Spanish Fund for Latin America & the Caribbean

Annual Report 2012
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Acknowledgments

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A special note of recognition is attributed to all task teams working with SFLAC grants in the World Bank Group, whose enthusiasm and dedication to the economic and social development of the Latin America and the Caribbean region made it possible for the SFLAC program to become one of the most successful trust fund programs in the Region.
### Abbreviations and Acronyms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A2F</td>
<td>Access to Finance</td>
</tr>
<tr>
<td>AECID</td>
<td>Agencia Española de Cooperación Internacional para el Desarrollo (Spain)</td>
</tr>
<tr>
<td>AMC</td>
<td>Aden Morazán Credit</td>
</tr>
<tr>
<td>AMP</td>
<td>Autoridad Marítima de Panamá (Panama)</td>
</tr>
<tr>
<td>APL</td>
<td>Adaptable Program Loan</td>
</tr>
<tr>
<td>BEKL</td>
<td>Bank-Executed Knowledge and Learning</td>
</tr>
<tr>
<td>BEPP</td>
<td>Bank-Executed Project Preparation</td>
</tr>
<tr>
<td>BETA</td>
<td>Bank-Executed Technical Assistance</td>
</tr>
<tr>
<td>BF</td>
<td>Bolsa Familia (Brazil)</td>
</tr>
<tr>
<td>BSeM</td>
<td>Brasil Sem Miseria</td>
</tr>
<tr>
<td>CAI</td>
<td>Clean Air Institute</td>
</tr>
<tr>
<td>CAFTA</td>
<td>Central America Free Trade Agreement</td>
</tr>
<tr>
<td>CAPRA</td>
<td>Central America Probabilistic Risk Assessment</td>
</tr>
<tr>
<td>CARCIP</td>
<td>Caribbean Advanced Regional Communications Infrastructure Program</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Economist’s Office</td>
</tr>
<tr>
<td>CEPAL</td>
<td>Comisión Económica para América Latina y el Caribe</td>
</tr>
<tr>
<td>CGR</td>
<td>Contraloría General de la República (Paraguay)</td>
</tr>
<tr>
<td>CNTA</td>
<td>National Centre for Food Technology and Safety</td>
</tr>
<tr>
<td>CoST</td>
<td>Construction Sector Transparency Initiative</td>
</tr>
<tr>
<td>CP</td>
<td>Cleaner Production</td>
</tr>
<tr>
<td>CPS</td>
<td>Country Partnership Strategy</td>
</tr>
<tr>
<td>CReCER</td>
<td>Contabilidad y Responsabilidad para el Crecimiento Económico Regional</td>
</tr>
<tr>
<td>CCT</td>
<td>Conditional Cash Transfer</td>
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<tr>
<td>CReCER</td>
<td>Contabilidad y Responsabilidad para el Crecimiento Económico Regional</td>
</tr>
<tr>
<td>ECD</td>
<td>Early Childhood Development</td>
</tr>
<tr>
<td>ETC</td>
<td>Extended Term Consultant</td>
</tr>
<tr>
<td>EXT</td>
<td>External Relations</td>
</tr>
<tr>
<td>ENACAL</td>
<td>Empresa Nicaragüense de Acueductos y Alcantarillados</td>
</tr>
<tr>
<td>FMM</td>
<td>Fundación Mundo Mujer (Colombia)</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year</td>
</tr>
<tr>
<td>GRM</td>
<td>Grant Reporting and Monitoring</td>
</tr>
<tr>
<td>HD</td>
<td>Human Development</td>
</tr>
<tr>
<td>IADB</td>
<td>Inter-American Development Bank</td>
</tr>
<tr>
<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
</tr>
<tr>
<td>IDA</td>
<td>International Development Association</td>
</tr>
<tr>
<td>IDAAN</td>
<td>Instituto de Acueductos y Alcantarillados Nacionales (Nicaragua)</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards</td>
</tr>
<tr>
<td>INCAE</td>
<td>Instituto Centroamericano de Administración de Empresas (Central America)</td>
</tr>
<tr>
<td>IPAC</td>
<td>Iniciativa Participativa Anti Corrupción (Dominican Republic)</td>
</tr>
<tr>
<td>IUWM</td>
<td>Integrated Urban Water Management</td>
</tr>
<tr>
<td>LAC</td>
<td>Latin America and Caribbean (refers to the geographic region)</td>
</tr>
<tr>
<td>LCR</td>
<td>Latin America and Caribbean Region (refers to the World Bank Regional Vice-Presidency)</td>
</tr>
<tr>
<td>LCRVP</td>
<td>Latin America and Caribbean Regional Vice-Presidency</td>
</tr>
<tr>
<td>LCSDE</td>
<td>Latin America and Caribbean Development Effectiveness</td>
</tr>
<tr>
<td>MFI</td>
<td>Micro-Financce Institution</td>
</tr>
</tbody>
</table>
MFS Mobile Financial Services
MOPW Ministry of Public Works and Communications (Paraguay)
MSME Micro, Small and Medium Enterprise
NGO Non-Governmental Organization
OECD Organisation for Economic Co-operation and Development
OSE Obras Sanitarias del Estado (Uruguay)
PATH Programa de Administración de Tierras de Honduras (Honduras)
PIER Program for Regional Economic Integration
PPP Public-Private Partnership
REPP Recipient-Executed Project Preparation
RETA Recipient-Executed Technical Assistance
SIECA Secretaría de Integración Económica Centroamericana (Central America)
SFLAC Spanish Fund for Latin America and the Caribbean
SME Small and Medium Enterprise
SP Social Protection
SWAp Sector-Wide Approach
TA Technical Assistance
TCE Tribunal de Cuentas de España
TF Trust Fund
TTL Task Team Leader
Foreword

We are pleased to present the achievements of the Spanish Fund for Latin America and Caribbean’s (SFLAC) third year of operation. SFLAC’s goal is to strengthen the impact of Spain’s and the World Bank Group’s development activities, both analytical and operational, in Latin America and the Caribbean. SFLAC’s support seeks to improve and harmonize policy advice and program design around the key issues of infrastructure, governance and accountability, environmental sustainability, and private sector development. Eligible activities include technical assistance, knowledge generation and dissemination, and activities sponsored by the International Finance Corporation (IFC).

This Annual Update provides updates on the progress made in 2012 for Spain’s Ministry of Economy and Competitiveness. Central to the success of the SFLAC program has been its flexible approach. SFLAC funding of studies and regional knowledge development and dissemination activities have greatly enhanced the impact of the World Bank’s programs in the region. A number of the results achieved discussed in this report highlight the impact and value added of SFLAC funding.

We expect further results and impact in the coming year, as many of the grants that are under implementation come to closure. We look forward to a close and successful partnership with Spain’s Ministry of Economy and Competitiveness in supporting our Latin American and Caribbean clients in their development agendas.

Pedro Alba
Director, Strategy and Operations
World Bank
Latin America and Caribbean Region

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World Bank
Latin America and Caribbean Region
Executive Summary

The SFLAC Program remains an important part of the World Bank’s work in the Latin America and Caribbean Region (LCR). It spans a wide range of types of activities and thematic areas and has a strong impact in terms of results both in investments and knowledge generation across a number of countries and sectors. This includes activities such as strengthening of Colombia’s environmental system and enhancing sustainability in water resources and air quality, as well as improving transparency in El Salvador’s national public radio and television systems. The SFLAC has also leveraged significant support for private sector development in LCR through its support to IFCs activities, including sustainable business advisory services, public private partnerships, and access to finance for small and micro enterprise institutions.

SFLAC has leveraged significant expertise and financing. The fund has helped scale up the use of Spanish technical expertise in Region, as well as leverage IBRD financing for priority development interventions. In fact, SFLAC has leveraged approximately US$6 billion in development financing since its inception, including for example, projects supporting Education Reform in El Salvador, Water Management in Honduras, Climate change in Mexico and Uruguay, and Flood Control in Colombia, among others.

Flexibility has been the key to SFLACs success. Its just-in-time model has allowed teams to respond quickly and flexibly to client demands while retaining focus on key program areas. This includes an intensive focus on infrastructure and governance, both key areas for the Bank’s strategic work in LCR. In addition, SFLACs flexible model has enabled it to fund US$12 million in regional interventions, such as labor productivity data for the services sectors and improving road safety outcomes in LCR. These have been important for exploiting synergies in a way that would not be possible with earmarking of specific countries or types of activities.

Implementation remains on track. The SFLAC is now almost fully committed and is 50% disbursed. This year’s round of grant monitoring reports (to be made available in the donor portal by June 30, 2013) demonstrated strong attention to implementation and good overall project performance ratings, both for Recipient and Bank-executed grants. As current grants come to a close, disbursements will wind down correspondingly.

