RESULTS IN THE
LATIN AMERICA &
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ROAD TO LIMA 2015
RESULTS IN THE
LATIN AMERICA &
CARIBBEAN REGION
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Latin America and the Caribbean (LCR) will be center stage in the global development debate this month as leaders from around the world convene in Lima, Peru for the Annual Meetings of the World Bank Group and International Monetary Fund.

Critical progress in poverty reduction has been made in the region over the last decade. Extreme poverty was halved. Inequality declined. The region’s bottom 40 percent of the population saw growth eclipsing that seen by the group in every other region in the world. However, a global slowdown in economic growth and activity challenges these positive strides. Sustaining the advances despite the slowdown will certainly be an issue discussed at the Annual Meetings.

Learning and sharing the experiences from our development results is even more critical in the face of these challenges.

The stories in this book embody concrete successes of countries working together with the World Bank. Innovative development approaches were designed and implemented. The lives of citizens improved. Opportunities expanded. Individuals, communities, countries, and even regions benefited from better health, education, governance, disaster risk management and more.
Emilia Galeano is a perfect example. The Argentinian small business owner now has access to basic supplies and faster emergency care because of a new road that connected her small town of La Cumbrecita with larger cities in the area. Specialty coffee producer Natan Nieto enjoys the benefits of productive alliances between rural producer organizations and private agribusinesses that the World Bank helped to establish, strengthen, and promote.

These stories show how important collaboration and strategic partnerships are in achieving results. I am confident that if we continue to work together to find ways to improve our solutions, we can indeed achieve the twin goals of eradicating extreme poverty and boosting shared prosperity by 2030.

Jorge Familiar Calderon
Regional Vice President
Latin America and Caribbean Region
World Bank Group
Morning grass in Cordoba. Photo: Freimages.com/Gabriel Robledo, CC.
ARGENTINA

IMPROVING ROADS IN CÓRDOBA

The provincial government of Córdoba improved the province’s competitiveness and opportunities for economic growth by boosting its capacity to encourage efficient planning policies and adequate resource allocation for the rehabilitation and maintenance of the core provincial road network, especially through the use of innovative performance-based contracts.

CHALLENGE

Following the 2001 economic crisis, the province of Córdoba was a major contributor to Argentina’s recovery and rapid economic growth. Nevertheless, the province was experiencing financial shortfalls. Few resources were available to maintain and extend Córdoba’s road network and address the most urgent transport needs. In 2003, the provincial road sector budget amounted to US$26 million, when the minimum needed to enhance competitiveness and prevent the road infrastructure from becoming a bottleneck to further growth was US$80 million. This led to a severe maintenance backlog, which threatened the province’s growing agriculture and tourism sectors.

SOLUTION

Through the Córdoba Road Infrastructure Project, the World Bank supported the provincial government’s use of performance based rehabilitation and performance contracts (Contrato de Recuperación y Mantenimiento CREMA). These contracts have the advantage of committing funds upfront for routine maintenance over an extended period of time, instead of depending on stop-and-go funding.

The project partnered with the Ministry of Finance to improve the quality of provincial expenditures through better project management, monitoring, and evaluation. In addition, the project provided
technical assistance to enhance the capacity of the Provincial Directorate of Highways to prioritize and optimize investments through the development of an efficient road network management strategy. The objective of this strategy was to expand and maintain in good condition the road network. Finally, the project collaborated with the provincial government on the comprehensive Road Safety Plan and provided equipment to the Provincial Highway Patrol, which helped to reduce deaths caused by traffic accidents on provincial roads.

The objective of this strategy was to expand and maintain in good condition the road network.

RESULTS
Under the CREMA modality, the project financed the paving of 125 kilometers of provincial roads and covered the rehabilitation and maintenance of another 140 kilometers of provincial roads. The project’s support for institutional development helped to consolidate the basic building blocks for a performance-based culture in provincial administration. Some of the project’s additional outcomes included:

- Employment generation opportunities increased with new local commercial and agro-industrial centers.
- Access to 38 education centers and 20 health centers improved, with a more permanent presence of medical personnel.
- Mobility and access increased on the order of 120 percent, especially in heavy goods vehicles and more frequent public transport.
- Improved road safety conditions and enforcement mechanisms led to reductions in the mortality rate on provincial and national roads.

WORLD BANK GROUP CONTRIBUTION
The Bank was a key partner in road safety efforts through technical assistance, knowledge exchange, and cross-fertilization of experiences. The Bank provided financing of US$75 million over the seven-year project implementation period. Also, the project received two grants from the Global
Road Safety Facility to finance an International Road Assessment Program survey and a Capacity Assessment Review.

PARTNERS
Project implementation required a strong partnership between the Bank and the Provincial Ministry of Finance, Ministry of Public Works, the Agency for Investment and Financing, Provincial Directorate of Highways, and the Ministry of Government’s Directorate of Road Accidents Preventions (Dirección de Prevención de Accidentes de Tránsito, DPAT). All institutional strengthening activities were carried out with the government’s resources and in-house capabilities. Local counterpart financing was US$21.54 million. This partnership created a productive synergy between the DPAT, the Road Safety National Agency and the Global Road Safety Facility, and led to the successful development of a provincial road safety plan.

MOVING FORWARD
The Bank foresees no further operation, except for the completion of CREMA contracts under execution as part of the Provincial Roads Project II. The Córdoba Provincial Directorate of Highways has developed its own road maintenance contracts known as “contratos de cobertura,” which are awarded to contractors to provide maintenance services on a certain number of kilometers of road. These contracts are similar to CREMA contracts because they commit funds up front for routine maintenance over an extended period of time. Provincial Law No. 10,081 ensures financial sustainability of the road maintenance projects by imposing a fuel levy, which is expected to bring in revenues of about US$100 million per year.

BENEFICIARIES
Local users and road transport services directly benefited from the reduced transport costs and upgraded road safety. Rural communities benefited from the enhanced access to social services and
distant markets. For instance, by paving a 27.2 kilometers road, the project facilitated access to the town of La Cumbrecita, a popular tourist attraction.

“The construction of the bridge and pavement of the road that connected our town with Villa General Belgrano and other bigger cities have a high positive impact, because now we can have easier access to supplies, faster emergency care, and also expand special educational courses for kids, like language and music classes.”

Emilia Galeano (local business owner, La Cumbrecita).

“NOW WE CAN HAVE EASIER ACCESS TO SUPPLIES, FASTER EMERGENCY CARE, AND ALSO EXPAND SPECIAL EDUCATIONAL COURSES FOR KIDS, LIKE LANGUAGE AND MUSIC CLASSES.”
ENHANCING THE PUBLIC SECTOR’S EFFICIENCY, TRANSPARENCY, AND ACCOUNTABILITY

Argentina’s ongoing efforts to modernize the governance and management of the public sector are improving the efficiency, transparency, and accountability of public service delivery to its citizens. Based on earlier progress, these improvements were accomplished through five pilot programs designed to automate public services and institutionalize monitoring dashboards, digital signatures, and citizen charters.

CHALLENGE
Argentina experienced dramatic progress after the 2001 financial crisis, but improvements in governance and public sector management remained essential to translate the recovery into sustainable economic and social development. The remaining challenges included short-term and strategic planning, limited monitoring of progress on national and subnational goals, inefficient back-office processes and procedures for procuring goods and services, limited provision of information on public services available online, and variable engagement with citizens on improving government services.

SOLUTION
The World Bank-supported Second State Modernization Project followed the first State Modernization Technical Assistance Project (approved in 1998). The project built on progress
and lessons learned for incremental but impactful reforms, based on national ownership and alignment with government commitments, strategies and plans. Through the development of multiple dashboards to monitor performance, the Chief of Cabinet Office (CCO) was able to track progress across several federal agencies, while increasing the transparency and reliability of information between the agencies, Congressional decision-makers, and the public. E-government tools also increased the efficiency, accountability, and transparency of public sector management. For example, 38 national organizations launched Citizen Charters as public mechanisms for objective monitoring of service delivery, and five piloted Government-to-Citizen transactional services for improved accessibility across a range of public services. Institutional tools were based on agency demands, and designed for interoperability so that improvements could be replicated and scaled.

**RESULTS**

The project strengthened public sector performance through improved coordination, monitoring, and evaluation. Improved performance monitoring tools (“dashboards”) were put in place to monitor public policies and projects, supporting the achievement of defined targets across ministries, the national public administration, and in 18 jurisdictions. The Ministry of Labor, the National Institute against Discrimination, Xenophobia, and Racism (Instituto Nacional contra la Discriminación, la Xenofobia y el Racismo, INADI), and the National Social Security Administration (Administración Nacional de la Seguridad Social, ANSES) among others, are now using these tools to work more effectively. The dashboards are playing an important role in decision-making processes, driving improvements in public administration functioning and delivery of services to citizens.

Five piloted online public services enabled citizens to perform tasks online, in the areas of justice,
social protection, and other services, particularly benefiting women and other disadvantaged groups. These e-government platforms lay the foundation for further automation to improve citizen access across a range of public services. A citizen-centered portal containing information on over 1,400 public services and procedures, received over 3.2 million visitors by June 2015, with high rates of user satisfaction.

The use of modernization tools enabled more efficient service delivery. For example, 76 agencies are now using digital signatures and over 70 percent of the national administration has implemented a digital system for more efficient and transparent procurement, moving towards an integrated, secure, and paperless administration.

Platforms for greater transparency, accountability, and citizen participation have been established. Over thirty national organizations are using citizens’ charters as tools to engage public monitoring of their performance and to enhance the quality of delivery, reducing opportunities for corruption and promoting citizens’ awareness of their rights.

