential obstacles for the country’s rapid growth.

SOLUTION
The Public Sector Reform Development Policy Loan project was designed to follow up and consolidate the achievements reached by previous reforms, adapting to country circumstances and ensuring strong national ownership. The project components were consistent with the government’s Strategic and Social Plan and the policy actions were in line with further strengthening public sector institutional capacity in the areas of SOE oversight, internal control, and tax administration.
RESULTS
The project contributed to the effectiveness and efficiency of the public sector as a medium for improved service delivery. The program supported achievements in the following areas:

• Audited financial statements for seven out of the eight currently operational SOEs were published online within six months after the end of the fiscal year.

• The government adopted management contracts with seven out of the eight SOEs, improving their own control over the targets and the capacity of the monitoring unit, Unidad de Monitoreo de Empresas Públicas (UMEP).

• New management contracts for 2013-2015 were negotiated and are currently being implemented.

• The creation SOE council, Consejo Nacional de Empresas Públicas (CNEP) which consolidates the institutional framework, was approved and adopted. Five ministries established internal control committees, internal control norms, and trained the staff to implement the standard model of internal control (MECIP) These advances were maintained during the life of the program, exhibiting a more comprehensive set of internal control rules, and a broader coverage of internal audit function, as well as a higher extent of management response to internal audit findings.

• Subsecretaría de Estado de Tributación strengthened its audit capacities for large taxpayers through: (i) the issuance of a resolution by SET and the banking superintendency, Superintendencia de Bancos, to allow for the audit of financial institutions classified as large taxpayers; and (ii) the implementation of a training program for auditors from the large taxpayers unit.

• Tax collection rose, with the tax/GDP ratio reaching 13.80 percent in 2012.
WORLD BANK GROUP CONTRIBUTION
The Bank supported the project with a US$100 million loan.

PARTNERS
The USAID-supported Umbral program provided technical assistance and intensive training to ensure adequate and gradual implementation of the standardized internal control framework, MECIP. The Ministry of Finance was the implementing agency supported through the Consejo Nacional de Empresas Públicas, (CNEP) and the Tax Administration Agency (Subsecretaría de Estado de Tributación) carried out activities of the reform processes.

MOVING FORWARD
The Bank team maintains engagement and supports the government’s ongoing public sector reform agenda with the technical assistance project Strengthening Tax Administration and SOE Corporate Governance.

BENEFICIARIES
In particular, the staff of the public institutions involved in the reform benefited directly from the actions taken through improved institutional processes and increased information for decision-making. In addition, improvements in public sector management benefit all citizens through more efficient and transparent central administration, better public service delivery, and increased quality and access to public information.

*Improvements in public sector management benefit all citizens through more efficient and transparent central administration, better public service delivery, and increased quality and access to public information.*
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 project supported the rehabilitation of damaged infrastructure serving highly vulnerable population and advanced the government’s ability to manage disaster risk data. Financed by an International Development Association (IDA) credit of US$5 million and prepared following rapid response procedures, the project focused on retrofitting social infrastructure, integrating gender and social focus in the rehabilitation works.

CHALLENGE

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

St. 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.

**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.

*Special consideration was taken in building gender-segregated washrooms and disability access ramps, and the most vulnerable communities were targeted for intervention.*

Photo: Improved flood defences on the River Teviot, World Bank.
WORLD BANK GROUP CONTRIBUTION
The total amount of the project 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 IDA 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.
Photo: Tropical storm Tomas shortly after intensifying into a hurricane near Barbados, NASA.
MODERNIZING THE NATIONAL WATER UTILITY

ENSURING SUSTAINABLE WATER

Uruguay modernized its water utility and sanitation services to ensure that even more Uruguayans receive accountable, customer-oriented, and better service for their money. The project benefited around 3.05 million people, and the World Bank’s long-term partnership with the National Water Supply and Sanitation Company (OSE) promoted innovation and institutional reform. OSE also reduced the amount of non-revenue water (defined as water that is produced but lost before reaching the client).

CHALLENGE

Uruguay’s nearly universal water supply and sanitation coverage provides a high quality of service and infrastructure, compared to other Latin American countries. The key challenges confronting the OSE included an aging infrastructure, operational and financial inefficiencies, and poor basic customer services, as well as low sanitation coverage levels (56 percent of the population with household connections).

In the early 2000s a series of institutional reforms separated policy-making, regulatory, and operational responsibilities in the sector. In 2004, a constitutional amendment, declared water a human right and made the provision of water and sanitation services the exclusive responsibility of public entities.

The government at that time was committed to enhancing the performance, competitiveness,
accountability and transparency of public utilities. OSE’s senior management began a flagship initiative for institutional change and administrative reform.