Going forward, ensuring impact and capturing results will be a key area of emphasis. The Bank will be focusing on continuing to capture impact and results as current activities reach their closing dates. In addition, the Bank will support the preparation of new activities agreed with Spain during the current round of grant approvals.
I. Introduction

1. For nearly four years, SFLAC funding has provided valuable resources to enhance the impact of the World Bank Group’s development activities in Latin America and Caribbean. The Bank’s Latin American and Caribbean Regional Vice-Presidency (LCRVP) development strategy is organized around “five Gs”, namely: (i) Gini, Poverty and Gender; (ii) Growth and Productivity; (iii) Governance and Institutions; (iv) Green/Global Involvement; and (v) Guarding against Disasters. SFLAC’s four thematic priorities align well with this strategy, including its focus on infrastructure and private sector development through creating opportunities for growth and employment, strengthening governance, and promoting environmental sustainability through global collective action.

2. This Annual Update provides an overview of fund usage and administration, discusses key areas of leverage and impact, and highlights results achieved with SFLACs support. As current SFLAC grants move towards finalization and closure, this year’s report highlights overall results achieved, lessons learned, and the leveraging impact of the SFLAC, both in terms of Bank resources and utilization of Spanish expertise and knowledge in Latin America.

3. The SFLAC became operational in July 2009. Out of a total contribution of US$40 million, US$38 million has been made available for grant financing, of which US$30.9 million has been committed to specific activities. The remaining unallocated funds, (including investment income), will be committed across the next two fiscal years, with a geographic focus on Central America and Mexico.
II. Portfolio Summary

1. SFLAC Program Status

4. The SFLAC Trust Fund is almost fully committed and around 50% disbursed. Table 1 below shows the current status of the SFLAC program. Total commitments stand at US$30.9 million and disbursements at US$21.1 million. The total committed amount reflects the amount allocated out of the total US$38 million for grant financing. After the inclusion of US$0.6 million in investment income, the remaining uncommitted balance stands at US$7.6 million as of February 28, 2013. This amount will be dedicated to new activities as agreed with the Ministry of Economy and Competitiveness across the next two fiscal years.

5. Fees remain sufficient for program administration. The program originally included a 5% administration fee. Out of this amount, US$400,000 was allocated to World Bank central units as part of standard administrative cost recovery, and the rest (US$1.6 million) was allocated for program management by the SFLAC Secretariat for the life of the program. Total disbursement out of the program management account currently amounts to US$405,081.

<table>
<thead>
<tr>
<th>Window/Category</th>
<th>Disbursed (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution (1)</td>
<td>40,000,000</td>
</tr>
<tr>
<td>Administration (2)</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Committed Amount (3)</td>
<td>30,981,334</td>
</tr>
<tr>
<td>Total Disbursements (4)</td>
<td>21,102,273</td>
</tr>
<tr>
<td>Investment Income (5)</td>
<td>618,375</td>
</tr>
<tr>
<td>Remaining Balance (1)-(2)-(3)+(5)</td>
<td>7,637,041</td>
</tr>
</tbody>
</table>

2. Portfolio Summary

6. The current SFLAC portfolio of 139 grants (US$30.9 million) includes 102 active grants (US$25.5 million), and 37 closed grants (US$5 million). In addition, there is a Brazil Piaui State project preparation proposal for US$375,000 approved under the second round which is currently under preparation. Six grants have been approved and activated since the last Annual Report in April 2012, and these included three recipient-executed grants for Peru, Brazil and Central America, two Bank-executed grants for Brazil and one supervision grant for Peru. All of them had been approved in principle prior to April 2012. IFC’s allocation of US$4 million is fully committed and 80% of the committed amount has been disbursed.
7. **Overall commitments peaked in FY11, while disbursements increased as projects came fully on stream.** Chart 1 represents disbursement and commitment trends for SFLAC grants for the past three years. Grants were approved under two rounds of call for proposals in FY2010 and FY2011, as indicated in the commitment amount in Chart 1 below. As implementation has progressed disbursements have increased correspondingly, peaking in FY2012. Of the 102 active grants, 99 are scheduled to close by June 2014.

![Chart 1 – SFLAC Commitment and Disbursement (US$m) by Year FY2010 – FY2013 (as of Feb 28, 2013)](image)

8. **SFLAC funds have been used primarily for knowledge generation, followed by technical assistance.** The fund is divided into six windows and a special Ad-hoc category: (i) Recipient-Executed Project Preparation (REPP); (ii) Recipient-Executed Technical Assistance (RETA); (iii) Bank-Executed Technical Assistance (BETA); (iv) Bank-Executed Knowledge and Learning (BEKL); (v) IFC; (vi) Supervision; and (vi) Ad-hoc. The highest number and volume of grants are concentrated in the two Bank-Executed windows, followed by RETA and REPP. Bank-executed grants have the highest disbursement rates, reflecting the smaller volume and shorter-term nature of Bank-executed knowledge work, as compared to recipient-executed project financing.

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1 The grant committed in FY13 was approved in principle in FY12. No grant was approved in FY13 prior to February 28, 2013.
Table 2 – SFLAC Portfolio Status by Window, as of February 28, 2013, Active and Closed\(^2\)

<table>
<thead>
<tr>
<th>Window/Category</th>
<th># of Grants</th>
<th>Amount (US$)</th>
<th>Disbursed (US$)</th>
<th>Undisbursed Balance (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recipient-Executed Project Preparation</td>
<td>7</td>
<td>2,886,951</td>
<td>1,703,539</td>
<td>1,183,412</td>
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<tr>
<td>Recipient-Executed Technical Assistance</td>
<td>10</td>
<td>3,132,200</td>
<td>1,265,695</td>
<td>1,866,505</td>
</tr>
<tr>
<td>Bank-Executed Technical Assistance</td>
<td>46</td>
<td>9,823,102</td>
<td>7,353,799</td>
<td>2,469,303</td>
</tr>
<tr>
<td>Bank-Executed Knowledge and Learning</td>
<td>52</td>
<td>9,553,804</td>
<td>6,559,673</td>
<td>2,994,131</td>
</tr>
<tr>
<td>Ad-hoc</td>
<td>8</td>
<td>927,886</td>
<td>905,595</td>
<td>22,291</td>
</tr>
<tr>
<td>Supervision</td>
<td>12</td>
<td>256,141</td>
<td>129,281</td>
<td>126,860</td>
</tr>
<tr>
<td>IFC</td>
<td>4</td>
<td>4,000,000</td>
<td>3,184,691</td>
<td>815,309</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>139</strong></td>
<td><strong>30,580,084</strong></td>
<td><strong>21,102,273</strong></td>
<td><strong>9,477,811</strong></td>
</tr>
</tbody>
</table>

9. In terms of themes, SFLAC activities have been concentrated primarily in the areas of infrastructure and governance, representing a combined 70 percent of all active and closed grants. Chart 2 displays the grant amount by theme. Private sector grants represent 17 percent of total funding and environment grants 13 percent. The infrastructure theme provided an important platform for supporting/complementing large investment operations such as Rio Bogota Environmental Recuperation and Flood Control Project (IBRD US$250 million). A grant for Uruguay financed a series of training activities for the Ministry of Economy and Finance in light of the new role delegated by a forthcoming law of Public Private Partnerships (PPPs). The grant activities provided the PPP unit with the technical expertise necessary to implement new investment programs in time and efficiently while also having the right check and balance process. The course material prepared, and lessons learned are now being used in other PPP initiatives in the region including Colombia, Peru, and some Central American countries.

10. SFLAC has also proven valuable to finance capacity building in governance, including many capacity-building activities which could not be funded through lending operations. For example, a regional grant for Latin America (TF099929 – Role and Organization of the State in the Ownership and Supervision of State-Owned Enterprises) provided a platform for a South-South knowledge exchange aimed at understanding the relationship between institutional arrangements, fiscal sustainability, asset management, and service delivery performance in the management of State-Owned Enterprises (SOEs).

11. Private Sector Development has been another prominent theme of SFLAC. IFC has been successfully implementing three grants under its three advisory service business lines: i) Infrastructure – PPP; ii) Sustainable Business Advisory; and iii) Access to Finance. For example, under the Infrastructure grant (US$1.06 million), three PPP projects are ongoing in three countries, El Salvador, Paraguay, and Honduras. Under the Access to Finance grant (US$1.88 million), 11 financial institutions have been supported in eight different countries with a view to increasing access by Micro, Small and Medium Enterprises (MSMEs) to financial services.

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\(^2\) Table 2 does not include the proposal for Brazil Piauí State currently under preparation. Thus, the total amount in Table 2 does not equal the total amount in Table 1.
12. **Regional grants represent the largest share of SFLAC funding.** Chart 3 shows SFLAC grant amounts by country with Regional grants coming in at 41% of the total. These grants, totaling US$12.4 million, create synergies in addressing challenges common to many countries, providing solutions that can be catered to specific country circumstances. Examples include a study on labor productivity in Mexico and selected Latin American countries to collect new labor productivity data in the services sector for better policy recommendations to enhance the welfare of its workers (TF099567 - Labor Productivity in the Services Sector in Latin America). Another regional grant (TF096934 – Improving Road Safety Outcomes in Latin America) provided technical assistance to aid road safety agencies in Ecuador and other Latin American countries in implementing programs that protect vulnerable road users, through reducing speeds to appropriate levels for road functions, enhanced speed monitoring and compliance programs and improved road infrastructure.