**WORLD BANK GROUP CONTRIBUTION**

The Bank contribution included a loan of US$ 22.22 million. In addition, the Bank was able to attract international experts and cutting-edge technology to the project.

**PARTNERS**

The project benefited from collaboration among key development partners working in public sector reform, including the United Nations Development Programme (UNDP) and the Inter-American Development Bank (IADB). Collaboration enhanced harmonization in key areas, such as institutional transparency and capacity building programs for public servants.

**MOVING FORWARD**

The platforms created through the project, particularly through e-government, monitoring and evaluation, and social accountability tools, have enjoyed systematic and continuous use since the project’s closure. The focus on interoperability and scalability in their design also enabled greater impact across Argentina’s national public administration.
BENEFICIARIES
The project strengthened the capacity of the Chief of Cabinet Office to fulfill its ambitious mandate to promote policy coordination and oversee reforms across Argentina’s national public administration. Other ministries and agencies, such as the National Investment Development Agency (Agencia Nacional de Desarrollo de Inversiones, ANDI), the Ministry of Labor, the Nuclear Regulatory Agency (Autoridad Regulatoria Nuclear, ARN), and the Federal Tax and Customs Administration (Administración Federal de Ingresos Públicos, AFIP) also benefited from state modernization support. Modernization of these institutions benefited citizens in general and the private sector through more efficient and effective public services and policies, creating a more conducive environment for sustained and inclusive growth.

Photo: Jefatura de Gabinete de Argentina
ADDRESSING CHALLENGES IN HEALTH AND EDUCATION IN SAN JUAN

The province of San Juan implemented several programs to improve the equity, quality, and efficiency of health service delivery and to tackle the high levels of school failure in the first few years of primary education. The programs also addressed the unequal access to education for children from disadvantaged backgrounds and their ability to remain in school.

CHALLENGE
By 2010, notwithstanding San Juan’s strong economic growth and solid fiscal performance, key provincial human development indicators lagged behind the national average in the areas of health and education. Although 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. San Juan’s infant mortality rate in 2008 was about 14 deaths per 1,000 live births, higher than the national average of 13.3 deaths per 1,000 live births. In addition, at seven deaths per 100,000 live births, the province’s maternal mortality rate 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.
For children from disadvantaged backgrounds, the province’s most important challenges in the education sector 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 maternal, youth and child health, and non-communicable diseases. The earlier Bank-financed projects were Plan Nacer, which aimed to improve access and coverage in maternal and infant population, and the Essential Public Health Functions project, which attempted 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 the high dropout rate.

RESULTS
Overall, San Juan Province improved key maternal and child health indicators, even surpassing the national average. By the end of the project, permanent safe blood provision in maternities 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 identified diabetic patients under regular care fell short of the target.
In the “All Can Learn” and “Full Day” programs, education authorities emphasized 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 US$19 million destined to the education component. The remaining US$1.65 million funded technical assistance activities that supported the implementation of the main components.

PARTNERS
The San Juan Investment Promotion Agency (Agencia San Juan de Desarrollo de Inversiones, ASJDI) was the main point of contact with the Bank. It coordinated the teams from the Ministries of Health, Education, and Finance. ASJDI 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 the Ministries of Health and Education 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 budgetary process of San Juan Province. 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.
PROVIDING PRODUCTIVE AGRICULTURAL LAND FOR THE POOR

Bolivia’s pilot program developed land access mechanisms to benefit predominantly indigenous families organized in productive associations. These associations were granted more than 150,000 hectares of land, and through grants and technical assistance, average family income increased by 39 percent. Women participated actively through training sessions on agricultural production and the management of the associations.

CHALLENGE
Access to agricultural land has been a long-standing challenge for poverty reduction in Bolivia. Despite government efforts since the Agrarian Reform of 1953, landlessness has been growing. Traditional, often bureaucratic land access mechanisms, such as public land distribution and planned settlements on lands identified during the regularization process, could not satisfy the growing demand. Meanwhile, underutilized private lands were on the rise in the eastern lowlands, especially in the Department of Santa Cruz, at a time when Bolivia was undergoing significant political and social changes. Since 2006, the Morales administration has made agrarian reform one of its central policies, promoting equity through the distribution of agricultural land, with a particular focus on communities of Indigenous Peoples’ Territories (Territorios Comunitarios de Origen, TCOs) and Communal Lands (Territorios Comunitarios, TCs). However, due to a lack of technical capacity and productive assets, poor
farmers, and especially indigenous families, still faced constraints to benefit from the right to land that they had received as members of TCOs and TCs.

**SOLUTION**

The Land for Agricultural Development Project was designed as a pilot effort concentrated on selected municipalities of the Department of Santa Cruz, where the land market looked favorable to test new land access mechanisms. Project design was informed by the World Bank’s global experience and by South-South knowledge exchanges (with, for example, Brazil). The project initially focused on land purchasing, but changing market conditions made land prices unaffordable for beneficiaries. Based on implementation experience and the pro-poor land policies promoted by the Morales administration, the land access mechanisms were broadened to include leasing, share cropping, and especially an innovative alternative that allowed poor indigenous families who had been given collective land rights to enjoy these rights productively by providing them with matching grants and technical assistance for agricultural productive investments and commercialization of products. This mechanism in particular had demonstrable impacts and could be replicated countrywide and other countries of the region.

**RESULTS**

The project enabled the testing of innovative land access mechanisms suitable to local contexts and indigenous communities. It contributed to testing alternative decentralized beneficiary-driven land distribution mechanisms for organized landless or poor farmers, by:

- Facilitating access to 151,579 hectares of land for productive purposes, 87.3 percent of which is located in Indigenous Peoples’ Territories and Communal Lands.
Enabling 2,891 beneficiary families (11,488 direct individual beneficiaries, 5,681 of whom are women) to gain access to land and improve their livelihoods through 237 productive associations.

Allocating an average of 52 hectares of land per family, and 640 hectares per productive association.

The project also supported productive investments in agriculture, livestock, and agro-forestry systems on the newly accessed land, contributing to increased and more sustainable livelihoods for beneficiaries, as evidenced by several key outcomes:

- Family income increased by 39 percent compared to the baseline of 2008.

- At least three quarters of the productive associations rated the project’s capacity-building activities as good or excellent.

- Women’s participation in training activities reached 38 percent by the project’s closing date, with training focusing both on agricultural and administrative skills.

- Women were also active board members in 74 percent of the productive associations established.

WORLD BANK GROUP CONTRIBUTION
The Bank financed the project with a credit of US$15 million equivalent (XDR 9.8 million). Based on global experience and good practices, the Bank also provided substantive technical advice on the design and operationalization of the various land access mechanisms and the participatory process to organize the beneficiaries in a culturally and environmentally adequate manner.

PARTNERS
The United Nations Food and Agricultural Organization (FAO) provided technical expertise during project implementation and for the final evaluation.
Although a follow-on project was not prepared, Bolivia has a proven mechanism to consolidate access to land, especially for indigenous peoples in TCOs and TCs, which could be scaled up. To ensure the sustainability of the productive associations, the project implemented a graduation plan. This plan ensured that the associations had achieved a minimum set of conditions related to organizational, administrative, technical, and entrepreneurial competencies. Consequently the capacity of most associations was strengthened and they should be able to continue with their productive activities and participate in other rural development programs. Long term project benefits also include the processing of identity documents for women and youth.

*BENEFICIARIES*

“We’ve learned to do a work we had never done in our lives; we had seen it, but now we have done it.”

Edith Rosario Herrera, Treasurer of the “April 19” Productive Association

“We intend to carry on with the productive association. Now that we have gotten our legal status, we also intend to get the tax ID number, to continue forward.”

Jesús Flores, project beneficiary
IMPROVING SERVICE DELIVERY AND FISCAL REFORMS IN RIO DE JANEIRO

Rio de Janeiro restructured its debt and made more resources available for investment while supporting policy reforms to strengthen public sector performance and improve the quality of public service delivery.

CHALLENGE
For the past two decades, a long-run economic decline exacerbated social and economic inequality for Rio de Janeiro’s 6.2 million residents. Between 1985 and 2003, the city’s economy has contracted at an average annual rate of 1.1 percent. Fiscal constraints in the aftermath of a mid-1990s fiscal crisis have further deteriorated the quality of municipal service delivery. The city’s poor make up about 13 percent of the population and nearly 19 percent of them live in slum neighborhoods with inadequate infrastructure, transportation, schools and health facilities. In addition, a large and expensive loan from Brazil’s National Treasury was a particular fiscal burden, although it included an option to reduce debt service costs by prepaying part of the outstanding balance.

SOLUTION
In January 2009, the newly elected municipal government committed itself to improving public service delivery and public sector efficiency and effectiveness, and promoting private sector development, while maintaining fiscal discipline. To that end, the municipal and federal governments approached the World Bank for a Development Policy Loan (DPL) to alleviate Rio’s debt service burden.
The Rio Municipal Development Policy Loan, financed a portion of Rio’s existing debt and served as a platform for dialogue about policy issues, especially in Monitoring and Evaluation (M&E) systems, Public-Private Partnerships (PPPs), pension reform and budget management. The DPL was aligned with the Bank’s Country Partnership Strategy (CPS), which identifies engagement with subnational jurisdictions to enhance the effectiveness of the Bank’s technical and financial resources.