In 2004, a constitutional amendment, declared water a human right and made the provision of water and sanitation services the exclusive responsibility of public entities.

Previous approaches had focused largely on improving and maintaining OSEs infrastructure, placing operational and managerial performance, as well as customer service improvements on the side. As a result, OSE’s coverage and infrastructure improved, but efficiency and other management issues did not.

SOLUTION
The OSE Modernization & Systems Rehabilitation Project (APL-2) supported OSE’s reform-oriented agenda, which included increased efficiency, coverage, transparency, competitiveness, and sustainability of water and sanitation services. OSE also implemented internationally recognized best management practices for customer service. This project was the second phase of the reform agenda, following the completed OSE Modernization & Systems Rehabilitation Project (APL-1), which developed a publicly disclosed performance benchmarking system and established the environmental, social and non-revenue water units.

OSE’s new approach took a long-term, multi-faceted approach to modernization. The OSE team outlined a 10 year project of multiple phases that would allow for the continuation of infrastructure renewal elements and the gradual addition of

Photo: OSE ©.
newer, softer elements. These elements included, among other activities:

- Implement a commercial operational system, laying the ground work for a non-revenue water reduction program, and improving the financial management system.

- Decentralize operations and engage the community whenever possible. For instance, sewerage expansion works, which had previously been supply driven, were carried out in close coordination with municipalities.

OSE adopted three internationally recognized best practices for non-revenue water:

- Establish a water balance that follows the International Water Association’s guidelines.

- Support the strengthening of the Unaccounted for Water Reduction (RANC), unit devoted to non-revenue water.

- Employ performance based contracts for non-revenue water work.

The non-revenue water reduction program’s approach was revolutionized after a successful pilot, financed by the project, demonstrated that community based sectorization yielded phenomenal results. In line with the community-based approach, the project focused on improving corporate accountability and transparency, developing a code of ethics for the company, strengthening OSE’s compliance with nationwide regulations and policies, and establishing publically-reported performance indicators.

RESULTS
OSE’s transparency, client responsiveness, efficiency, and financial viability, as well as the customer experience have all improved. Before the project, OSE complied with only 23 percent of best practices; it now complies with 74 percent of them. The best practices include:
• A 24 hour call center.

• In-person client attention centers with an adequate number of personnel with appropriate training and computer support.

• At least three channels through which clients can pay their bills.

The adoption of these best practices lays the groundwork for sustainable improvement in OSE’s customer service. Another best management practice was the development and operationalization of a code of ethics and the consolidation of robust company performance indicators that are published in newspapers and on its website every six months.

The implementation of a new commercial system also led to efficiency gains throughout the organization. The project supported not only the implementation of the system, but also the development of regulations and guidelines on service provision, delinquent payments, tariffs and billing among other areas.

• The non-collections ratio went from 7 percent in 2006 to 4 percent at the project’s close. This increase in collection rate has a significant impact on OSE’s income. For every percentage point gained in collection, OSE gains approximately US$3.5 million. The project helped increase collections by supporting overdue payments recovery, social outreach, more effective service cuts as well as fraud detection.

• Delinquent payments decreased by 20 percent. Since the implementation of the fraud program, OSE has been able to recuperate 3.35 million cubic meters of water lost through fraud.

• In terms of operational efficiency, the implementation of the commercial system helped reduce the commercial cycle from a 30 to 60 day period to a 14 to 20 day period and improved the technology and procedures for meter readings; billing based on actual readings went from 77 to 90 percent.

The project helped increase collections by supporting overdue payments recovery, social outreach, more effective service cuts as well as fraud detection.
OSE built an appropriate structure for environmental management and made meaningful strides towards institutionalizing the issue within the organization. The environmental unit now has ten qualified professionals, surpassing the legal agreement’s commitment. OSE’s long term vision for environmental management has also been consolidated and formalized through the approval of a company-wide Environmental Policy.

The project also supported OSE’s decentralization initiative to strengthen regional laboratories by financing the construction of eight regional laboratories utilizing the integrated laboratory management system model. This initiative has led to significantly reduced times for analysis of samples. For example, the average time from extraction of a sample to the emission of the result for regional laboratories conducting physical chemical analysis went from 55 hours (December 2006) to 12 hours (June 2011).

The reliability of OSE’s potable water supply infrastructure improved. The project surpassed the intermediate indicator for this objective, improving backup capacity to 790,000m3/day and ensuring a reliable water supply for Montevideo’s population until 2035. The new clarification technology lowered chemical usage, saving OSE approximately US$200,000 per year and improved filter backwash efficiency resulting in a three to four percent reduction in water losses when cleaning the filters.