13. **Central America and Mexico represented 20% of total commitments, consistent with the program’s geographic focus.** Some of the prominent grants currently under implementation in Central America include a grant for Honduras (TF099354) which provided support to the Municipality of Tegucigalpa to address its water challenges, enabling a stakeholder dialogue and designing related studies. This geographic focus will be maintained for the remaining balance.
Chart 3 – SFLAC Grant Amount by Country

Table 3 – Amount and Number of Grants by Country

<table>
<thead>
<tr>
<th>Country</th>
<th>Grant Amount (US$)</th>
<th># of Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America Regional</td>
<td>12,442,586</td>
<td>2</td>
</tr>
<tr>
<td>Central American Countries</td>
<td>6,024,221</td>
<td>29</td>
</tr>
<tr>
<td>Sub-Regional</td>
<td>2,003,814</td>
<td>9</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>120,000</td>
<td>1</td>
</tr>
<tr>
<td>El Salvador</td>
<td>459,100</td>
<td>3</td>
</tr>
<tr>
<td>Guatemala</td>
<td>195,032</td>
<td>1</td>
</tr>
<tr>
<td>Honduras</td>
<td>822,917</td>
<td>4</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>95,000</td>
<td>1</td>
</tr>
<tr>
<td>Panama</td>
<td>580,800</td>
<td>2</td>
</tr>
<tr>
<td>Mexico</td>
<td>1,747,558</td>
<td>8</td>
</tr>
</tbody>
</table>
### Country Grant Amount (US$) # of Grants

<table>
<thead>
<tr>
<th>Country</th>
<th>Grant Amount (US$)</th>
<th># of Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Countries</td>
<td>12,113,278</td>
<td>58</td>
</tr>
<tr>
<td>Argentina</td>
<td>910,714</td>
<td>5</td>
</tr>
<tr>
<td>Brazil</td>
<td>1,899,396</td>
<td>12</td>
</tr>
<tr>
<td>Caribbean Sub-Regional</td>
<td>512,500</td>
<td>3</td>
</tr>
<tr>
<td>Chile</td>
<td>499,992</td>
<td>2</td>
</tr>
<tr>
<td>Colombia</td>
<td>3,239,018</td>
<td>12</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>447,839</td>
<td>3</td>
</tr>
<tr>
<td>Ecuador</td>
<td>100,000</td>
<td>1</td>
</tr>
<tr>
<td>Haiti</td>
<td>800,000</td>
<td>3</td>
</tr>
<tr>
<td>Paraguay</td>
<td>725,967</td>
<td>4</td>
</tr>
<tr>
<td>Peru</td>
<td>2,155,352</td>
<td>9</td>
</tr>
<tr>
<td>Uruguay</td>
<td>822,500</td>
<td>4</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>30,580,085</strong></td>
<td><strong>139</strong></td>
</tr>
</tbody>
</table>

### 3. Impact of SFLAC Grants in IBRD/IDA Lending Projects

14. **SFLAC has leveraged significant development financing.** SFLAC grants have been used strategically to maximize development impact in country and sector engagement and have supported a number of important Bank lending projects. To date, SFLAC grants totaling $9.5 million have supported lending projects totaling more than US$6.0 billion in net commitments. Specifically, 12 grants totaling US$4.3 million, listed in Table 4 below, have successfully led to the implementation or preparation of large-scale lending projects totaling US$1.9 billion. These 12 SFLAC grants had a catalytic impact in the formulation of project design and implementation.

15. **Box 1 below highlights a strong example of use of SFLAC funding for project preparation in Honduras.** Other examples include: Promoting a Multi-Sectoral Multi-Stakeholder Approach to Sustainable Local Development in Mexico (TF096061 – US$214,273) which supported preparation of a Development Policy Operation for US$300 million. Furthermore, Preparation for the OSE Response to Climate Change Project (TF096016 – US$450,000) supported the preparation of an IBRD lending project of US$42 million. The full list of SFLAC grants with associated lending projects is included in Annex IV.
Box 1 - Results Story – Honduras Project Preparation

Strengthening Municipal Territorial Planning Capacity as part of Honduras Land Administration Program (TF099664 – Recipient-Executed Project Preparation – US$376,246)

The SFLAC grant was instrumental in the preparation of the Second Phase of the Land Administration Program in Honduras (PATH II, P106680, IDA $32.8 million), in particular, to municipal capacity building for territorial planning under the component one of PATH II (Policy and Institutional Strengthening).

The main work involved four target municipalities of PATH II (Pimienta and La Lima in the Department of Cortés, and El Progreso and Olanchito in the Department of Yoro) with an aim to improving municipal management and territorial planning capacity. The grant helped develop and apply standard manuals and guides to be used during the project implementation. As a result of a pilot capacity training program completed in these four municipalities, 190 officials were trained and four municipal territorial plans were designed. Moreover, 17 additional municipalities that are part of PATH II received general technical assistance and training, which helped them prepare for their participation in PATH II’s implementation.

In addition, the grant successfully mitigated the implementation risks for PATH II: 1) risk to the project development objective (the weak institutional capacity among key sector institutions, which slows down progress on land policy and project implementation); and 2) risk to component results (the fact that municipalities are not sufficiently integrated in the program to facilitate decentralization and sustainability of cadastral processes and data update and maintenance). These risks were successfully mitigated because the grant enabled early engagement with municipalities and development of standard methodology to be applied during implementation. The standard methodology developed under the grant is being used not only for PATH II, but also for national standard territorial planning procedures, and will continue to be applied in other municipalities and projects in the country.

Table 4 – Sample of SFLAC Grants Supporting Preparation and/or Implementation of IBRD/IDA Projects