RESULTS
The operation’s results included:

- Increased available resources by around 7 percent of current revenue.
- Prepaid the municipal government’s debt to the National Treasury and strengthened tax administration.
- Expanded public sector investments from 3.7 percent to 15.9 percent of total public expenditure, in bus rapid transit routes, schools, day care facilities, and health clinics.
- Expanded primary health care coverage from 6 percent of the population in 2009 to 40 percent in 2013, through a network of primary and urgent care clinics run by private, not-for-profit management companies.
- Improved learning outcomes through early childhood development, remedial literacy programs, innovative approaches for schools in dangerous neighborhoods, and improved teacher training and career development.
- Increased percentage of children with adequate reading skills at the end of grade 1 by 10 percentage points.
- Reduced percentage of children in grade 9 performing more than two years behind grade level by 7 percentage points.
• Improved public sector efficiency using a Public-Private Partnerships framework for projects in sanitation, sports facilities, waterfront revitalization and light rail transport.

• Simplified requirements and reduced the time to obtain a business license, from 20 days in 2010 to three days in 2013, for applications with low environmental and health impacts.

• Generated average savings of 39 percent on common goods and services in 2013, compared to 2010, through procurement reform and implementation of a centralized, electronic auction system. Reduced losses from an average of 4.9 percent in 2006-09 to 0.1 percent in 2012 using new stock management procedures piloted in the health system.

WORLD BANK GROUP CONTRIBUTION
The Bank supported the municipality with a Development Policy Loan in the amount of US$1.045 billion, disbursed in two tranches in
2010 and 2011. Two technical assistance operations provided additional support. The first supported Reimbursable Advisory Services in Public-Private Partnership (PPP) for US$609,000. The second was financed through a US$16.2 million Investment Loan.

Moving Forward

The second of the technical assistance projects received Board approval in June 2013 and is expected to run through October 2017, providing additional support to several of the loan’s policy areas, including public investment management, Medium Term Expenditure Framework and health and education reform.

Beneficiaries

Policy actions under the DPL have primarily benefited low income households. Health and education outcomes are highly correlated with income and socio-economic status. The government’s programs in these areas targeted disadvantaged and underserved neighborhoods. Special attention to the needs of dangerous and violent neighborhoods was especially beneficial.

Partners

Project partners included the education, health and finance ministries at the municipal and federal levels.
EXPANDING COVERAGE AND IMPROVING QUALITY OF PRIMARY HEALTH CARE

Brazil has expanded coverage to mostly low-income populations that rely on public providers, reducing infant mortality in participating municipalities. Introducing performance-based financing and management arrangements into the government’s transfers to the municipal and state levels strengthened the Ministry of Health’s capacity to monitor and evaluate health services.

CHALLENGE

The Family Health Extension Program, (Programa Saúde da Família, PSF) was designed to improve health outcomes through a community-based, outreach-oriented primary health care model provided by multiple professional health teams to mostly underserved rural areas and small municipalities, and later to 250 urban municipalities (under 100,000 inhabitants), where over 60 percent of Brazil’s population reside.

The government first introduced the PSF in 1994 as its main strategy for extending primary health care to underserved populations. In 1998, the government implemented major health reforms, changing the organization, financing, and provision of health services. States and municipalities supported the reforms but lacked the managerial capacity needed to show results.
Despite several achievements, the PSF faced several challenges:

- Low productivity of health teams,
- Difficulties in converting traditional primary care units to the family health approach,
- Low prestige of family health practice among physicians,
- Poor quality of some health professionals,
- Weak referral systems,
- Lack of information on quality of care, efficiency and costs, and
- Absence of performance orientation at the service delivery level.

**SOLUTION**

The Family Health Extension Adaptable Program Lending (APL) helped expand and consolidate coverage of the PSF, introducing performance-based financing and management arrangements into the government’s transfers to the municipal and state levels, while strengthening the Ministry of Health’s capacity to monitor and evaluate PSF health services. Significant up-front analysis carried out during preparation informed the design of a performance-based disbursement mechanism and uniform fiduciary and reporting arrangements that applied to the entire PSF investment.

**RESULTS**

The project met its targets by its mid-term review. Infant mortality fell from 17.8 per 1,000 live births in 2003 to 13.9 in 2011, and per capita contacts with primary care providers had increased from 1.4 in 2003 to 1.6 in 2011. At the time, PSF coverage in municipalities under the Project for the Expansion and Consolidation Family Health (PROESF 2) had increased from 33.8 percent of the population in 2006 to 39.5 percent in 2011, exceeding the target of 37 percent. By project completion, although

*The kid and the blue icecream, Brazil. Photo: Freimages.com/Ricardo Vincenzo, CC.*
other factors were likely at play (increased access to safe water, quality food and education, and a reduction in poverty), infant mortality had been reduced further to 12.7 per 1,000 live births in 2013. The per capita contacts with primary care providers, however, had increased to 1.8 in 2012 but then began a downward trend, decreasing to 1.5 in 2014, falling short of the target. PSF coverage expanded to 48.2 percent of the population. In addition, studies by the Ministry of Health showed that PSF’s population coverage increased at a faster pace in the 187 participating municipalities than in those that had not participated.

INFANT MORTALITY HAD BEEN REDUCED FURTHER TO 12.7 PER 1,000 LIVE BIRTHS IN 2013.

WORLD BANK GROUP CONTRIBUTION
The Family Health Extension Adaptable Program Lending was originally designed as a three-phase, seven-year US$550 million program. A US$68 million loan in support of the first phase of the program was approved in March 2002. A US$83.45 million loan in support of its second phase was approved in April 2008, of which US$34.7 million were spent. The third phase was never considered in view of the government’s evolving priorities and programs, which made the relevance of continued Bank support modest mid-way through implementation of the program’s second phase. Although Bank financing represented less than 5 percent of the PSF’s total costs, it provided significant leverage to affect the program’s design and functioning.

PARTNERS
There were no external partners supporting the PSF. Nevertheless, there was strong partnership and coordination among Ministry of Health, state and municipal Secretariat’s of Health and the Bank, both in the design of the program and its early implementation.

MOVING FORWARD
Despite subsequent changes in policy, funding, and government priorities, the new programs continue to build upon the PSF’s performance orientation, including its quality dimensions. A new public health care policy (Política Nacional de Atenção Básica, PNAB) approved in October 2011 provided
directives and guidelines on primary health. New initiatives were introduced, including changes in federal financing arrangements to include both equity and quality as criteria. Resources allocated to primary health more than doubled, from R$9.8 billion in 2010 to R$20 billion in 2014. With increased funding and new programs, the PSF remains a preferred delivery model, albeit one of several programs. The PSF’s most significant contribution was the performance-based financing modalities for linking federal transfers to results that have been institutionalized in Brazil’s public health care system.

**BENEFICIARIES**

The project supported coverage extension exclusively in 187 municipalities with over 100,000 inhabitants who participated in the first phase. About 38 percent of those in the poorest income quintile lived in urban areas. The PROESF 2 also provided the states with technical assistance, training and managerial support to small municipalities in rural areas, and to the Ministry of Health in strengthening the program’s systems and its ability to provide support to states and municipalities.
Challenging Smallholder Producers in Colombia to Markets

Colombia is integrating more than 55,000 smallholder producer households into modern value chains, lifting their productivity and sales volumes, and reaching vulnerable groups including women, indigenous people, and Afro-Colombians.

Challenge

The obstacles faced by smallholder producers in Colombia prevent them from integrating into rapidly evolving national and international markets. This contributes to sluggish growth and lingering poverty in the rural sector. Most rural households engage in smallholder agriculture characterized by low productivity, asymmetric information in prices and selling opportunities, and limited market access. Many of these households sell their commodities in village open-air markets, which are less demanding but also less rewarding. Others sell through intermediaries, due to the small scale of their production, high transaction costs involved in reaching more distant markets, and their inability to comply with the stringent requirements relating to volume, quality, and timely delivery demanded by modern agricultural value chains.

Solution

The World Bank-funded Rural Productive Partnerships Project addressed these challenges by helping Colombia’s smallholder producers build entrepreneurship and compete more effectively. The project established, strengthened, and promoted productive alliances between rural producer organizations and private agribusinesses. It introduced a decentralized, demand-driven
competitive bidding process for productive partnership proposals along with a transparent, independent evaluation procedure. With the investment grants, technical assistance, and business development training, the project ensured that these partnerships not only benefited from increased production, sales, and productivity, but also demonstrated high survival rates. Another objective of the project was to address inequality by reaching out to women, indigenous people, and Afro-Colombians.

RESULTS
The results achieved by the project have been well documented. Highlights include:

- More than 820 successful productive partnerships benefiting more than 55,000 households were established between 2002 and 2014. Most of these were established during the second phase, between 2007 and 2014, (727 partnerships and more than 44,500 households).

- Of the productive partnerships established during the second phase, 72 percent of participating producer organizations remained linked to their business partners 24 months after project support ended.

- The project reached vulnerable households headed by single women and households in the indigenous and Afro-Colombian communities. More than 9,900 female-headed households were assisted during the second phase, exceeding the target of 2,550 households. In addition, more than 9,250 indigenous and Afro-Colombian households were assisted, exceeding the end-of-project target of 1,275.
WORLD BANK GROUP CONTRIBUTION

The cost of the first phase of the project (2002-2007), equivalent to US$32 million, was supported entirely by the Bank. The cost of the second phase (2008-2015), equivalent to US$122.4 million, was supported by the Bank in the amount of US$30 million, with the balance provided by other partners including project beneficiaries.