Non-revenue water is reduced. OSE successfully reversed a trend of increasing levels of water loss that was aggravated by decades of chronic underinvestment, particularly in maintenance. On a national level, non-revenue water decreased over the course of the project, resulting in 20.5 million of cubic meter of water recovered per year, equivalent to US$10.1 million per year.¹

The US$27.3 million investment in the RANC program will be returned in just over three years, and in ten years OSE will see a return of US$34 million. These reductions can be attributed to a campaign on the part of RANC to establish a culture of metering, extensive pipe substitution as well as the integration of non-revenue water management in OSE’s day-to-day operations. Non-revenue water is now considered a strategic issue at OSE and is incorporated in senior management’s action plans. OSE’s vision for non-revenue shifted from

¹ Water recovered is estimated based on apparent and real losses, and the dollar amount is calculated based on the average water tariff and variable cost for water production and distribution.
focusing efforts on operational maintenance to focusing on reducing water losses. The project laid the groundwork for this shift in vision and the adoption of more advanced, innovative approaches for non-revenue water loss methods. In addition, the project financed a pilot project to establish a District of Measurement and Control (DMC) in a town in Artigas where non-revenue water loss went from 906 l/conn/day in 2006 to 81 l/conn/day. The success of the initiative has spurred a movement to create a network of DMCs throughout the country.

Household connection to new and existing sewerage system improved. The project contributed to an increase in sewerage coverage, from 49 to 59 percent in the targeted cities.² OSE expanded its services to more customers by promoting connections with social campaigns and providing technical assistance to local governments, helping connect 3,664 more families to the sanitation network, exceeding the project target of 3,600. OSE utilized output-based disbursement in its campaign to expand connections. OSE is now using elements of the output-based disbursement methodology in its National Plan for Connections.

² These percentages are based on the total number of households that are connected to OSE’s water systems.

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WORLD BANK GROUP CONTRIBUTION
The Bank financed US$50 million for the second phase. Previously, the Bank had financed the first phase of the reform, OSE Modernization & Systems Rehabilitation Project (APL-1).
PARTNERS
The Bank team worked closely with the OSE team to implement the reform program.

MOVING FORWARD
The Bank’s support for Uruguay’s water and sanitation sector will continue under the OSE Sustainable and Efficient Project, approved in 2012. This new operation contains many innovative activities, such as water safety plans and climate change assessments, and incorporates some of the risk-related elements. Several key initiatives that were developed in this current project, such as the RANC program and the Environmental Management Unit, are also being continued under the new project. With its operational improvements, OSE will be able to cover all operational and maintenance expenditures and some investments costs, solidifying the sustainability of its existing assets.

BENEFICIARIES
The project benefited OSE’s client base of 3.05 million by:

• Installing a culture of customer orientation at OSE.
• Optimizing organizational processes to cut costs and time while improving the quality, reliability and accessibility of customer services.
• Improving the reliability and quality of WSS services through infrastructure renewal and increased laboratory capacity.
• Reducing non-revenue water losses, leading to more cost-efficient, sustainable service.
• Expanding access to sewerage service.
• Increasing transparency through publication of performance indicators as well as participation in international, performance assessment initiatives.
The project also benefited OSE’s staff, sectoral agencies, and the government by:

- Establishing an indicator program that allowed senior management, the government and other related organizations to access reliable and consistent information on OSE’s performance.

- Developing a code of ethics that clearly defined proper conduct internally and externally.

- Implementing various new management software systems to provide more precise information on operations.

*Photo: OSE ©.*
**IMPROVING SKILLS FOR INCLUSIVE GROWTH**

**ENHANCING EMPLOYABILITY OF YOUTH IN THE EASTERN CARIBBEAN COUNTRIES**

Saint Lucia and Grenada trained and certified more than 2,000 unemployed youth with regionally and internationally recognized certification, established a policy and institutional framework for delivering quality skills training, introduced industry-vetted regionally recognized occupational standards and a quality assurance system.

**CHALLENGE**

Youth unemployment (over 30 percent) imposed a high cost to society as a result of increased risks of deviant behavior and foregone earnings. Young people in the Organization of Eastern Caribbean States (OECS) countries, particularly the poor, faced structural barriers to enter labor markets, including insufficient education, life and job skills. At the same time enhancing the efficiency of labor markets was an important regional priority, as increasing movement of artisans and skilled persons across the Caribbean Community was seen as a crucial element to the success of the incipient Caribbean Single Market Economy (CSME). In this context, the Caribbean region had taken steps to provide the human capital foundation for economic growth and integration, including adopting a Caribbean Vocational Qualifications (CVQ) framework that sets common standards and recognition of technical and vocational qualifications throughout the region and alignment of technical and vocational training (TVET) with workplace demands.
The OECS Skills for Inclusive Growth Program was designed to work with the private sector to address the skills shortage as well as the policy and institutional framework to deliver skills to disadvantaged unemployed youth. Support for life skills (including basic literacy and numeracy, socio-emotional or non-cognitive skills also known as productivity enhancement training) and vocational training (both classroom and on-the-job internships) and certification for unemployed youth based on industry approved occupational standards. The quality of training would be enhanced through establishment of a policy framework for training, including the introduction of competency-based standards.