<table>
<thead>
<tr>
<th>Country</th>
<th>Grant ID (Funding Window)</th>
<th>Grant Status</th>
<th>Grant Name</th>
<th>Grant Amount (US$)</th>
<th>Project ID</th>
<th>Board Approval Date</th>
<th>Project Name</th>
<th>Project Amount ($m)</th>
<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>TF098374 (BETA)</td>
<td>Active</td>
<td>Supporting the Implementation of Phase 1 of the Matanza-Riachuelo Basin Sustainable Development Project</td>
<td>450,000</td>
<td>P105680</td>
<td>09-Jun-2009</td>
<td>Matanza-Riachuelo Basin (MRB) Sustainable Development Adaptable Lending Program</td>
<td>840</td>
<td>Active</td>
</tr>
<tr>
<td>Brazil</td>
<td>TF096046 (REPP)</td>
<td>Closed</td>
<td>Supporting Inclusive Business Alliances for smallholder agricultural producers in Pernambuco State</td>
<td>246,433</td>
<td>P120139</td>
<td>06-Mar-2012</td>
<td>Pernambuco Rural Economic Inclusion</td>
<td>100</td>
<td>Active</td>
</tr>
<tr>
<td>Brazil</td>
<td>TF010458 (BETA)</td>
<td>Active</td>
<td>Advisory Services for Integrated Urban Development in Rio de Janeiro</td>
<td>250,000</td>
<td>P126735</td>
<td>17-Sep-2013</td>
<td>Rio State TAL AF - PROGET</td>
<td>48</td>
<td>Pipeline</td>
</tr>
<tr>
<td>Country</td>
<td>Grant ID (Funding Window)</td>
<td>Grant Status</td>
<td>Grant Name</td>
<td>Grant Amount US$</td>
<td>Project ID</td>
<td>Board Approval Date</td>
<td>Project Name</td>
<td>Project Amount ($m)</td>
<td>Project Status</td>
</tr>
<tr>
<td>----------</td>
<td>--------------------------</td>
<td>----------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>------------------</td>
<td>------------</td>
<td>----------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>---------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Caribbean</td>
<td>TF099933 (REPP)</td>
<td>Active</td>
<td>Broadband Communications Infrastructure Feasibility Studies for Dominican Republic and Haiti for the Preparation of the CARCIP Program</td>
<td>250,000</td>
<td>P114963</td>
<td>22-May-2012</td>
<td>Caribbean Regional Communications Infrastructure Program</td>
<td>25</td>
<td>Active</td>
</tr>
<tr>
<td>Colombia</td>
<td>TF096015 (REPP)</td>
<td>Active</td>
<td>Project preparation for Barranquilla Flood Management Project</td>
<td>725,000</td>
<td>P120159</td>
<td>12-Dec-2013</td>
<td>Barranquilla Flood Management</td>
<td>150</td>
<td>Pipeline</td>
</tr>
<tr>
<td>Colombia</td>
<td>TF097840 (BETA)</td>
<td>Active</td>
<td>Institutional Strengthening and Capacity Building to Support the Rio Bogota Environmental Improvement Program</td>
<td>200,000</td>
<td>P111479</td>
<td>14-Dec-2010</td>
<td>Rio Bogota Environmental Recuperation and Flood Control Project</td>
<td>250</td>
<td>Active</td>
</tr>
<tr>
<td>El Salvador</td>
<td>TF010361 (RETA)</td>
<td>Active</td>
<td>Support for Education Quality Improvement Project</td>
<td>130,000</td>
<td>P126364</td>
<td>13-Dec-2011</td>
<td>Education Quality Improvement Project</td>
<td>60</td>
<td>Active</td>
</tr>
<tr>
<td>Honduras</td>
<td>TF099354 (RETA)</td>
<td>Active</td>
<td>Sustainable Water for a Sustainable City: Promoting Integrated Urban Water Management (IUWM) in the greater Tegucigalpa Area</td>
<td>400,000</td>
<td>P103881</td>
<td>21-Jun-2007</td>
<td>Honduras Water and Sanitation Sector Modernization Project</td>
<td>30</td>
<td>Active</td>
</tr>
<tr>
<td>Honduras</td>
<td>TF099664 (REPP)</td>
<td>Closed</td>
<td>Strengthening Municipal Territorial Planning Capacity as part of the Honduras Land Administration Program (PATH)</td>
<td>376,246</td>
<td>P106680</td>
<td>30-Jun-2011</td>
<td>Second Land Administration Project</td>
<td>32.8</td>
<td>Active</td>
</tr>
<tr>
<td>Mexico</td>
<td>TF096061 (REPP)</td>
<td>Closed</td>
<td>Promoting a Multi-sectoral Multi-stakeholder Approach to Sustainable Local Development in Mexico’s Poorest Municipalities</td>
<td>214,273</td>
<td>P120170</td>
<td>01-Mar-2012</td>
<td>Strengthening Social Resilience to Climate Change (DPL)</td>
<td>300.752</td>
<td>Closed</td>
</tr>
<tr>
<td>Peru</td>
<td>TF096160 (REPP)</td>
<td>Active</td>
<td>Project Preparation for Cusco Regional Development Project (PRODER CUSCO)</td>
<td>625,000</td>
<td>P117318</td>
<td>26-Sep-2013</td>
<td>Cusco Regional Development</td>
<td>40</td>
<td>Pipeline</td>
</tr>
<tr>
<td>Uruguay</td>
<td>TF096116 (REPP)</td>
<td>Active</td>
<td>Preparation for the OSE Response to Climate Change Project</td>
<td>450,000</td>
<td>P118064</td>
<td>05-Jul-2012</td>
<td>OSE Sustainable and Efficient</td>
<td>42</td>
<td>Active</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>4,316,952</td>
<td></td>
<td></td>
<td></td>
<td>1,919</td>
<td></td>
</tr>
</tbody>
</table>

4. Utilization of Spanish Technical Expertise

SFLAC has proven to be a valuable vehicle for sharing Spanish technical expertise in Latin America. With a view to strengthening partnership forged among Spain, the governments in the region, and the World Bank Group, a number of grant activities and associated projects have utilized Spanish expertise, given their competitive advantage in language and relevant technical expertise. Examples include SFLAC Grant Institutional...
Strengthening and Capacity Building to Support the Río Bogotá Environmental Improvement Program (TF097840 – BETA - Colombia - US$200,000) which supported the preparation of Río Bogotá Environmental Recuperation and Flood Control Project (P111479 – IBRD US$250 million) in which two Spanish companies were involved with contracts worth US$57 million. Another grant for Mexico Addressing Water Challenges - Tackling Water Scarcity (TF096060 – BETA – Mexico - US$341,000) supported Modernization of the Sanitation Sector Technical Assistance Project (P091695 – IBRD US$25 million) which has benefitted from the Spanish engineering expertise in the water sector through two contracts amounting to US$1.4 million. Table 5 below includes a sample of SFLAC grants and linked lending projects with Spanish involvement.

<table>
<thead>
<tr>
<th>Name</th>
<th>Grant Contract</th>
<th>Grant Contract Amount (US$)</th>
<th>Related Project ID and Name</th>
<th>Related Project Amount (US$)</th>
<th>Project Contract Description</th>
<th>Project Contract Amount (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colombia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TF097840 Institutional Strengthening and Capacity Building to Support the Río Bogota Environmental Improvement Program</td>
<td>N/A</td>
<td>N/A</td>
<td>P124007 Río Bogotá Environmental Recuperation and Flood Control Project</td>
<td>250</td>
<td>AQUAS Y ESTRUCTURAS S.A.U. – AYESA Technical, administrative, financial, environmental and social development of the execution of works required for the Bogota River Flood Control Project</td>
<td>3,660,682</td>
</tr>
<tr>
<td></td>
<td>200,000</td>
<td></td>
<td></td>
<td></td>
<td>PROJECT – FCC CONSTRUCCION S.A. Works - Flood Control of Bogota River.</td>
<td>53,135,166</td>
</tr>
<tr>
<td>TF097348 Strengthening National Environmental System and Enhancing Sustainability in Water Resources and Air Quality Management</td>
<td>GPO Ingeniería, S.A.</td>
<td>17,217</td>
<td>P082520 CO Sustainable Development Inv Project</td>
<td>17</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>750,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Honduras</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PROJECT – TOPONORT S.A. Aerial photography and Orthophoto Elaboration.</td>
<td>351,680</td>
</tr>
<tr>
<td>TF099664 Strengthening Municipal Territorial Planning Capacity as part of the Honduras Land Administration Program (PATH)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>380,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TF099540 Support to Latin America and Caribbean Region Chief Economist Regional Studies</td>
<td>Fundación Privada de Economía</td>
<td>23,867</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Mexico</td>
<td>341,000</td>
<td>VIAJES EL CORTE INGLES</td>
<td>9,384</td>
<td>P091695 Modernization of the Water and Sanitation Sector Technical Assistance Project</td>
<td>25</td>
<td>WASSER S.A.E Y ASOCIADOS Water, sanitation and flood protection</td>
</tr>
<tr>
<td></td>
<td>98,000</td>
<td>Melia Castilla</td>
<td>5,182</td>
<td></td>
<td></td>
<td>WASSER S.A.E Y ASOCIADOS Water, sanitation and flood protection</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>95,000</td>
<td>N/A</td>
<td>N/A</td>
<td>P110092 Greater Managua Water and Sanitation (PRASMA)</td>
<td>27</td>
<td>SERVICIO DE CONTRUCCION SA (SERCONSA) Construction of drinking water system. Sector: San Isidro de Bolas 448,552</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>INCLAM S.A. Acquisition of Pumping Equipment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>SUMINISTROS ELECTRICOS S.A. Acquisition of Pumping Equipment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>WASSER, INGENIERIA DEL AGUA</td>
</tr>
<tr>
<td>Peru</td>
<td>150,000</td>
<td>Prointec, S.A.</td>
<td>50,000</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Total</td>
<td>2,414,000</td>
<td>105,650</td>
<td></td>
<td>378</td>
<td></td>
<td>59,738,676</td>
</tr>
</tbody>
</table>
III. Donor Visibility and Collaboration with Spain

17. The SFLAC has helped raise awareness of Spain as an important donor and development partner in Latin America. In addition to SFLAC’s main objectives, a further goal is to deepen cooperation between Spain and Latin American governments and the private sector. Accordingly, the World Bank agreed with Spain the following guidelines and requirements to ensure donor visibility in the Administration Agreement (AA).

- A logo composed of the Spanish National flag and the logo of the Ministry of Economy and Competitiveness are used in all publications financed by the program.
- All press releases issued by the Bank in relation to the program make reference to the financial contribution of the Government of Spain.
- The Bank makes its best efforts to ensure that the activities are well covered in local print and electronic media and that all publicity materials, reports and publications explicitly acknowledge Spain.
- Ceremonial events include the participation of Spanish Representatives (Ministry of Economy and Competitiveness and Commercial Offices of Embassies, Government).

18. Visibility has been incorporated into SFLAC grant activities. The Secretariat ensures Spanish visibility by posting on the program Web site all the necessary guidelines and requirements, the logo, and the contact information of Spanish representatives in the client countries and periodically sending reminders to the teams managing SFLAC grants.