PARTNERS

The project was implemented by the Ministry of Agriculture and Rural Development (Ministerio de Agricultura y Desarrollo Rural, MADR) with assistance from a decentralized network of regional and local management organizations. A distinguishing feature of the project was its ability to leverage funding from the public and private sectors. For example during the second phase, of the total project cost of US$122.4 million,

Members of a passion fruit producers’ alliance near Buga, Colombia. Photo: World Bank.
US$43 million were contributed by the beneficiary producer organizations themselves, US$27.1 million by local governments, US$12.4 million by the national government, and US$9.9 million by agribusiness partners.

**MOVING FORWARD**

The second phase of the project ended in June 2015. Nearly all end-of-project targets were achieved or surpassed. The government is currently making the necessary policy, fiduciary, and operational transition arrangements needed to institutionalize the Rural Productive Partnerships Program within MADR. Because of its documented successes, different configurations of the Rural Productive Partnerships approach have been replicated under Bank-financed projects in eight additional countries throughout Latin America, as well as in several countries in Sub-Saharan Africa and Asia.

**BENEFICIARIES**

Natan Nieto from the specialty coffee producer organization Asodesarrollo in Huila commented that “being associated [with the partnership] enables us to access economic resources and technical assistance.” He confirmed that the Rural Productive Partnership Project helped to “improve the life of my family and protect the environment, increasing my income while avoiding pollution.”
Since 1998, Bogotá has developed a large urban infrastructure investment program to meet the needs of its growing population. Bogotá expanded and modernized its water supply and sanitation networks. It also increased access, coverage, quality, reliability, and inter-agency coordination in the provision of water, sanitation, transport, and related basic services.

**Challenge**
During the 1960s and 1970s, Bogotá experienced rapid urbanization. This led to annual population growth rates over ten percent. However, urban services did not keep pace with the population, and an infrastructure gap was made evident through pathologies common to large cities, including (i) inadequate management of the public transport system, (ii) deficient land management policies, which led to unregulated urban growth, typically in slums, (iii) unsatisfied demand for basic urban services, including housing, water and sanitation provision and access to quality public transport, in particular for populations migrating from rural areas, (iv) high unemployment and underemployment rates, reaching levels of 10.4 percent and 37.1 percent, respectively, and (v) urban crime, perceived insecurity and violence (19 murders per 100,000 inhabitants).
SOLUTION
During the 1990s, the municipal government undertook a number of structural changes in the administration of urban services, which allowed planning for significant improvements in public services provision. These changes included an enabling environment for sound fiscal management and good governance practices, which allowed providing for financing mechanisms for ambitious infrastructure investment plans. This was the first step that later allowed the city to embark on an internationally recognized program of sustained investments in infrastructure aimed at closing the infrastructure gap.

The Bogotá Urban Services Project (BUSP) was designed to assist Bogotá in implementing a strategic portion of its Development Plan (Plan de Desarrollo, PD) consistent with the ten-year Land-use Plan (Plan de Ordenamiento Territorial,
POT). The plan focused on affordable housing, improvement in informal and marginalized settlements, improvement of key areas such as public transport, comprehensive road maintenance, and inter-agency coordination, to improve the wellbeing and quality of life of the urban population. At time of appraisal, the Bogotá DP focused on collectively building an inclusive and equitable city. Bogotá had undergone a process of improving municipal operations, which made it possible for the Bank to prepare a multi-sectoral project with a special focus on low-income neighborhoods. The project also represented an innovation in the type of engagement that the urban sector of the Bank used with projects in Colombia. The underlying principle for multi-sectorial interventions was that there would arguably be more impacts and efficiency associated with well planned, community-driven holistic approaches than isolated, uncoordinated sectorial improvements across the city.

RESULTS
Transport: The project daily benefits nearly 160 thousand women users of the Bus Rapid Transit (BRT) Transmilenio Suba Trunk corridor, and nearly 155 thousand men. For these users, average passenger travel times along the corridor fell from 48 min to 31 min, representing a 25 percent decrease in the travel time to access employment, education, health and economic and social opportunities. The construction of feeder lines and bike lanes has especially benefited low income population, since it has provided significant accessibility to fast, reliable BRT services and mobility gains to population living in the low-income periphery of the city. The feeder lines feature operational, physical and fare integration to the trunk BRT system, allowing quick, accessible interchanges of bus services without requiring the purchase of an additional fare. The bike lanes feature segregated design from pedestrians and street vehicles, and feature well lit, signalized and properly connected traces which connect to BRT stations which in many cases feature free or low cost bike storage facilities.

Urban Upgrading: Nearly 1.2 million inhabitants have benefited from 55 improvements to urban space works (parks, pedestrian access) and pedestrian infrastructure, including lighting, signaling and painting. These works were done using a participatory design process with the community. The project also contributed to improve the direct living conditions of 1,995 housing units resettled away from high risk areas.
Eighty-nine low-income neighborhoods (barrios) were legalized and 14 public information points were established, providing improved legal status to residents and an increased voice and formal role in the city politics’ community participation. 1,559 families were assisted, with 534 new residential titles granted. Participatory development of environmental management plans for low income settlements/areas including Ciudad Bolívar, Altos de la Estancia, Quebrada La Hoya del Ramo and two hectares of degraded areas were developed for subsequent city projects.

Water and Sanitation coverage: Between 120 and 450 thousand persons benefited from new water and sewage connections, respectively, and the city as a whole advanced from 97 and 90 percent coverage of these services to 99 percent in 2007.

**WORLD BANK GROUP CONTRIBUTION**

The project is one of a series of Bank loans to Bogotá to improve coverage and access to urban services. The project’s parent loan provided US$100 million for the city of Bogotá. An additional loan of US$30 million was approved in October 2008 to scale up the project’s impact and development effectiveness through the support to the district’s new program for urban transportation, which was a key element of the original project design, and to support local agencies with institutional strengthening activities. In addition to the Bank financing, counterpart funding provided US$32.6 million.

Technical assistance activities funded by grants in excess of US$2 million between 2004 and 2014 provided valuable knowledge products that helped the municipal government improve its planning.
capabilities in the transport, water and sanitation and environmental fields. For example, grant proceeds from the Public-Private Infrastructure Advisory Facility strengthened the institutional framework and the consideration of different institutional layouts with which the administration will contract the construction and operation phases of the Bogotá Metro Line One Project.

**PARTNERS**
The Bank fostered a strong partnership with Bogotá’s Finance Secretariat (SHD), which was the designated Project Coordinating Unit (PCU). Facilitated by the PCU, the Bank developed working partnerships with local agencies including the Urban Development Institute (Instituto de Desarrollo Urbano, IDU), in charge of mobility related components, the Popular Housing Unit (Caja de Vivienda Popular, CVP), in charge of urban upgrading activities, and the Bogotá Water and Sewage Company (Empresa de Acueducto y Alcantarillado de Bogotá, EAAB), which led water and sewage connection works. Multilateral partners included the Inter-American Development Bank (IADB) and Latin American Development Bank (CAF), which participated in complimentary activities in the transport and housing sectors.

**MOVING FORWARD**
The Bank continues its engagement with Bogotá around increasing provision, coverage and access to urban services, and in particular, to transport. As a result of the successful implementation of mass transit project, the city administration has prioritized a sustainable transport program that aims to improve mobility conditions in the short and medium-term.

The first program is the full integration of public transit system (Sistema Integrado de Transporte Público, SITP), between the existing BRT network—Transmilenio—and the traditional bus system.

The second program is the construction of Bogotá’s first Metro Line, which will also be conceived as the first rail component to be integrated (in terms of tariff, operations, and infrastructure components) to the SITP in the future. The project financed the second phase of expansion of the BRT system and the studies and designs for the Bogotá Metro Line One Project. The deliverables of the engineering design studies are presently under review by the Bogotá municipal government. The Bank is providing technical support in reviewing and monitoring the results of the designs. The government of Colombia and the city of Bogotá are
working on the financial, technical and institutional aspects of the 27-kilometer metro project, and a bidding process for the construction of the project is expected to be launched in early 2016.

**BENEFICIARIES**

Thanks to the construction of inclusive urban infrastructure, citizens with disabilities are able to access Transmilenio to an unprecedented extent. Ramps, safety elements, and audible mechanisms satisfy the particular needs of disabled people. Urban upgrading has also adapted the surrounding areas of feeder stops, mimicking the trunk line experience, in order to provide a more inclusive urban design. Beyond resources such as signposting for the blind, audible signals for the deaf and ramps for people in wheelchairs, the most important access code in the system is the code of conduct based on the principles of respect and solidarity among users. This provides people with disabilities equal access to the city and the world.

“Transmilenio gave me many good things. First of all, it takes me everywhere quickly, even though people complain that it’s too crowded. The trip is really fast. Second, there’s the comfort of having a guide tell me which bus to take. Third, the bus makes fixed stops as part of an itinerary; the other buses would see I was blind and assume I was going to get on to sing or beg. They also have elevators that help a lot.”

Luis Rincón, blind user of Transmilenio
COLOMBIA

PEACE AND DEVELOPMENT GO HAND IN HAND

Colombia is reducing the risk of displacement and mitigating its effects by installing basic assets and generating socioeconomic stabilization through income generation and recovery of a social support network. Colombia is also preventing violence and reducing vulnerability by strengthening participatory democracy.