RESULTS
Project results included the following:

- Established an industry-vetted, regionally recognized occupational standards framework that supports improvement of the quality and relevance of technical and vocational education. Both Saint Lucia and Grenada were authorized by the Caribbean Association of National Training Agencies (CANTA) to issue
regional certifications, which is an independent endorsement of the robustness of the newly established occupational standards framework in each of these countries.

• Supported a total of 2,030 unemployed youth to obtain training and regional (Caribbean Vocational Qualifications –CVQs) and international recognized certification in competency-based skills thus facilitating the free movement of labor across the CSME.

• Acquired a total of 175 industry-vetted occupational standards

• Certified 130 assessors as part of the quality assurance framework

PARTNERS
The two countries collaborated with the Caribbean Association for National Training Agencies (CANTA) to acquire regional occupational standards; 517 private sector companies that provided internships to trainees; Caribbean Institute of International Hospitality Management (CIIHM), the American Hotel and Lodging Education Institute (AHLEI) and Monroe College provided international qualifications in the areas related to hospitality.

MOVING FORWARD
In the case of Grenada, the training model supported under the program has been replicated under the New Imani Program, one of the flagship programs in the Country. Trainees will be required to apply for CVQ certification. In the case of Saint Lucia, the Ministry of Education has decided to continue the integration of competency-based training program into all training programs offered by the National Skills Development Center (NSDC) as well as TVET education at the secondary level, thus making progress toward mainstreaming the skills development model supported under the program.

Photo: A man shows a nutmeg, Grenada. Brenda Anderson. CC©.
BENEFICIARIES

Under the program, I received training in basic life skills and technical training in customer service, and an internship at a nutritional bookstore, after which obtained regional and international certification in customer service. The program fully transformed my life, not only by making me employable but also by giving me a sense of self-worth.

Lauren Burno - Trainee.

The project allowed us to build a technical and vocational education and training system that is going to last. Going forward it will have an impact on skilled working being able to access job opportunities regionally.

Lincoln Morgan - Chief Executive Officer, Grenada National Training Agency.
SOUTH SOUTH KNOWLEDGE EXCHANGE
HONDURAN CACAO FARMERS LEARN ABOUT SUSTAINABLE PRACTICES IN THE DOMINICAN REPUBLIC

The South South Exchange program sponsored a trip of Honduran cacao farmers to the Dominican Republic to learn about cacao farming. This exchange allowed the participants to learn about cacao production, including cultivation, post-harvesting, and processing the beans to prepare chocolate, jam, and cocoa butter. The exchange facilitated training in preparation of business plans and learning about agroforestry-based farming, Fair Trade, and commercialization.

CHALLENGE
Small-scale indigenous and Afro-descended cacao farmers in Honduras were engaging in poor farming and production practices and lacked the necessary entrepreneurial skills and management knowledge to expand production and increase their sales into new market. The challenge was to introduce new environmentally sound farming and production methods and create an entrepreneurial mentality for sustainable growth and development. In addition, with improved production and quality, the farmers would need to learn how to market and negotiate prices.

SOLUTION
The World Bank’s South South Unit sponsored the trip by the 10 Honduran farmers, members of the mestizo, Pech, and Afro-descended communities of
both genders. Each farmer represented a farmers’ association. Drawing on the experience of the farmers in the Dominican Republic, the South–South Exchange provided the Honduran farmers with the training to manage cacao production as a lucrative enterprise.

In addition, the Bank-supported Environmentally Sustainable Cacao Production for Small-Scale Indigenous Peoples and Afro-descendant Farmers Project (AGROCACAO) provided an operational development model that promoted territorial development and agroforestry to foster environmental protection, conservation, and recovery of damaged and eroded areas. The project targeted small cacao farmers in the departments of Atlántida, Olancho, and Gracias a Dios. The project focused on promoting agroforestry as an environmentally friendly activity to improve the farmers’ livelihoods. The project also promoted organic production using native species, which are more resistant to diseases and are known for their excellent quality. It also provided technical assistance for the farmers and entrepreneurs.