19. The SFLAC program has also financed direct collaboration between Spain and the governments in the region. For example, a grant for Paraguay National Audit Office (TF096017) is supporting a technical exchange program or “twinning” between Paraguayan Supreme Audit Institution (Contraloría General de la Republica - CGR) and Spain’s Tribunal de Cuentas de España (TCE). Through establishment of the twinning arrangement, a peer review and quality assessment mechanism will be developed so that the Paraguayan CGR will be able to comply with international standards and applicable legal and regulatory requirements. A Framework Agreement was signed between Spain’s TCE and CGR on June 4, 2012. The agreement provides for TCE’s auditing staff to deliver training on modern audit techniques for CGR auditors, in particular in the area of procurement and forensic audits. Strengthening the capacity of CGR will enhance the credibility of the office and lead to robust national public audits, which are key to accountability, good economic governance and the fight against corruption. More examples of collaboration and visibility are included in a table in Annex I.
IV. SFLAC Grants Progress and Results

20. **SFLAC grants are showing tangible results.** The program has played an instrumental role in addressing development challenges and providing strong technical assistance in many sectors and countries. For example, a grant for Colombia’s Institutional and Mineral Rights Cadastre Reform (TF099468) was aimed at strengthening the capacity in the public mining institutions in order to build a solid foundation for the effective management of the mining sector. As the grant came to a close, the great majority of proposed reforms for the sector have been adopted, and a second phase of reforms are being implemented which are fundamental for developing a more sustainable and transparent mining sector.

21. Another example is a grant for Brazil, Improvements in Governance and Effectiveness of Social Protection (SP) Systems (TF098917), which has addressed two main challenges related to the development of the country’s SP system: First, through the evaluation of a decentralized management index introduced as part of the country’s CCT program, *Bolsa Familia* (BF), it helped the Government to better understand how municipalities are managing applications and registrations in the existing targeting system and monitoring co-responsibilities in education and

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**Box 2 - Result Story – Central America Technical Assistance**

Promoting efficiency and poverty-focus of public water utilities in Central America – Nicaragua, Panama, Honduras (Bank-Executed TA - TF098868 – US$95,000)

Quality and efficiency of water supply and sanitation services in Central America are in general very poor, with a lack of managerial capacity and years of neglect for maintenance and rehabilitation of the systems. Operation by national water utilities is typically rather deficient in Panama, Nicaragua and Honduras, with high levels of non-revenue water, interruptions in provision, falling cost recovery ratios, extremely high ratios of workers to connections, and staggering energy costs. There is also limited knowledge sharing regarding appropriate technologies, cost structures and intervention methodologies for working in low-income neighborhoods, which limits coverage of water supply and sanitation services for the urban poor.

This grant provided high-level technical assistance to water utilities and allowed effective transfer of international best practices regarding efficiency improvements and service provision in low-income neighborhoods. This resulted in the creation of an effective non-revenue water department in the Nicaraguan national utility, the development of a performance-based contract for integrated efficiency improvements in Panama, the adoption of best practices, low-cost approaches for sanitation in Managua and a successful knowledge exchange between Spain, Honduras and Mexico.

The grant directly expanded the capacity in efficiency improvements and better water management aspects. Two water utilities have adopted a clear efficiency improvement program: in Nicaragua, ENACAL has adopted and is implementing an efficiency improvement program. In Panama, IDAAN has chosen to outsource most of its efficiency improvement program and has put together a performance-based contract. Two water utilities have adopted innovative approaches to work in low-income neighborhoods: in Nicaragua, ENACAL has fully adopted condominial practices and is mainstreaming social work. In Panama, IDAAN is piloting condominial and South-South learning from ENACAL on social work. A water utility in Mexico and water sector’s key stakeholders at State level from Honduras and Mexico have participated in a successful knowledge exchange on efficient urban water management in a water scarcity context, learning from the Spanish experience and applying some of the lessons learned to their institutional and legal reform processes and to the analysis and reformulation of urban management models for service provision.
health. Second, the grant helped clarify the role of State Governments within Brazil’s social protection system. While the BF program had mainly involved national and municipal governments, the country’s poverty eradication strategy, Brasil Sem Miséria (BSeM) gives states more responsibilities. The grant has supported the design of the overall plan, with particular attention to the potential for expanding the targeting system beyond the CCT and supporting a diagnostic of the SP systems in two states (Pernambuco and Alagoas) and identified opportunities to strengthen state level interventions in the framework of the national BSeM plan.

22. An IFC grant for Access to Finance has exceeded its original target of supporting two to three financial institutions and engaged 11 financial institutions in 7 different countries resulting in strengthened capacity. For example, LAC Mobile Banking Program, one of the initiatives supported by SFLAC, has supported the development of viable Mobile Financial Services (MFS) in the LAC region by conducting original research and assessments of market demand and barriers to customer uptake that can inform the development of MFS in target markets, and deepening and sharing knowledge of MFS.

23. Additional result stories of activities financed by SFLAC are included in Annex II, and will be posted on the Bank’s external site along with stories of activities funded by IBRD/IDA lending projects and other trust fund programs.

1. Staff and Extended Term Consultant (ETC) Charges

24. Staff and ETC charges remain within agreed limits. As requested by the Ministry of Economy and Competitiveness at the first annual meeting in December 2010, staff and ETC charges for the Bank-executed grants (BETFs) have been closely monitored after the second round of allocation (October 2010) so as to remain under 20% of the total grant amount. The grants under the first round allocation (represented in the first row in the table below) were approved without this limit and have been grandfathered, and thus, the limit does not apply. The overall staff and ETC labor cost charged to SFLAC grants has been at 36% of the allowance and 7% of the grant amount for the grants approved after FY11.

<table>
<thead>
<tr>
<th>Approval by Year</th>
<th>Grant Count</th>
<th>Grant Amount (US$)</th>
<th>Staff/ETC Cost Estimate (US$)</th>
<th>Staff Cost Actual (US$)</th>
<th>ETC Cost Actual (US$)</th>
<th>% of Grant Amount Used</th>
<th>% of Allowance Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved before FY11 (Do not follow 20% ceiling requirement)</td>
<td>39</td>
<td>10,189,240</td>
<td>1,620,770</td>
<td>926,605</td>
<td>413,150</td>
<td>13%</td>
<td>83%</td>
</tr>
<tr>
<td>Approved After FY11</td>
<td>67</td>
<td>10,206,933</td>
<td>2,041,387</td>
<td>565,230</td>
<td>169,535</td>
<td>7%</td>
<td>36%</td>
</tr>
<tr>
<td>All SFLAC BETFs*</td>
<td>106</td>
<td>20,396,173</td>
<td>3,662,157</td>
<td>1,491,835</td>
<td>626,530</td>
<td>10%</td>
<td>57%</td>
</tr>
</tbody>
</table>

*Data as of February 28, 2013. Does not include IFC grants, program administration, and supervision of recipient-executed grants.
2. Audit

25. The single audit exercise has been completed. In accordance with the Administration Agreement (AA), the Bank provides the donors, within six months following the end of each Bank fiscal year, an annual single audit report comprising of a management assertion together with an attestation from the Bank's external auditors concerning the adequacy of internal control over cash-based financial report for trust funds as a whole. This was carried out by the Controller's Unit at the end of June 2012, and was communicated to the Ministry of Economy and Competitiveness. The SFLAC Program was part of this single audit and no issues were reported. The next audit report will be available at the end of June 2013.

V. Conclusion

26. Across Latin America and the Caribbean, SFLAC grants have supported a wide range of activities in project preparation, technical assistance and knowledge creation and dissemination. The review of SFLAC program status demonstrates the many and complex aspects of the objective to accomplish improvements in infrastructure, environment, governance, and private sector development in the region.

27. It is hoped that the SFLAC program will continue to contribute not only to achieving this goal but also to strengthening the relationship between Spain and Latin America and the Caribbean. We look forward to continued cooperation and a possible expansion of the SFLAC program in the future.
## Annex I - Examples of Donor Visibility and Collaboration