CHALLENGE

Colombia, despite its impressive economic development faces a sustained challenge of high levels of inequality. The internal conflict and the high rates of violence have had a negative impact on the social and economic development of the country. Between 4.7 and 5.7 million people were internally displaced between 1985 and 2012. The conflict is waged primarily in rural areas over control of territory. It takes place in regions characterized by weak institutions and, in many cases, corruption and cronyism, high levels of impunity, expansion of illicit crop cultivation, and little opportunities for participation by civil society institutions.
SOLUTION

The Peace and Development Project, financed by the World Bank, assumed the challenge of assisting low income and displaced populations in rural and urban communities in conflict-affected regions with the aim of reducing the risk of their exposure to conflict and mitigating the negative impact of possible derived effects. In particular the project utilized two approaches in conflict-affected regions in the midst of violence: building assets to mitigate the risk of displacement, and restoring a basic safety net for displaced and vulnerable families as a vital first step in their social and economic stabilization.

Over a 14 year period, the project designed, tested and validated an intervention model that included three main components:

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

RESULTS

The project had positive impacts on overcoming poverty, which included (i) direct effects on the early stabilization of the vulnerable and displaced population whose poverty has been exacerbated by the armed conflict, (ii) greater social capacities for confronting poverty, associated with greater social integration, the strengthening of social organizations and networks, and an increase in community reciprocity, and (iii) an increase in the level of trust and community relations with public institutions, helping seven out of ten participants to enroll in State social programs associated with the fight against extreme poverty and the provision of assistance to the displaced population.

Social, economic and environmental assets were generated for a total of 89,367 beneficiaries, more than 60 percent of whom were enrolled
in income-generation and social, cultural and environmental management subprojects. More than 700 subprojects were implemented by social and community based organizations.

The project strengthened the State at the local level, as it increased citizen and political participation, and effectively involved beneficiary organizations in matters of municipal life.

The project also strengthened 664 beneficiary organizations, of which 60 percent increased their capacity indexes above the initial levels. Through the direct implementation of several types of subprojects, these organizations have increased their capabilities and are influencing public policies at the regional and local level.

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

WORLD BANK GROUP CONTRIBUTION

Four operations were associated with the project: (i) Gender in Peace and Development (US$100,000 Gender Trust Fund),
(ii) Institutional Strengthening of Municipalities with Afro-descendant Populations (US$1.58 million from the Institutional Development Fund), (iii) Human Rights in Peace and Development Regional Programs (US$400,000 from the Nordic Trust Fund), and (iv) Access to Opportunities for Young People (US$1.73 million from the Japan Social Development Fund), all administered by the Bank.

**PARTNERS**
The partnership arrangement allowed for the participation of multiple parties and led to a productive combination and balance of insiders and outsiders. This arrangement combined in-depth contextual knowledge, motivation and commitments, credibility, trust, legitimacy, and continuity provided by the leaders and staff of the partner organizations in the field, and by the leaders of community-based organizations. The United Nations and the European Union provided international experience, new ideas and techniques and external funding.

**MOVING FORWARD**
All the programs incorporated into the project continue to operate and several are playing a key role in the formulation and implementation of peace and development related policies, particularly victims, rural development and participation. The intervention methodology of the project during eight years of implementation has proven to be effective in relation to national agenda issues, in scenarios of both armed confrontation and transition, allowing the recovery of poor communities affected by the violence, as well as the generation of conditions for the arrival of more robust institutional interventions. In recent years, the lessons generated have been employed in the design of public policies, as well as the active participation of the partner organizations in various endeavors.

**RECENTLY, THE WORLD BANK HAS CREATED A MULTIDONOR PEACE FUND TO CONTINUE PROMOTING PEACE AND DEVELOPMENT IN COLOMBIA.**
Recently, the Bank has created a Multidonor Peace Fund to continue promoting peace and development in Colombia. Projects to be financed under this Fund can benefit from the project’s lessons and can take advantage of the institutional capacities that have been installed at the regional and local levels.

**Beneficiaries**

Project beneficiaries were (i) poor and vulnerable families, (ii) displaced people that returned or were relocated, (iii) community organizations, small producer associations, micro-businesses, and (iv) municipal governments and partner organizations.

The project contributed to increased levels of reciprocity and trust and improved confidence in public institutions, particularly the police and the military. Beneficiaries feel more responsible for their future, they have increased capacity and willingness to participate, to assume leadership positions, and to influence public affairs. They now resolve conflicts by using community strategies and prefer a collective action over an individual one to address threats.
IMPROVING ACCESS TO JUSTICE SERVICES

Colombia is improving its delivery of timely, efficient, effective and quality dispute resolution services to its citizens. The government expanded access to quality justice services, particularly to vulnerable groups. It created 50 new mediation centers, and 14 decentralized court facilities and information centers, reaching 350,000 potential users in six major cities. Typical case processing times were also reduced to a few months.

CHALLENGE

Often confusing and complex, Colombia’s traditional “written” court system significantly slowed communication and overwhelmed the capacity of courts to respond to citizens’ demands. The result was persistent backlogs. Vulnerable and hard to reach groups were particularly affected by these challenges, due to limited access to information and uneven geographic coverage of justice and mediation services. Successful reform efforts had already targeted the criminal justice system, but there remained gaps in labor, civil, and family courts.

SOLUTION

The Justice Service Strengthening Project was designed to advance legal reforms and enable a transition from the predominantly “written” court system (relying on written correspondence) to an oral system. Building on the World Bank’s Country Partnership Strategy (2008-2011), the project complemented the government’s efforts
to transition to the oral system in labor, civil, and family courts. Under the new system, many time-consuming written communications were streamlined into a single court hearing. Focused on the cities of Barranquilla, Bogotá, Bucaramanga, Cartagena, Cali and Medellín, the project developed the Judiciary’s capacity to improve performance and manage the comprehensive reform process across the country.

**RESULTS**
The impacts were deepened with an additional focus on improving access to justice services by decentralizing service units, information centers, and creating alternative dispute resolution mechanisms. These interventions helped alleviate grievances and enhance citizen confidence in the justice sector. Specific results included:

- The performance of the civil, family, and labor courts strengthened justice service delivery.

- Court backlogs were reduced by nearly 1,086,000 cases, and productivity increased by an average of 389 cases per judge per year.

- Through efficiency gains, 234 courts incurred savings of approximately US$92,000 per court per year.

- Training and evaluation of 89 percent of Judiciary staff improved performance and productivity, in accordance with national reforms and the General Judicial Process Code.

- Access to justice services was expanded, particularly to vulnerable groups.

- Establishment of 14 decentralized facilities expanded access to justice services for a user base of over 350,000 citizens.

- Establishment of 14 permanent user information offices disseminated justice sector standards of accountability, transparency,
and effectiveness, and increased awareness of citizens’ rights and duties.

- Creation of 55 certified mediation centers and support for an additional 30 increased the system’s reach to 165,000 users (an increase of 825 percent).

**WORLD BANK GROUP CONTRIBUTION**

Over the last decade, the World Bank has supported the government of Colombia’s efforts to improve its response to citizens’ demands for efficient and effective justice services and expanded access for vulnerable groups, both of which are important to fostering peace and inclusion in a country long torn by civil war. For this project, the Bank contributed US$18.55 million. The Bank’s support for improvements in physical infrastructure and human resource capacity accelerated the reform process, which was already showing strong potential for improving the timeliness and quality of justice services. The project also built on the unique management model introduced under the Bank-financed Judicial Conflict Resolution Improvement Learning and Innovation Project (which closed in 2006).

**PARTNERS**

The project was designed at the request of the Colombian Judiciary through a comprehensive diagnostic of the justice sector, funded by a grant from the Japan Policy and Human Resources Development Fund (PHRD). It was also conceived in partnership with the Inter-American Development Bank (IADB), whose complementary Judiciary reform efforts were harmonized through the National Planning Department. Complementary funding from the Japan Social Development Fund (JSDF) also enabled the scaling up of project components for expanding access to justice and dispute resolution services for low-income and vulnerable groups.

*New courthouse facility in Bogota, Colombia. Photo: World Bank.*
MOVING FORWARD

The first National Unmet Justice Needs Survey conducted through the project yielded important insights to expand dispute resolution services. The Ministry of Justice continues to update its results, used to track progress towards key objectives under the National Development Plan. Infrastructure supported through the project, such as new courtrooms, information technologies, and audio and video equipment, has also been fully integrated into the Judiciary’s routine maintenance plans, ensuring its longevity.

Decentralized services and information centers have been well received. For example, in interviews with beneficiaries in Bogotá, Bucaramanga, and Medellín, judges and users observed how access to justice services has improved. As one user explained, it had taken her two hours and several costly bus rides to access the system. Now she could access services in less time, with the opportunity to appear before a judge, and to process routine cases without traveling far from home. As several judges observed, public information on these services is making a difference in communities, where citizens will now be less likely to resort to taking justice into their own hands.

including through software to further streamline case management.

BENEFICIARIES

The main beneficiaries of the project were citizens benefiting from the improvements in dispute resolution services, particularly vulnerable groups such as women and residents of hard-to-reach areas. Judges in civil, family, and labor courts of the six targeted cities also benefited through improved productivity as a result of the infrastructure, training, and technical assistance activities.
Recognizing its vulnerability to natural hazards, El Salvador included disaster risk reduction in its 2010-2014 National Development Plan and strengthened its policy and institutional framework for disaster risk management. In October, 2011, the government responded to the impacts of Tropical Depression 12E and supported the most vulnerable population by providing a timely and efficient source of liquidity.

**Challenge**
Recognizing its vulnerability to natural hazards, El Salvador has strengthened its policy and institutional framework for disaster risk management by including disaster risk reduction among its policy priorities in its 2010-2014 National Development Plan. In October, 2011, Tropical Depression 12E resulted in estimated damages and losses of US$902.46 million, about 4.52 percent of the country’s gross domestic product (GDP) and nearly three times the impact of Tropical Storm Ida.