**RESULTS**

The visit to the Dominican Republic provided the Honduran cacao farmers with the opportunity to improve their knowledge in a number of areas:

- Organization planning and resource management: The farmers visited and learned about the organizational model and structure of the National Confederation of Dominican Cocoa farmers (Conacado), one of the country’s leading exporters with more than 8,500 small farmers.

*Photo: World Bank.*

The project focused on promoting agroforestry as an environmentally friendly activity to improve the farmers’ livelihoods.
• Organic and sustainable cultivation methods: The farmers also visited the departments of El Seibo and María Trinidad Sánchez, where they learned about organic methods to optimize the cacao production and reduce some diseases.

• Cocoa chain value: The four women farmers visited the Women’s Association “Esperanzas Unidas,” where they participated in the elaboration of cocoa derivatives, such as chocolate, jam, and cocoa butter.

• Fair trade commercialization: The farmers learned about the process and importance of acquiring fair trade certificates to obtain a better selling price and better conditions for their communities.

• Marketing: The farmers learned about the various markets for the different qualities of cocoa beans and the different organic and fair trade certifications. They also visited the farm of Eric Reid, the owner of a gourmet chocolate factory, where they learned about this specific market niche.

The farmers who travelled to the Dominican Republic introduced the lessons learned to their organizations and other groups through workshops organized around Honduras.

The farmers who travelled to the Dominican Republic introduced the lessons learned to their organizations and other groups through workshops organized around Honduras. AGROCACAO also showed tangible results in the number of beneficiaries, the number of hectares cultivated, the establishment of chocolate factories, and in the enhancement of skills. The project exceeded by
almost 200 its target of reaching 1,000 farmers. As a result of these efforts, beneficiaries who were required to provide 10 percent as counterpart have provide up to 46 percent. The President of the Republic of Honduras will inaugurate one of the chocolate factories on April 9, 2015.

WORLD BANK GROUP CONTRIBUTION
The Bank’s South South Unit supported the South South Exchange visit to the Dominican Republic.

MOVING FORWARD
Donors, governments, and the private sector have expressed interest in the project’s development model. Recognizing the project’s success, the Bank’s management has encouraged scaling up AGROCACAO in Honduras and in other countries in the region. To achieve that objective the Bank is preparing a dedicated Trust Fund. The model has also been discussed with other development Banks to promote an integrated notion of territorial development.

BENEFICIARIES
Leonidas Zavala Domínguez, one of the farmers from the Olancho department, said that he had broadened his knowledge about the drying of the cacao bean and how to improve its quality. “The challenge now is to identify a market for our products,” added Leonidas, while saying that he will replicate in his farm what he learned. Maura Eligia Duarte, from a Pech community, mentioned that she had learned how to prepare artisanal chocolate and other cocoa derivatives.
HONDURAS AND COLOMBIA SHARE KNOWLEDGE TO REDUCE DISASTER RISKS

A SOUTH SOUTH EXCHANGE ON TERRITORIAL AND DEVELOPMENT PLANNING

Honduran and Colombian authorities participated in an exchange of knowledge and experience about incorporating disaster risk management and environmental considerations into broad development and territorial planning processes at the national, regional, and local levels. These processes included organizational, normative, and methodological practices.

CHALLENGE

Honduras is among the countries most affected by climate change and disasters triggered by natural events. Its high vulnerability to hurricanes, floods, and landslides poses significant development challenges and undermines efforts to reduce poverty and promote shared prosperity. For example, in 1998, Hurricane Mitch affected 90 percent of the country and led to over 5,700 deaths, 8,000 missing and nearly half a million displaced individuals.

In 1998, Hurricane Mitch affected 90 percent of the country and led to over 5,700 deaths, 8,000 missing and nearly half a million displaced individuals.
individuals. Economic damages amounted to 81 percent of GDP. Rapid and unplanned urbanization and progressive environmental degradation further aggravate disaster vulnerability. In light of this, the Honduran government has been taking important steps towards adopting a more proactive disaster risk management (DRM) approach. However, national authorities identified the need to increase their knowledge and capacity on how to incorporate risk reduction and prevention aspects into overall development, territorial, and environmental planning.

**SOLUTION**

Responding to the Honduran government’s expression of interest in learning more about the mainstreaming of disaster risk considerations into planning processes, the World Bank organized an experience exchange with representatives from national and municipal authorities in Colombia. As it accumulated a wealth of know-how on integrating risk reduction measures and environmental concerns into development and land use planning over the past decades, Colombia has established itself as a role model in implementing a comprehensive DRM strategy, including technical assistance to municipalities.