<table>
<thead>
<tr>
<th>Country</th>
<th>Grant ID</th>
<th>Grant Name</th>
<th>Donor Visibility and Collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>TF096763</td>
<td>Water in Northeast Brazil: Enhancing the Productive Use of Water</td>
<td>The TA that was provided through the grant greatly benefited from Spanish experts in the field of water resources management, in particular from the Universidad Politecnica de Valencia two professors who participated in four high-level technical workshops in different capitals of the northeast region (Fortaleza, Natal and João Pessoa). Given the similarity of several regions of Spain with the littoral and interior regions of northeast Brazil, their approach on river basin plans and adaptation to droughts was seen as highly relevant by the Brazilian counterparts. The Bank met with the “Oficina Economica y Comercial de España” in Brasilia (Mr. José Manuel Rodríguez de Castro, Chefe, Conselheiro Econômico e Comercial) to debrief on the grant activities and discuss the strategy and objectives of the requested additional SFLAC funding.</td>
</tr>
<tr>
<td>Brazil</td>
<td>TF099465</td>
<td>Knowledge and Learning for Metropolitan Regions in Brazil</td>
<td>The Bank sent an invitation to the Government of Spain to the Rio Metropole Workshop in May 2011, however, the Government of Spain did not attend. A Spanish national did participate in the panel. The SFLAC logo was used on the workshop program and magazine published after the event. The Bank will invite the Government of Spain to future workshops showcasing SFLAC activities.</td>
</tr>
<tr>
<td>Brazil</td>
<td>TF096046</td>
<td>Supporting Inclusive Business</td>
<td>At the request of the Spanish Economic and Commercial Offices in DC, a videoconference was held in February 2011 with the National Centre for Food Technology and Safety (CNTA) to discuss the proposed operation in Pernambuco. There is scope for their participation on issues ranging from sanitary and phytosanitary certification to processing technologies. Follow-up with CNTA will take place once the project becomes Effective.</td>
</tr>
<tr>
<td>Central America</td>
<td>TF099132</td>
<td>Support to the Central American Disaster Risk Management &amp; Climate Change Adaptation Program</td>
<td>The CAPRA Initiative developed an interactive portal (<a href="http://www.ecapra.org">www.ecapra.org</a>) that provides information to visitors on probabilistic risk assessment topics, CAPRA software, technical assistance projects in Central America and South America. The website has been visited by people from 110 countries. Visitors may download the CAPRA software modules, take e-learning tutorials, and join as members of the virtual community of practice, being able to post blogs, comments, questions, photos and videos. So far, the community has approximately 700 members. The Initiative is also using social media to reach out to a larger audience. CAPRA has a YouTube Channel with 38 tutorials, interviews with beneficiaries and government officials, and informational videos. During the last year, the channel reported 3,900 views. Moreover, CAPRA has a Flickr Photo stream with 500 photos. A series of brief publications, Project Highlights, were created for the Initiative.</td>
</tr>
<tr>
<td>Central America</td>
<td>TF097186</td>
<td>Capacity building for policy makers and public officials in Central America to implement policies related to regional economic integration</td>
<td>INCAE invited the Spanish Ambassador to Costa Rica, as well as officials from the Ministry of Finance of Spain, to the opening of the course. Mr. Ignacio Aguirre de Carcer from the Spanish Embassy attended on behalf of the Ambassador.</td>
</tr>
<tr>
<td>Colombia</td>
<td>TF097348</td>
<td>Strengthening National Environmental System and Enhancing Sustainability in Water Resources and Air Quality Management</td>
<td>A Spanish firm won the contract through a competitive process and is now implementing the feasibility study for the pioneering Homologation (Registration) Center for vehicular emissions to be built in Colombia. Contacts with Spanish universities have been established (particularly, the University of Santiago de Compostela) and professors were invited to teach a training course for decision-makers on the Methodologies to Assess Costs of Environmental Degradation. The support by the SFLAC grant is always duly acknowledged and the logo is published on the technical reports, workshop invitations and any publications resulting from the activities supported by this grant.</td>
</tr>
<tr>
<td>Country</td>
<td>Grant ID</td>
<td>Grant Name</td>
<td>Donor Visibility and Collaboration</td>
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<tr>
<td>Colombia</td>
<td>TF096015</td>
<td>Project preparation for Barranquilla Flood Management Project</td>
<td>The task team established contact with the Spanish Economic and Commercial Office of the Spanish Embassy in Bogota at the time call for Expression of Interest for the feasibility study was published. After a very rigorous selection process, a Spanish Firm was selected. The objective of the assignment is to assist Barranquilla in project preparation and lay the groundwork for implementation.</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>TF096063</td>
<td>Anti-Corruption Strategy for the DR: A Multi-Donor Approach</td>
<td>The IPAC team worked in close collaboration with the Spanish Embassy and AECID. The Ambassador and his team participated in all the IPAC events and workshops. AECID technical staff contributed to the Working Group methodology and actively engaged in the facilitation of the Working Group on Water, which resulted in a comprehensive needs assessment of the sector’s governance. The participation of representatives from the Spanish Embassy and AECID was pivotal from the onset. All IPAC-related activities benefited from the participation of Spanish officials and due visibility was given to the Embassy and the agency during implementation of grant activities. The Spanish Ambassador attended all accountability workshops and sat at the table of honor with the members of the IPAC Organizing Committee. The Ambassador, his staff and the head of agency and technical staff also participated in all donor coordination meetings. In particular, the Ambassador and the AECID Head delivered speeches during IPAC events, emphasizing the importance of strengthening governance and transparency to make aid more efficient.</td>
</tr>
<tr>
<td>Guatemala</td>
<td>TF097265</td>
<td>Enhance Transparency and Accountability in Guatemala’s Construction Sector</td>
<td>The Spanish Government has participated in all major public events, including the official launch of CoST Guatemala (November 24, 2009); CoST Presentation to Donor Transparency Roundtable (January 28, 2010); CoST Presentation at the Guatemalan Chamber of Construction (March 25, 2010); Guatemalan Participation in the CoST International Advisory Group Meeting in Ethiopia (April 6-10, 2010); and the Public Disclosure Event (July 13, 2011.) The Spanish Commercial and Economic Counselor was pleased to see that the Spanish TF contribution had been so instrumental in this initiative. The event was covered in all major newspapers and on TV.</td>
</tr>
<tr>
<td>Haiti</td>
<td>TF099467</td>
<td>Energy Access Expansion in Haiti</td>
<td>The Economic Attaché of the Spanish Embassy in Haiti attended the first National Workshop on Energy Access in Haiti, fully financed by this grant. In his allocution, the Minister for Energy publicly expressed the gratitude of the Haitian Government to the Spanish Government for his support, in presence of the President of the Republic of Haiti. As a follow-up the Bank team met with the Economic Attaché to discuss further participation of the Spanish private sector in developing energy access expansion in Haiti, an area which is receiving a large amount of financing from different donors, including the World Bank.</td>
</tr>
<tr>
<td>Honduras</td>
<td>TF099354</td>
<td>Sustainable Water for a Sustainable City: Promoting Integrated Urban Water Management in the Greater Tegucigalpa Area Project</td>
<td>The team met with the Spanish Economic and Commercial office in Tegucigalpa when the grant was being prepared and obtained strong support for the initiative. Later on, a study tour to Spain was organized in which the clients for this grant participated; for that study tour, significant efforts were made to ensure that the DC and Madrid offices were involved, and a large-scale, half-day meeting with water industry leaders was organized in Madrid, during which companies had a chance to exchange about business opportunities with the implementing agency. Several side-meeting also took place to discuss opportunities in greater details.</td>
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<tr>
<td>Country</td>
<td>Grant ID</td>
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<tr>
<td>Latin America</td>
<td>TF097859</td>
<td>Improving Governance, Accountability and Transparency in El Salvador by Supporting the Communications Secretariat and the National Public-Service Radio and Television System</td>
<td>Through the implementation of the grant activities, a consultant (who also has experience within Spanish Government) has organized a free online course with the Fundación MAPFRE of Spain to deliver additional road safety audit training in response to expressed interest and demand. 25 staff from the Ministry of Transport and Public Works, Municipalities of Quito and Cuenca, have received the training.</td>
</tr>
<tr>
<td>Latin America</td>
<td>TF096250</td>
<td>Groundbreaking Path to Integrate Climate Change and Sustainable Transport Agendas</td>
<td>The Bank team and our partners have had several meetings with Spanish officials in Washington regarding the planning and implementation of the grant. In preparation for the International Conference in Rosario, a formal luncheon meeting was held at the Embassy on March 23, 2011 with representatives of the industry and experts from the World Bank. Details of the meeting are available at: <a href="http://cleanairinstitute.org/evento_rosario_conf_cai_espahna_bm.php">http://cleanairinstitute.org/evento_rosario_conf_cai_espahna_bm.php</a>. This component also includes supporting the participation of Municipal Secretariats of Transport from the 3 largest cities of in the Region-- Sao Paulo, Mexico City, and Buenos Aires at the 6th Urban Research and Knowledge Symposium in Barcelona, Spain from Oct 8-10, 2012.</td>
</tr>
<tr>
<td>Latin America</td>
<td>TF096251</td>
<td>Listening to LAC and Other Innovations in Statistics</td>
<td>The Listening to LAC team met with potential donors for scaling-up the project, including Telefónica de España in New York and Fundación Telefónica in Washington and Bogotá.</td>
</tr>
<tr>
<td>Latin America</td>
<td>TF099263</td>
<td>CReCER: Knowledge and Learning on Corporate Financial Reporting and Public Financial Management in LAC</td>
<td>A Principal Translator was selected (the University of Zaragoza, Spain). SFLAC funding for the translation of IFRS for SMEs training materials is acknowledged on IFRS foundation website: <a href="http://www.ifrs.org/IFRS+for+SMEs/">http://www.ifrs.org/IFRS+for+SMEs/</a> Spanish+Modules.htm. The IFRS Foundation thanked/acknowledged the Government of Spain for funding the translation on its e-alerts. For the IFRS for SMEs train the trainers course in Buenos Aires, SFLAC support was acknowledged in the report on the seminar, as well as in the materials given to the participants, the invitations, the CReCER website, and in the introductory and closing remarks given by an Operations Officer from the World Bank who led the organization and facilitation of the workshop. Additionally representatives of the Economic Commercial Office of Spain in Argentina were invited to attend. The TORs for the translation of Study 14 (Component 2) mention that the work is funded by the Spanish Government via SFLAC. Similar acknowledgement (logo and footnote) is made at the beginning of the final publication. There have also been references to the Spanish Government’s support in the materials and presentations for the CReCER conferences or related workshops. SFLAC funding for the translation of IPSASB Handbook: (1) The MOU between the WB and IFAC notes the funding from the SFLAC, (2) The updated TOR for the work prepared in July 2011 has the Spanish government’s logo, (3) IFAC website <a href="http://www.ifac.org/news-events/2012">http://www.ifac.org/news-events/2012</a> -03/ifac-welcomes-publication-spanish-translation-handbook-international-public-sect and announcement of the publication of Spanish translation of IPSASB Handbook acknowledge the contribution of SFLAC. There will also be references to the Spanish Government’s support in the presentations for the CReCER conference in October 2012.</td>
</tr>
<tr>
<td>Latin America</td>
<td>TF095935</td>
<td>CReCER Post Conference Knowledge and Learning Activities</td>
<td>Acknowledgement to the Spanish Government was done in the programs distributed for the GDLN Regional Dialogue Series, and the Partners section of the Community of Practice carries the Spanish logo (see creceramericas.ning.com/page/partners-3). There have also been references to the Spanish Government’s support in the materials and presentations for the CReCER conferences or related workshops, and in the promotion of the IFRS for SMEs workshop.</td>
</tr>
<tr>
<td>Country</td>
<td>Grant ID</td>
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<tr>
<td>Latin America</td>
<td>TF098884</td>
<td>Conference in Peru of the Organisation for Economic Co-operation and Development (OECD)/Development Assistance Committee (DAC) Task Force on procurement</td>
<td>The Representative of the Spanish Economic and Commercial Office in Lima was invited to the OECD conference in Cusco; the representative attended and addressed participants on the critical importance of procurement in achieving development and in promoting good governance. A video interview of the representative will be available on a CD and on-line as part of the material produced as the result of the conference.</td>
</tr>
<tr>
<td>Latin America</td>
<td>TF099540</td>
<td>Support to Latin America and Caribbean Region Chief Economist (LCRCE) Regional Studies</td>
<td>The reach of the Regional Studies program was deepened through a number of events, including the launching of the finance flagship report at the University of Columbia, and discussions/workshops related to the other three components in Santiago, Barcelona and Bogota.</td>
</tr>
<tr>
<td>Mexico</td>
<td>TF096060</td>
<td>Addressing Mexico’s Water Challenges</td>
<td>Several meetings took place with Mexico and DC commercial offices. The Economic Counselor from Spain in Mexico attended the launch ceremony and was very satisfied with the report and the opportunity to be involved with key sector actors. Study tour to Spain was communicated to, and closely coordinated with Spanish Economic and Commercial Offices, and a high-level industry meeting took place in Madrid with representatives from industry associations, private companies etc. Study tour to Spain was completed in March 2012, allowing stakeholders at State level to get first-hand experience in world class efficient and sustainable water resources management, and an extensive training on water sector governance was also delivered in October 2012.</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>TF098868</td>
<td>Promoting Efficiency and Poverty-Focus of Public Water Utilities in Central America</td>
<td>A study tour was organized to Spain (funded partly through other SFLAC grant); exchanges took place between Honduras, Nicaragua and Panama. The Economic and Commercial Office in DC was kept closely informed.</td>
</tr>
<tr>
<td>Panama</td>
<td>TF099440</td>
<td>Panama Maritime and Logistics Strategy Implementation - Phase I</td>
<td>During the missions in May, July, September, and October 2011, the World Bank team and international consultants from Spain and representatives of the Autoridad Marítima de Panamá provided continuous briefings to the Spanish Economic and Commercial Office in Panama on the progress and next steps. The Stakeholder Workshop held in Panama in October 2011 was officially opened by the representative from the Spanish Economic and Commercial Office, together with the World Bank Country Manager and the AMP Administrator.</td>
</tr>
<tr>
<td>Panama</td>
<td>TF010150</td>
<td>Strategy for the Development of Panama’s Areas Revertidas</td>
<td>Spanish representatives (Spanish Economic and Commercial offices in Panama and Washington DC) were invited to all consultation meetings and dissemination events and attended the majority of events. During the land use workshop held in March 2012, two representatives from the Embassy of Spain participated in the two-day workshop and provided valuable inputs to the discussion. In Panama, representatives of the Spanish government participated in several stakeholder consultations on the findings of various technical studies.</td>
</tr>
<tr>
<td>Uruguay</td>
<td>TF096016</td>
<td>Preparation for the OSE Response to Climate Change Project</td>
<td>Workshops on Climate Change were held in Spain to promote interagency consultation.</td>
</tr>
</tbody>
</table>
## Annex II - SFLAC Grants Results Stories