**Solution**
The World Bank-financed Disaster Risk Management Development Policy Loan (DPL) with a Catastrophe Deferred Drawdown Option (CAT DDP) enhanced the government of El Salvador’s response to the impacts of Tropical Depression 12E and indirectly supported El Salvador’s most
vulnerable population by providing a timely and efficient source of liquidity.

A DPL with CAT DDO provides a government immediate access to funds after a natural disaster, enabling a quicker emergency response and helping to avoid redirecting limited budgetary resources from other development programs. This innovative financial instrument had two-goals: (i) to support the implementation of El Salvador’s national disaster risk management program, and (ii) to address the country’s immediate liquidity needs following a disaster caused by a natural event.

**RESULTS**

The DPL with CAT DDO provided access to US$50 million immediately following the declaration of a state of emergency. The operation also provided a platform to strengthen the disaster risk management policy dialogue in the country and fostered inter-institutional information sharing, coordination, and mainstreaming of risk management. As a policy loan, the CAT DDO supported the implementation of El Salvador’s disaster risk management program, which achieved the following results:

- The Civil Protection and Disaster Prevention and Mitigation National Plan was updated in 2011 and 2012.
- Seven sectoral emergency response plans were developed, implemented and periodically updated.
- Forty municipalities developed plans for civil protection.
- Public investment programs were increased, including specific activities to enhance risk prevention and mitigation.
- The investments to enhance risk prevention and mitigation during 2009-2014, of approximately

**IN OCTOBER, 2011, TROPICAL DEPRESSION 12E, RESULTED IN ESTIMATED DAMAGES AND LOSSES OF US$902.46 MILLION, ABOUT 4.52 PERCENT OF THE COUNTRY’S GDP.**
Path of Tropical Depression 12E. Images: National Hurricane Center, NOAA.

- Increased mainstreaming of disaster risk information into planning instruments at the national and municipal levels.
- Government ministries developed and enforced instruments to incorporate disaster risk analysis into public investment projects and development planning.

The Ministry of Environment and Natural Resources increased the number of seismic, hydrological, and meteorological monitoring stations from 95 to 267 between 2009 and 2014. The Ministry of Education led an initiative to evaluate school infrastructure using the School Safety Index and found that 548 schools were exposed to landslides and 289 to flooding.

**WORLD BANK GROUP CONTRIBUTION**

The DPL with CAT DDO was designed as a single tranche operation in the amount of US$50 million, entirely financed by the Bank. In response to Tropical Depression 12E, the government withdrew the entire amount in October 2011. The Bank provided technical assistance throughout implementation to ensure a good understanding of the instrument, drawdown triggers, and how to request withdrawal of funds. The Bank clarified available options regarding the activation of the revolving feature, related costs, and renewal options of the CAT DDO. The Bank also provided policy advice and technical assistance throughout the duration of the DPL, between 2011 and 2014.

The Bank’s dialogue with the government throughout program implementation emphasized the importance of complementary approaches and tools for the development of a sound disaster risk management framework, gradually moving from emergency response to a more comprehensive approach emphasizing the proactive reduction of disaster risks.

**PARTNERS**

The CAT DDO was implemented in parallel to trust fund-financed engagements with the Coordination Center for the Prevention of Natural Disasters in Central America (CEPREDENAC) to develop technical capacities for emergency response, and support for decision-making based on disaster risk assessment through the Central American Probabilistic Risk Assessment (CAPRA) initiative. The Japan International Cooperation
Agency (JICA) and the Central American Bank of Economic Integration (CABEI) are also supporting the government’s disaster risk management efforts.

**MOVING FORWARD**
The CAT DDO became a useful entry point for the government to articulate a comprehensive disaster risk financing and insurance strategy. The government is working towards joining the Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF SPC). By joining CCRIF SPC, El Salvador will be able to purchase parametric insurance coverage similar to consequential loss insurance, which will provide immediate liquidity in the aftermath of an insured natural event. The Bank will support El Salvador in the formulation of its disaster risk financing and insurance strategy and the selection of financial instruments through targeted technical assistance.

**BENEFICIARIES**
In October 2011, the total population affected in some way by Tropical Depression 12E was estimated at 1,424,091 people (54.7 percent of population). Upon the declaration of a state of emergency the liquidity provided by the DPL with CAT DDO enabled the government to respond quickly to the emergency and meet the needs of the affected population. The CAT DDO was also instrumental in fostering long-term institutional strengthening in disaster risk management, moving from a vision that emphasized emergency response to a more comprehensive approach of proactive risk reduction, ultimately improving the country’s resilience to natural hazards.
RESPONDING TO THE CHOLERA EPIDEMIC

During the health crisis that followed the 2010 earthquake, Haiti met the challenge to control the growing cholera epidemic. The country’s health services and non-governmental organizations provided over 3 million citizens with expanded health services and health prevention and hygiene campaigns.

CHALLENGE
In October 2010, just 10 months after a deadly earthquake, the first case of cholera was confirmed in Haiti. Living conditions in the country were particularly poor. At the time, it was estimated that about 38 percent of Haitian families lacked access to safe drinking water and only 24 percent had access to proper sanitation. Some families had little or no access to health care and had limited knowledge of basic health and hygiene practices. As a result, in less than a month, cholera had spread throughout the country. The epidemic stressed the already weak health system beyond its capacity.

Many facilities operated without running water, beds or even chairs for patients. Health workers lacked experience managing cholera cases. In many cases, there simply were not sufficient numbers of health staff to treat the large influx of patients.

SOLUTION
In response to the outbreak, the World Bank moved quickly and funded the Cholera Emergency Response Project to prevent new cases, provide quality treatment to infected patients, and strengthen the government’s capacity to respond rapidly to emergencies. It targeted six departments
(Centre, Artibonite, Sud, Sud-est, Grand Anse, Nippes) and parts of Port-au-Prince. It supported implementation and rollout of emergency activities by non-governmental organizations (NGOs) and the public sector as well as developing a joint Health-Water and Sanitation World Bank approach to waterborne diseases.

**RESULTS**

As the government’s capacity improved, departmental health authorities developed clear and prioritized plans for cholera control and increasingly contributed to the large-scale prevention and treatment efforts in these departments. Three years after the outbreak, the integration process meant the transition from previously stand-alone cholera treatment sites (usually tents) into the existing health facilities. This integration reduced costs and, thus, led to a more sustainable solution for cholera control. In addition, thanks to this project and the Bank’s engagement, two conferences were organized in April and October 2014. These conferences brought global experts and donors together and developed a joint Health-Water and Sanitation approach to waterborne diseases, which is currently under implementation.

The project focused on (i) increasing knowledge of cholera early warning symptoms and prevention steps, (ii) maintaining or expanding access to improved water sources, and (iii) strengthening the government’s institutional capacity to respond to outbreaks. Between 2010 and 2013 the cholera related dead rate decreased significantly in project areas when compared in the country as a whole.

The project benefited over 3 million people and institutional capacity was clearly strengthened. The project also helped to achieve the following results:

- Training of 5,571 medical personnel and community workers.
- Distribution of water treatment products and soap to over 850,000 people.
• Rehabilitation of 115 latrines, seven water pumps and 20 water fountains.

• Health education and hygiene promotion for residents in 4,447 communities.

• Equipment of 256 health centers and posts, treatment and chlorination centers and units, and oral rehydration posts with necessary supplies.

• An increase in the percentage of citizens who could recognize cholera early warning symptoms (from 64 percent in 2011 to 82 percent in 2013).

• Development of six department cholera management plans by the Ministry of Public Health and Population (MSPP) and the Ministry of Water and Sanitation (DINEPA).

• Recruitment and hiring of one national focal point and six departmental cholera coordinators.

WORLD BANK GROUP CONTRIBUTION
The Bank’s response to the Haitian government’s call to the international community for support was its first operation in the Haitian health sector in over a decade. The Bank complemented this support with further assistance provided by the Global Facility for Disaster Reduction and Recovery.

THE BANK’S RESPONSE TO THE HAITIAN GOVERNMENT’S CALL TO THE INTERNATIONAL COMMUNITY FOR SUPPORT, WAS ITS FIRST OPERATION IN THE HEALTH SECTOR IN OVER A DECADE.

PARTNERS
The Bank was part of a strong partnership among key development partners in Haiti’s health, social protection, and water and sanitation sectors. The Bank project team participated regularly in meetings with partners to coordinate project implementation and support plans, identify
lessons learned and opportunities, and strategize future actions. These partners included: the US Government Center for Disease Control (CDC), US Agency for International Development (USAID), United Nations Children’s Fund (UNICEF), the Pan-American Health Organization (PAHO), the Inter-American Development Bank (IADB), and Médecins Sans Frontières (MSF). Joint field supervision missions were regularly carried out with the CDC. The Bank was also an active member of The Regional Coalition to Eliminate Cholera in Hispaniola.

MOVING FORWARD
The Bank, as a member of the Regional Coalition on Water and Sanitation for the Elimination of Cholera in Hispaniola, brings technical expertise and mobilizes resources to support the 10-year National Plan for the Elimination of Cholera in Haiti. In addition, the Bank has approved a project aimed at Improving Maternal and Child Health through Integrated Social Services through which US$20 million will be used to support the National Plan for the Elimination of Cholera. The Bank has also approved a new water and sanitation operation of US$50 million which will support a number of the most affected communes by cholera.