The Knowledge Exchange on Incorporation of Disaster Risk Management into Territorial Planning between Honduras and Colombia under the Honduras Disaster Risk Management Project was designed to provide ample opportunities for Honduran participants to learn from good practices and lessons learned at the national, regional, and local levels in Colombia. The knowledge exchange directly complemented the implementation of the project components to strengthen national-level, municipal, and community-level DRM capacities. The project, became effective in March 2013 and is scheduled to close in April 2019. The central activity of the knowledge exchange was a study visit to Colombia in May 2014, including various site visits, complemented by preparatory sessions via videoconference and a final workshop in Honduras to consolidate recommendations and next steps.
**RESULTS**

The experience exchange strengthened the institutional capacity of Honduran authorities for mainstreaming disaster risk considerations into development planning processes with a focus on land use planning at the municipal level. Specifically, the following results were achieved:

- Exchange participants reported a substantial increase in their knowledge and skills on how to consolidate policy and institutional frameworks with an integral emphasis on natural hazards and on methodologies and instruments to promote the effective incorporation of DRM considerations into territorial planning practices at all administrative levels (90 percent of participants).

- Participants also confirmed that the exchange helped to improve inter-institutional communication and coordination with other national entities responsible for DRM, territorial planning and environmental management and strengthened teamwork within their institutions and in collaboration with other agencies (90 percent of participants).

- Increased awareness of the importance of recognizing and integrating disaster risk as a determinant in development planning processes with a focus on land use planning (80 percent of participants).

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*Photo: World Bank.*
• Authorities agreed upon a Strategic Action Plan to continue improving DRM in Honduras. This plan includes, among others, recommendations and next steps to help define better institutional responsibilities, formulate guidelines and tools for resilient development planning, and implement a national strategy to enhance technical assistance to municipalities.

WORLD BANK GROUP CONTRIBUTION
The Bank team facilitated this exchange between Honduras and Colombia based on a long-standing engagement in the area of DRM in both countries. This engagement has included policy development and investment lending projects and technical assistance. The exchange was made possible thanks to a grant in the amount of US$48,000 from the South South Experience Exchange Facility, which was complemented with supervision budget from the Honduras Disaster Risk Management Project to fund World Bank staff’s time and travel dedicated to the preparation and implementation of exchange activities. In addition, the Matanza-Riachuelo Basin Sustainable Development Adaptable Lending Program funded the participation of two Argentine representatives in the exchange activities.

PARTNERS
Representatives from the following Colombian entities readily shared their knowledge from more than 15 years of experience with implementing consolidated policy and planning frameworks that mainstream DRM: National Planning Department (DNP); Ministry of Housing, Cities, and Territory (MVCT); Ministry of Environment and Sustainable Development (MADS); National Unit for Disaster Risk Management (UNGRD); Colombian Presidential Agency for International Cooperation (APC); Institute of Hydrology, Meteorology and Environmental Studies (IDEAM); Colombian Geological Survey (SGC); Municipality of Manizales; Regional Autonomous Corporation of Caldas (CORPOCALDAS); Institute of Environmental Studies of Manizales (IDEA); and the Manizales Program for the Protection
of Hillsides; Honduran National DRM Agency (COPECO); Ministry of Human Rights, Justice, the Interior and Decentralization (SDHJGD); Ministry of Natural Resources (SERNA); Honduran Association of Municipalities (AMHON). In addition, the United Nations Development Program (UNDP) financed the participation of two additional Honduran representatives.

MOVING FORWARD
During the final workshop, participants agreed on a Strategic Action Plan for Honduras that outlines a series of next steps for the short, medium, and long-term to facilitate mainstreaming of DRM into development and territorial planning. Honduran counterparts are committed to implementing this roadmap and the Bank will support their efforts as part of regular supervision of the Honduras Disaster Risk Management Project.

BENEFICIARIES
Manuel Sanchez, project Coordinator, Honduran Disaster Risk Management Agency (COPECO), participated in the exchange and summarized the experience as “very productive for us and very interesting because it allows us to compare how they are addressing the issue of integrated disaster risk management in Colombia versus how we have been working on the issue in our country.”

Arlette Morales, Director of Prevention Management, COPECO, who also participated in the exchange affirms that thanks to “our nationwide presence, we can replicate some of the practices that we have learned. It is important that countries that share similar characteristics be able to share best practices and also those that have not been so good because you also learn from failure.”
COLOMBIA AND PERU SHARE KNOWLEDGE ON PUBLIC INVESTMENT

The governments of Colombia and Peru participated in a South South Exchange to share knowledge on territorial development and strengthening through the development of planning capabilities and tools.