<table>
<thead>
<tr>
<th>Country</th>
<th>Grant ID</th>
<th>Grant Name</th>
<th>Grant Approved Amount</th>
<th>Theme</th>
<th>Related Lending Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>TF098917</td>
<td>Improvements in Governance and Effectiveness of Social Protection Systems</td>
<td>90,000</td>
<td>Governance</td>
<td>P101504 Second Bolsa Familia</td>
</tr>
<tr>
<td>Central America</td>
<td>TF098868</td>
<td>Promoting efficiency and poverty-focus of public water utilities in Central America</td>
<td>95,000</td>
<td>Infrastructure</td>
<td>P119694 Metro Water Sanitation Improvement P110092 Greater Managua WSS</td>
</tr>
<tr>
<td>Central America</td>
<td>TF097186</td>
<td>Capacity Building for Policy Makers and Public Officials in Central America to Implement Policies Related to Regional Economic Integration</td>
<td>200,000</td>
<td>Governance</td>
<td>N/A</td>
</tr>
<tr>
<td>Chile</td>
<td>TF097803</td>
<td>Recommendations for Urban Transport System Redesign for Model City in Chile</td>
<td>100,000</td>
<td>Infrastructure</td>
<td>N/A</td>
</tr>
<tr>
<td>Colombia</td>
<td>TF099190</td>
<td>Strengthening Governance of Early Childhood Development Programs</td>
<td>70,000</td>
<td>Governance</td>
<td>N/A</td>
</tr>
<tr>
<td>Latin America</td>
<td>TF096059</td>
<td>Aid for Trade</td>
<td>200,000</td>
<td>Private Sector Development</td>
<td>N/A</td>
</tr>
<tr>
<td>Latin America</td>
<td>TF099131</td>
<td>Skills for the 21st century (Regional Study)</td>
<td>44,000</td>
<td>Governance</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Basic Information

Country: Brazil  
Topic 1: Social Protection and Risk Management  
Topic 2: Social Development, Gender, and Inclusion  
Topic 3: Human Development  
Project Full Name and ID: Brazil: Improvements in Governance and Effectiveness of Social Protection Systems (TF098917)

Synopsis

This grant complements the Bank’s 7 year support to Brazil in the implementation of its national conditional Cash Transfer Program (CCT) and other social safety nets (SSN). At the Federal level, the grant helped the Government design the productive inclusion programs targeted at the poor. At the state and municipal levels, it helped counterparts in undertaking assessments of their social protection programs and exploring ways of improving design of productive inclusion and labor programs.

Challenge

This grant has addressed two main challenges related to the development of the country’s Social Protection (SP) system: First, through the evaluation of a decentralized management index introduced as part of the country’s CCT program, Bolsa Família (BF), it helped the Government to better understand how municipalities are managing applications and registrations in the existing targeting system and monitoring co-responsibilities in education and health. Second, the Grant has helped to clarify the role of State Governments within Brazil’s social protection system. While the BF program had mainly involved national and municipal governments, the country’s poverty eradication strategy, Brasil Sem Miseria (BSeM) gives states more responsibilities. This grant supports the design of the overall plan, with particular attention to the potential for expanding the targeting system beyond the CCT and supporting a diagnostic of the SP systems in two states (Pernambuco and Alagoas), to identify opportunities to strengthen state level interventions in the framework of the national BSeM plan.