BENEFICIARIES
Ricarmel Princivilma, 42, mother of four children, lives in a small village in Haiti’s Centre Department. With the complications of vomiting and diarrhea, she had to spend two days in a clinic. Ricarmel confessed that the family was defecating outside near the house. In addition, the family had been drinking water from an unprotected source. “With the help of the project brigadier, my house has been disinfected. I got a package of tablets for the treatment of water and advice on good hygiene practices that helped the rest of the family to escape from cholera,” she remarked.
TEGUCIGALPA ASSESSES ITS PUBLIC FINANCIAL MANAGEMENT SYSTEM

The governing authority of the city of Tegucigalpa is strengthening its public financial management system and its ability to access financing for infrastructure investments to improve the lives of its residents and identify the next reform steps.

CHALLENGE

The governing authority for the Central District of Tegucigalpa (Alcaldia Municipal del Distrito Central, AMDC), sought to access financing from the International Finance Corporation (IFC) for basic infrastructure services. However, because the Honduran 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.

SOLUTION

To support the decentralization strategy of the Government of Honduras, 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) 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 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 Bank-executed Public Private Infrastructure Advisory Facility (PPIAF) Trust Fund provided US$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.
MOVING FORWARD
Building on the achievement of the PEFA exercise 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. 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.

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 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.

Mayan ruins, Honduras. Photo: Freimages.com/Luna Calquin, CC.
Mural at school, Jamaica. Photo: World Bank
BIG STEPS TOWARD IMPROVING EDUCATION

Jamaica is transforming its education system and improving the quality of its educational services by building the capacity of a network of institutions.

CHALLENGE

Jamaica has achieved universal enrollment of students from early childhood through the primary levels up to grade nine. However, there remains an urgent need to raise the standards and improve the quality of education. The major challenges in the sector included sector governance, shortcomings in teaching and learning quality, equitable access, and enrollment at the higher levels of the secondary system.

SOLUTION

Jamaica’s first national development goal is to empower its citizens to achieve their full potential by providing world-class education. Recognizing
the importance of an improved public service delivery system in realizing this goal, Jamaica launched an ambitious Education System Transformation Program (ESTP). The initiative aims to improve learning through a decentralized accountability framework. The cornerstone of the program is a restructured Ministry of Education, supported by six newly established independent agencies that are accountable for results, quality assurance, service delivery, and monitoring of reforms. The agencies are:

- Central Ministry
- Department of School Services (DSS)
- Jamaica Teaching Council (JTC)
- National Council for Education Leadership (NCEL)
- National Education Inspection (NEI)
- National Education Trust (NET)

In November 2009, the World Bank approved funding for the Education System Transformation Capacity Building Project to support the Jamaica education sector reform and build the capacity of these agencies.

RESULTS
The overall result was a comprehensive network of institutions working together to support learning for every student. The government established a framework to provide a legal entity for each of the new agencies. It substantially built the capacity of the newly established agencies. The School Improvement Act focused on enrollment and learning for all school age children. In addition:

- The project certified 53 percent of all public school principals based on rigorous competency based training and assessment.
- Ninety percent of all public schools inspected have prepared and are implementing improvement plans focusing on improving student learning.
Ninety-five percent of all teachers have met requisite standards and have been registered.

- Fifty-two percent of all teachers meet professional standards for licensing.
- National Education Trust has started mobilizing resources from private sources.

The program’s success has been recognized outside the country’s borders. Several countries in the Caribbean have approached Jamaica’s Ministry of Education to request support on issues related to school leadership, school inspection, and school improvement. In addition, the Canadian Department of Foreign Affairs, Trade and Development recognized the NCEL with a Bright Spot Award in innovation in leadership development.

**WORLD BANK GROUP CONTRIBUTION**
The World Bank supported the capacity building of the key agencies established to support the national Education System Transformation Program. The Bank bolstered the government’s own program, by sponsoring consultancies, training and workshops, and procurement of needed software.

**PARTNERS**
The World Bank Leadership and Learning Institute South-South Facility supported a knowledge exchange for NCEL to learn from an internationally recognized Malaysian institution in strengthening school leadership, and the Inter-American Development Bank (IADB) supported the reform effort with a loan.
The newly created agencies are popular with the population at large and their services are in demand at the schools.

**MOVING FORWARD**
The new agencies and the restructured Ministry of Education are well established and budgeted. The National Education Strategic Plan, which underpins the ESTP, enjoys strong broad-based support. The newly created agencies are popular with the population at large and their services are in demand at the schools. Moreover, NCEL and NET have already begun to generate additional resources.

**BENEFICIARIES**
Students are benefiting from improved teaching and learning quality. School principals, middle managers, teachers, administrators and other school actors and stakeholders (parents, communities, board members, others) are benefiting from the more efficient, well-coordinated and higher quality school support services provided by new agencies, including:

- Central Ministry: evidence-based policy making and oversight.
- DSS: supporting School Improvement Plan (SIP) design and implementation.
- JTC: setting and enforcing teacher standards and professional development.
- NCEL: developing school leadership of principals and other leaders.
- NEI: assessing school performance.
- NET: brokering private support for schools and for managing construction and renovation works.

In addition, capacity building exercises enabled agency staff to work more effectively. The head of the government delegation stated that: “What we learned is going to change the entire sector, not just how school leaders are trained, thanks to the Bank’s support.”
INCREASING SCHOOL AUTONOMY AND PARENTAL PARTICIPATION

Mexico is expanding its Quality Schools Program to increase the number and percentage of schools in marginalized and indigenous communities. Direct support and technical assistance are reducing dropout rates and improving pass rates, as well as enhancing the students’ learning outcomes.

MEXICO

INCREASING SCHOOL AUTONOMY AND PARENTAL PARTICIPATION

MEXICO’S PERFORMANCE IN THE PISA WAS THE LOWEST AMONG OECD COUNTRIES IN 2009 AND LEARNING OUTCOMES AS MEASURED BY ENLACE IN 2010 WERE ALSO LOW, ESPECIALLY AMONG THE POOR.
SOLUTION
The World Bank-financed School-Based Management Project in support of the Second Phase of the School-Based Management Program Project supported the expansion of the Quality Schools Program (Programa Escuelas de Calidad, PEC) School-Based Management (SBM) model by providing direct support to schools and technical assistance to develop school improvement plans, with the collaboration of the school director, teachers, parents, and students. Direct support averaged around US$4,000 per year, which provided schools with autonomy in managing extra resources to address their specific needs. The program’s targeted technical assistance to the states and the dissemination of a simplified school planning instrument (consisting of a manual with a series of recommendations intended to make the school planning process clearer, easier to understand, and more efficient for schools, while easily explaining the role of different stakeholders in collaborative SBM) increased participation of schools serving indigenous and marginalized communities. It was also critical for encouraging greater participation of parents in the school life. In particular, parents were better able to contribute to the design and implementation of the school plan.

RESULTS
The project focused on expanding the PEC SBM model with an emphasis on marginalized and indigenous schools. It supported improvements in several key outcomes, including: (i) increasing the percentage of PEC public and special education schools particularly in the marginalized and indigenous communities, and (ii) reorienting the school grants to improve the public schools’ internal efficiency and learning outcomes. Main results included:

- The percentage of basic and special education schools participating in PEC increased from 20.3 percent in 2008-09 to 23.8 percent in 2013-14. This increase was equivalent to almost 10,000 additional schools participating in the program.

The first school, Mexico. Photo: Freimages.com/Alfonso Romero, CC.
• The percentage of PEC schools in highly marginalized areas increased from 38.4 percent in 2008-09 to 46 percent in 2012-13.

• The percentage of indigenous modality schools participating in PEC increased from 15.4 percent in 2008-09 to 18 percent in 2012-13.

• Direct support to schools was reoriented to enhance the quality of the education inputs (from 59.7 percent in 2008-09 to 74.5 percent in 2012-13).

• The average ENLACE test score in PEC primary and secondary schools improved from 503 in math in 2008-09 to 560 in 2012-13 for the primary levels.

• The average pass rate in PEC primary and secondary schools improved from 96 percent in 2008-09 to 99 percent in 2012-13 for the primary levels.

WORLD BANK GROUP CONTRIBUTION
Overall, the Bank supported approximately 75 percent of the total direct support to schools within the PEC. Schools received additional funds from states with a federal-to-state contribution of 3 to 1. Direct support to schools entailed 99.3 percent of loan funds. The remaining project funds supported technical assistance to increase the number of participating schools (particularly those situated in marginalized and indigenous communities) and guide the implementation of the PEC program.

PARTNERS
Project partners included the Ministry of Education (Secretaría de Educación Pública, SEP), the Full Time Schools Program (Programa Escuelas de Tiempo Completo, PETC), and the Support for School Management (Apoyos a la Gestión Escolar, AGE) program. These programs share the goal of contributing to students’ learning within a framework of increased school autonomy and social participation.

THE AVERAGE ENLACE TEST SCORE IN PEC PRIMARY AND SECONDARY SCHOOLS IMPROVED FROM 503 IN MATH IN 2008-09 TO 560 IN 2012-13.
**MOVING FORWARD**
The Bank is supporting the government with a new School Based Management Project, which provides support to PEC and PETC. The development objectives of this operation are to improve the schools’ managerial capacity and parental participation and to reduce dropout, repetition and failure rates among schools participating in PEC and PETC. The PEC is a top priority for the SEP, as it is seen as the program for spearheading the implementation of an ambitious reform launched in 2013 to improve the quality of education through, among others, strengthening SBM. The SBM policy is currently implemented through different national programs such the PEC, PETC, and the AGE. In addition, based on the lessons learned from this program, the use of evaluations to improve pedagogical strategies and managerial capacities at the school level is being introduced.