**CHALLENGE**

One of the priorities of the Colombian government is territorial development and strengthening through the development of planning capabilities and tools. The current decentralization model assigning Colombian territorial entities the direct responsibility of providing citizen services has led to local management of most of the country’s public resources. Nonetheless, in many cases such regional empowerment strategies have lacked coordination among the different agencies involved, thus hindering a greater impact on local government performance. One of the municipalities’ main challenges is advancing from formulating and structuring projects to generating execution capabilities.
**SOLUTION**
Between May 19 and 23, 2014, Colombian representatives were able to see how the government of Peru has implemented a sub-national strategy to address similar needs. During the week-long visit, the delegation consulted with representatives from the Ministry of Finance regional office, the Social Development Cooperation Fund (Foncodes) field offices, and the Public Investment Project Bank. On May 18, the delegation traveled to Tarapoto, San Martin Province, in the Peruvian Amazon region and met with the town’s mayor.

**RESULTS**
The field visit and consultations enabled the Colombian representatives to gather good practices with short-term replicability, and secure efficient and effective regional government public management. They observed how projects are evaluated and approved through external agents and executed through an Executing Entity. The visit also enabled a communication channel for further sharing of experiences.

**WORLD BANK GROUP CONTRIBUTION**
Through the South South Knowledge Exchange Trust Fund (SSKE TF), the World Bank provided the funding for the visit (airfare, lodging, and travel expenses), and meeting space at the Bank’s office in Lima, Peru. The Bank acted as facilitator in the communication and definition of a shared agenda between the two countries before, during, and after the visit. The World Bank’s Public Sector Reform Unit in the Latin American and Caribbean Region prepared the funding proposal.

*The Bank acted as facilitator in the communication and definition of a shared agenda between the two countries before, during, and after the visit.*

**PARTNERS**
The Peruvian partners included the Public Investment Project Bank, created by the Ministry of Economics and Finance, and the Social Development Cooperation Fund (Foncodes), which is part of the Ministry of Development and Social
Inclusion, have decades of experience collaborating in the financing of social, economic, and productive sector infrastructure. Colombian Partners included the Directorate of Fiscal Support, from the Ministry of Finance, and the Department of National Planning.

**MOVING FORWARD**

The governments of Colombia and Peru plan on a continued dialogue and exchange of information on particular topics identified by both teams. To that end, they have created a collaboration platform aimed at sharing their knowledge of public investment systems operations and investment project structuring for local government. The Bank will serve as a facilitator of this dialogue through videoconferences to be held at its offices.

**BENEFICIARIES**

The visit enabled the Colombian representatives to learn good practices with short-term replicability aimed at securing efficient and effective regional government public management, and to establish a communication channel to share experiences.

Thanks to the field visit and the exchange with the Peruvian representatives, the Colombians confirmed that, in order to guarantee success when formulating new National Public Investment System strengthening strategies, to work towards ensuring project sustainability, and to develop strategies for generating regional capabilities, it is necessary to involve provincial department governments in accompaniment programs.
**CHALLENGE**

The Bolivian government recognized the need to improve the management of its state-owned enterprises (SOEs) and address deficiencies in related rules and policies. In particular, the SOEs needed to improve their corporate governance, financial management, and strategic planning models, all of which are necessary to modernize the sector. In December 2013, the Bolivian Parliament approved a law on SOEs with the objective of completing the design of these models by 2015. With this mandate, the Ministry of Development Planning communicated to the World Bank’s Country Office its interest in making progress, taking into account the experiences of other countries in Latin America.

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**BOLIVIA, BRAZIL, AND PERU EXCHANGE KNOWLEDGE ABOUT MANAGING STATE OWNED ENTERPRISES**

The governments of Bolivia, Brazil, and Peru shared information on the design and implementation of good corporate governance, financial management supervision, and strategic planning of state-owned enterprises. This effort supplemented the capacity building efforts that have been initiated during the preparation of the draft law on state-owned enterprises and the knowledge shared by the Bank.
SOLUTION
The Bank-sponsored Improving the Capacity of the Bolivian Central Government to Develop Corporate Governance, Financial Management Supervision, and Strategic Planning in State Owned Enterprises Project facilitated the exchange of experiences with other countries that have had successful experiences in these areas. This exchange supplemented the capacity building efforts that had been initiated during the preparation of the draft law on SOEs and the knowledge shared by the Bank. The exchange offered a unique opportunity for the Bolivian participants to interact with representatives of neighboring countries with robust SOE sectors and significant reforms in the sector.

RESULTS
The project’s knowledge sharing exercise improved communications between the Bolivian participants and representatives in Brazil and Peru and established opportunities for continued learning on SOE management issues. The project exposed the participants to best practices in corporate governance in public companies. The exchanges among the participants also built the capacity of technicians in Bolivia’s Ministry of Development Planning to develop general guidelines related to the legal regime of SOEs, and to analyze regulations. The participants also collaborated on preparing general guidelines for SOE management in business planning and financing.