**BENEFICIARIES**
The project benefited public basic education (pre-primary, primary and lower secondary) schools participating in the PEC in all 31 states and the Federal District, while placing greater emphasis on marginalized areas and on the indigenous population. School directors, parents, teachers, and students in approximately 49,000 PEC schools and 7,669,759 students (annual average) benefited through the provision of direct support to schools and technical assistance to implement school improvement plans. Indirect beneficiaries were education authorities at the state level that received technical assistance to oversee the program and improve their prioritization of indigenous schools and schools in marginalized areas.
A child playing at the fountain, Mexico. Photo: Freimages.com/Steve Willems, CC.
EXPANDING RELIABLE WATER SUPPLY AND SANITATION SERVICES TO MANAGUA’S URBAN POOR

The Nicaraguan Water and Sewerage Enterprise (ENACAL) extended water and sewer connections to households in the poorest areas of Managua. ENACAL also improved service reliability, strengthened the overall financial sustainability of its operations, and increased the amount of tariffs collected.

CHALLENGE

Access to basic services for the urban poor living in extreme poverty in Nicaragua has been limited. Only 26.5 percent had access to piped water and 1.2 percent to in-house toilets. Most of this population used latrines (72.5 percent), but 26.3 percent did not have access to any sanitation services. Raw sewage running down the streets of informal housing developments was not uncommon. Those with access to piped water received service sporadically, sometimes for no more than two hours a day. ENACAL, as the agency responsible for the provision of water supply and sanitation services to most urban areas and the primary provider in the greater Managua region, was struggling to extend reliable service to the expanding urban population, given the lack of financing and an effective approach to carryout works in marginalized communities. ENACAL’s coverage challenges were amplified by operational inefficiencies and a low capacity to collect tariffs from clients.
SOLUTION
The Greater Managua Water and Sanitation Project (PRASMA) addressed these challenges with combined infrastructure investments, which provided the platform for quality service and efficiency and institutional strengthening activities. The project promoted practical community engagement and capacity building for WSS (water and sanitation services) aspects throughout the project cycle to engage the marginalized, low-income beneficiaries. The project also piloted low-cost sewerage networks, which had not been previously used in Nicaragua. Given their lower cost, these networks permitted ENACAL to extend coverage more broadly. The project also supported the development and implementation of ENACAL’s operational and commercial efficiency strategies, which included water optimization activities (such as non-revenue water) as well as a tariff collection strategy that transformed the way ENACAL approached clients with delinquent payments. All of these approaches were innovative for ENACAL at the time of implementation.

RESULTS
The project’s infrastructure and efficiency activities extended reliable water service to 161,896 residents of the greater Managua region. In addition, the increase in reliability reflected the project’s investments in non-revenue water activities, such as the promotion of micro and macro metering and...
the establishment of four macro-sectors, which covered 145 neighborhoods. The sanitation projects improved sanitation services, introduced the condominial sewerage method in country norms, and rehabilitated the Ciudad Sandino Treatment Plant. Finally, the project’s tariff collection strategy increased ENACAL’s total collections by 42 percent.

WORLD BANK GROUP CONTRIBUTION
The Bank provided Nicaragua with a US$20 million credit and a US$20 million grant to carry out the project. Just under half the financing was used for coverage extension and improvements in low-income neighborhoods. The remaining financing was primarily utilized for technical efficiency improvements and institutional strengthening activities.

PARTNERS
The Ministry of Finance and Public Credit (MHCP) asked the Bank to lead donor involvement in the water and sanitation sector. The Bank engaged high-level international experts to work closely with ENACAL to develop these new areas. The Bank reestablished a round table on water and sanitation services to leverage support from other donors and coordinate the investments. Donors included the Inter-American Development Bank (IADB), the Japan International Cooperation Agency, the Nordic Fund, the Spanish Fund for Development Assistance, and the German Development Bank. During missions, the Bank team regularly met with the donors to ensure a harmonized approach. The Bank team also had access to several Bank-executed trust funds, such as the Energy Sector Management Assistance Program (ESMAP) and the Spanish Fund for Latin America (SFLAC) to support complementary institutional development activities and international exchanges.

MOVING FORWARD
The Bank is supporting ENACAL as it develops a Master Plan for Operational Efficiency in Managua through a technical assistance grant financed by
ESMAP. The plan focuses on non-revenue water reduction and energy efficiency maximization.

In addition, the Program for Human Water and Sanitation, which is financed by a pool of international donors and has over US$300 million in funds for investments over the next 15 years, incorporates good practices developed through the project’s activities. It will finance condominial sewerage systems, extend non-revenue water activities and incorporate social and environmental accompaniment throughout the project cycle.

**BENEFICIARIES**

ENACAL benefited because it improved the financial sustainability and the long-term reliability of its services. The water access investments resulted in 15,798 new or rehabilitated connections. This improved the percentage of households who have access to water 16 or more hours a day from 54 percent in 2010 to 71 percent in 2015. The improved sanitation services benefited 62,295 residents.

Beneficiaries commented:

- “Before we woke up at one in the morning to perhaps collect a bottle of water; there was very little water, sometimes it came out good, sometimes bad.”

- “We had roads we called ‘black rivers’- we didn’t know where to dispose of the wastewater so we released it on the streets. The smell was horrible and permanent, day and night.”

- “Thank God we have water 24 hours a day.”

*Waste water treatment plan remodeled and expanded with Project funds. Photo: World Bank.*
CHALLENGE

Panama is one of the fastest growing economies in Latin America, but its growth has not translated into poverty reduction or economic inclusion. Although between 1997 and 2003 real per capita gross domestic product (GDP) grew at 1.5 percent per year, poverty fell by only about a half a percentage point, from 37.3 to 36.8 percent. Nearly all (98.4 percent) of the communities in the indigenous areas live in poverty. In this context, a major challenge was to formulate and implement
policies that would translate its solid growth performance into effective and sustainable poverty reduction.

A MAJOR CHALLENGE FOR PANAMA WAS TO FORMULATE AND IMPLEMENT POLICIES THAT WOULD TRANSLATE ITS SOLID GROWTH PERFORMANCE INTO EFFECTIVE AND SUSTAINABLE POVERTY REDUCTION.

SOLUTION
The government of Panama launched the conditional cash transfer (CCT) program, Opportunities Network (Red de Oportunidades), to provide access to basic social services and improve the living standards of the poorest and indigenous groups. The program was part of the government’s efforts to foster a more comprehensive and coherent social protection strategy. The World Bank supported the program through the Social Protection Project. The objectives of the project were to (i) improve the management and operation of the CCT program to enhance its effectiveness in reaching the poorest and indigenous groups, (ii) provide beneficiaries with an incentive framework to increase their participation in the CCT program, which would boost their demand for education and maternal and infant health services, (iii) strengthen the supply of nutrition and child growth promotion interventions in the indigenous areas, and (iv) enhance government capacity to develop coherent and efficient social sector policies and interventions on the basis of evidence.

RESULTS
The project supported the government’s efforts to improve the management of the Opportunities Network program, provide the beneficiary population with family services and program information, and provide health services to indigenous areas. The main achievements of the project were:

- Coverage of 75,000 families, with more than 91
percent of children between 5 and 17 years of age enrolled in school.

- Establishment of a targeting mechanism that allowed the program to reach the poor in an objective and transparent way. More than 90 percent of beneficiaries are in the poorest 40 percent of the population (74.4 percent are in the poorest quintile)

- Provision of health services to a population previously excluded from vaccinations or health check-ups, due to their geographical or socio-economic conditions: 234,523 beneficiaries received PAISS+N health interventions (immunization and nutrition) in indigenous areas.

- Establishment of a network of social workers (*promotores sociales*) that provides support to families and close contact to address the needs of beneficiary households. The proportion of beneficiaries that have been informed about the program through a visit from a social worker reached 92 percent by October 2013.

**WORLD BANK GROUP CONTRIBUTION**

The Bank provided financing of US$24 million to support the deployment and training of the network of social workers at the local level and the provision of health services by non-governmental organizations hired by the Ministry of Health. The Bank also provided technical assistance and consultancy services to develop the beneficiary roster, revise the proxy means test, and develop the management information system and define a strategy for the verification of co-responsibilities.

**PARTNERS**

The Ministry of Social Development was the implementing agency for the Opportunities Network program, and the Ministry of Health was implementing agency of the expansion of health services to rural and indigenous areas. The program was co-financed by the Inter-American Development Bank (IADB).

**MOVING FORWARD**

The new administration is working to develop further the Opportunities Network program and has maintained an active dialogue with the Bank. As part of this dialogue, the government has requested a follow-up operation supporting a broader agenda to strengthen the targeting and coverage of social programs, and enhance the efficiency of the administration of social programs. This is in line with pending challenges related to the inclusion
of new families with children in the Opportunities Network, especially in the indigenous communities, and complementing cash transfers with additional social and productive services that promote social inclusion and help beneficiary families to escape poverty.

**BENEFICIARIES**

The main beneficiaries of the project are the poor and extreme poor households in the Opportunities Network program. These include around 25,000 families in the indigenous territories, 38,000 families in the rural areas and 11,000 families in the urban areas.

“It’s been helpful to me. For example, at the beginning of the school year, we always receive a payment. Then I always use that money for the school materials for the kids.”

Beneficiary mother from Chiriqui River, Comarca Ngäbe Buglé (indigenous territory), 2014.