WORLD BANK GROUP CONTRIBUTION
The Bank provided grant financing of US$49,000 in 2014, to finance the travels of the Bolivian, Brazilian (DEST) and Peruvian (FONAFE) teams. The trips consisted of four missions (one to Brasilia, two to Lima, and one to La Paz). The project’s budget included the translation into English of the reports drafted by the missions.

The exchange offered a unique opportunity for the Bolivian participants to interact with representatives of neighboring countries with robust SOE sectors and significant reforms in the sector.
MOVING FORWARD
This exchange further developed the participating entities’ ability to share knowledge and experiences. DEST (Brazil) and FONAFE (Peru) have been particularly proactive, they have largely cooperated with the Bolivian counterpart and with the Bank Team, and they also have enlarged their approach about the importance and signification of SOEs from a regional (LAC) approach.

Both countries have explicitly confirmed their interest in the continuation of the cooperation with Bolivia, and they are also open to further exchanges with other countries. DEST and FONAFE remain very active in the conferences and workshops organized at the regional level on SOEs.

Both countries have explicitly confirmed their interest in the continuation of the cooperation with Bolivia, and they are also open to further exchanges with other countries.
BENEFICIARIES

The direct beneficiaries of this project are the 47 SOEs and the three ministries with responsibilities over SOEs: the Ministry of the Presidency, the Ministry of Development Planning, and the Ministry of Finance.

As the General Director of SOEs at the MDP said in her final report, “the contributions of Brazil and Peru will allow Bolivia to take into account positive experiences and challenges faced by our neighbors in the implementation of legal and technical frameworks for public enterprise administration at the time it develops specific rules and regulations for the administration of Bolivian public enterprises.”

Photo: World Bank.
The governments of Nicaragua and El Salvador recognize the essential role that health technologies play in a functioning health system. Medical devices, in particular, are crucial in the prevention, diagnosis, and treatment of illness and disease as well as patient rehabilitation. The two are investing on medical and non-medical equipment to improve their public health facility networks. Both countries want to maximize their investment by designing ahead a management plan to increase the life span of the health technologies in place in the country.

**CHALLENGE**
The governments of El Salvador and Nicaragua were confronting the need to identify the most appropriate technologies for their public health facilities and to ensure their maintenance. They recognized that they needed the most up to date knowledge to ensure that the newly acquired equipment would serve the needs of the health networks’ client efficiently and effectively for as long as possible.

**SOLUTION**
To address the challenges surrounding health and medical equipment maintenance, the World Bank,
with the support of the South South Exchange funds helped to establish contact between the representatives from both countries and the Campinas Bioengineering Center at the University of Campinas (UNICAMP) in Brazil, which manages the medical equipment for the University’s public hospitals.

During the first phase of the knowledge exchange, two Nicaraguan and two Salvadorian technical engineers from the Ministries of Health toured the center. They learned about Brazil’s operational maintenance model, the thematic divisions, the distribution of physical space, and other support mechanisms to strengthen health and medical equipment maintenance. The participants were also introduced to UNICAMP’s maintenance management system. Using the information they learned while in Brazil, the participants returned to their home countries and presented their respective ministers with technical proposals to improve medical equipment maintenance.

RESULTS

Although this South South Knowledge Exchange is only halfway to completion, it already is showing results. Strong government commitment has been demonstrated to support the development of this area in both countries. In addition, both countries have completed the preparation of training proposals to be implemented in a short (during the second phase of the knowledge exchange) and medium terms (with government funds).

WORLD BANK GROUP CONTRIBUTION

The Bank’s South South Exchange Unit is sponsoring this ongoing knowledge exchange. The Bank has contributed with technical support from the identification of the problem, to the design and implementation of the knowledge exchange solution, including the long term plans for sustainable medical equipment management teams in both countries.
PARTNERS

The UNICAMP in Brazil hosted the delegations first time exchange. Both government teams reported increased their knowledge in the south south exchange and established a network of peers for further exchange. Nicaragua and El Salvador governments have partnered with the Bank for the implementation of this knowledge exchange.

MOVING FORWARD

The next steps on improving the management of health technologies in both countries, funded with this trust fund, include face-to-face training and peer consultations with Brazilian experts on the prepared proposals. The countries management of health technologies initiatives final goals are (i) to complete a revised Management Plan for Health Technologies for each country, (ii) to raise the level of the technical staff working for the central and local level health facilities, (iii) create awareness of the relevance of the well tune medical equipment’s on quality of care, and (iii) to enhance networking between Brazil, Nicaragua, and El Salvador.

BENEFICIARIES

The beneficiaries include the medical technologies of the public health care network as well as the population who receives care at the health care services.
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