Solution

This grant is aimed at addressing specific knowledge gaps of Federal and State Governments alike in the governance and execution of SP systems. Emphasis is placed in the design and execution of the national poverty eradication strategy BSeM. The grant’s value added can be seen particularly in its support of i) the operationalization of the strategy itself, ii) the improvement of municipal performance through a series of instruments and evaluations and iii) through the assessment of the SP systems and inventories of existing programs in the States of Pernambuco and Alagoas. The team worked intensively with the State Governments to help them carry out informative diagnostics of their SSN systems as well as executable strategies. The team also worked with the Ministry of Social Development to enhance the understanding of the BSeM plan and to identify optimal ways to support its implementation.
Results

This grant supported the development of several knowledge products which will aim at better informing the Federal and State Governments in the execution of the wider SP strategy BSeM. As such, the grant financed several reports and knowledge generation instruments which have now been delivered to the client. These include:

- A review in the Osasco Municipality detailing workings of the index of decentralized management in one Brazilian municipality together with the record of SSN projects implemented at the municipal level.
- Productive Inclusion BSeM (series of policy proposals for one of BSeMs dimensions)
- Censo Suas Tables for Brazil (indicators to inform policy proposals at state and federal level)
- List of Social Programs for Video and scripts (video made in the context of the conference on social protection systems and environmental sustainability)
- Framework on Socio-Environmental Floor (framework to guide future interventions in social protection and environmental sustainability).
- Brief of Social Assistance System in Alagoas and Pernambuco (inventory of SP programs in Alagoas and Pernambuco)
- Citizen Security Alagoas and Proposal for Citizen Security Intervention (studies informing one of the original components of the Alagoas loan and relation to SSN policies).

Link to MDGs

- 1. Eradicate extreme poverty and hunger
- 2. Achieve universal primary education
- 3. Promote gender equality and empower women
- 4. Reduce child mortality
- 5. Improve maternal health
- 6. Combat HIV/AIDS, malaria and other diseases
- 7. Ensure environmental sustainability
- 8. Develop a global partnership for development

Bank Group Contribution

This grant has a strategic alignment with three Bank-supported projects in the country. First, with a total contribution of US$772 million approved in two phases since 2005, the Bank is the leading external financing source of the country’s CCT program Bolsa Familia. Second, the products developed in this grant have provided important knowledge inputs for the preparation of two loans with the states as main borrowers: the Alagoas Poverty Reduction and Economic Inclusion Project for US$150 million, in preparation and expected to be approved by the end of FY2013, and the Pernambuco Expanding Opportunities DPL for US$500 million, approved in March 2012.
Partners

Activities of the grant contributed to the exchange of information and best practices between the different levels of government (Federal and State). In addition, this knowledge has also been shared with other countries in the region, in particular through the Community of Practice (CoP) established among social protection partners in 15 countries of the region and other active development partners in the region such as the IDB. For example, in April 2012, The General Secretary of BSeM presented the plan during one of the CoP sessions.

Moving Forward

As mentioned above, this grant provided crucial resources for background studies for the BF project and the DLP already under implementation, as well as the project in Alagoas Pernambuco, which is in the pipeline. The respective executing agencies have already received the reports and recommendations which came out of this TA and analyzing options for improving the design of program parameters and institutional arrangements. For example, a report containing recommendations on how to strengthen the National Commitment for Social Development became embodied through the BSeM plan. Similarly, some of the recommendations contained in the reports for Alagoas and Pernambuco have been included in the activities to be implemented within the projects. Moreover, there is now a new DPL in Pernambuco in preparation that is building on the previous DPL.

Beneficiaries

This grant is closely aligned with State and Federal-level SP programs; for example, in the State of Alagoas, where the most relevant poverty programs are federally funded. The targeting system has 550,699 families registered, 97% of which qualified as poor and 73.3 percent of which benefit from BF. While the coverage and impacts of BF have been significant, the State has not addressed some of the more persistent elements of poverty and complex social issues. This grant has looked at these challenges for example by providing options for better targeting indigenous populations in the state and link them with Federal and State programs (Currently only 42% of these populations are registered and 35% benefit from BF).

Learn More

Brazil: Improvements in Governance and Effectiveness of SP Systems SFLAC – Spanish TF for Latin America & Caribbean (TF098917), 01/30/2011 – 10/31/2012

- http://www.brasilsemnisseria.gov.br/
- http://www.assistenciasocial.al.gov.br/
- http://www2.sedsdh.pe.gov.br/web/sedsdh
Internal Information

Countries: Central America (Nicaragua, Panama, Honduras)
Topic 1: Water, Sanitation, and Flood Protection
Topic 2: Urban Development
Topic 3: Public Sector Governance
Project Full Name and ID: Promoting efficiency and poverty-focus of public water utilities in Central America (TF098868)

Synopsis

High-level technical assistance to water utilities allowed effective transfer of international best practices regarding efficiency improvements and service provision in low-income neighborhoods. This resulted in the creation of an effective non-revenue water department in the Nicaraguan national utility, the development of a performance-based contract for integrated efficiency improvements in Panama, the adoption of best practices, low-cost approaches for sanitation in Managua and a successful knowledge exchange between Spain, Honduras and Mexico.

Challenge

Quality and efficiency of water supply and sanitation services in Central America are in general very poor, with a lack of managerial capacity and years of neglect for maintenance and rehabilitation of the systems. Operation by national water utilities is typically rather deficient in Panama, Nicaragua and Honduras, with high levels of non-revenue water, interruptions in provision, falling cost recovery ratios, extremely high ratios of workers to connections, and staggering energy costs. As a result, these utilities are commonly inefficient and not financially self-sustainable, constituting a drain on public finances. There is also limited knowledge sharing regarding appropriate technologies, cost structures and intervention methodologies for working in low-income neighborhoods, which limits coverage of water supply and sanitation services for the urban poor. High-level technical assistance and knowledge exchanges were needed to improve this situation and transfer best practices on improving efficiency and intervening in low-income, informal areas.

Solution

The activity aimed to assist public water utilities in Central America in improving their efficiency and expanding their services to the poorer neighborhoods. Through the technical assistance and knowledge exchange activities carried out with the national WSS utilities of Nicaragua, Panama and Honduras, the grant succeeded in transferring innovative knowledge in the three countries, including through the establishment of an intensive leak detection program, management of pipes pressures, and development of a commercial strategy to increase revenues in Nicaragua’s Water and Sanitation Services (WSS) utility ENACAL; the design and contracting of a performance-
based contract for integrated efficiency improvements for the city of Colon in Panama, in a modality that is innovative for the region and includes operational, institutional and commercial aspects; training of ENACAL staff to implement a pilot of low-cost, small bore condominial sewerage, which is now being adopted across the utility; and regional sharing of experience on social works in low-income areas.

Results

- The grant directly expanded the capacity of clients in 4 countries in efficiency improvements and better water management aspects.
- Two water utilities have adopted a clear efficiency improvement program: in Nicaragua, ENACAL has adopted and is implementing an efficiency improvement program. In Panama, IDAAN has chosen to outsource most of its efficiency improvement program and has put together a performance-based contract.
- Two water utilities have adopted innovative approaches to work in low-income neighborhoods: in Nicaragua, ENACAL has fully adopted condominial practices and is mainstreaming social work. In Panama, IDAAN is piloting condominial and sourcing learning from ENACAL on social work.
- A water utility in Mexico and water sector’s key stakeholders at State level from Honduras and Mexico have participated in a successful knowledge exchange on efficient urban water management in a water scarcity context, learning from the Spanish experience and applying some of the lessons learned to their institutional and legal reform processes and to the analysis and reformulation of urban management models for service provision.

Link to MDGs

- 1. Eradicate extreme poverty and hunger
- 2. Achieve universal primary education
- 3. Promote gender equality and empower women
- 4. Reduce child mortality
- 5. Improve maternal health
- 6. Combat HIV/AIDS, malaria and other diseases
- 7. Ensure environmental sustainability
- 8. Develop a global partnership for development

Bank Group Contribution

This initiative is directly aligned with two on-going Bank operations: (i) The Metro.Agua Project (P119694/US$40 million/IBRD) in Panama implemented by IDAAN, whose Component 1(WSS Coverage Expansion) targets primarily low-income neighborhoods in Panama City. IDAAN’s approach to working in these areas was revisited in-depth on the basis of regional good practices, promoting the use of alternative low-income sewers technologies linked to social involvement (also connected to tariffs’ payment campaigns). This was directly supported by this grant, leveraging the component’s impact and consequently, the Bank’s impact as well. In addition, Component 2 focuses on operational and commercial efficiency, which was also supported by high-level consultants financed by the grant; (ii) The Greater Managua WSS Project (P110092/ US$40 million /IDA) in Nicaragua, implemented by ENACAL. This Project also has a component focused on low-income neighborhoods, in which the grant supported similar activities as in the case of Metro.Agua. Similarly, the Nicaragua Project has an efficiency component also
dedicated to operational and commercial efficiency. Both Project’s components activities received support from the present SFLAC grant, bundling with Bank support and leveraging the impact.

Finally, for Honduras and Mexico, the grant is also tied in with other SFLAC funded activities (please see below), in the amount of US$400,000 in the case of Honduras and US$341,000 in the case of Mexico.

**Partners**

The support provided by this grant is linked to two on-going Bank operations and two SFLAC recipient executed grant: (i) in Nicaragua, the non-revenue water capacity and commercial aspects are related to the objectives and impacts of the Greater Managua WSS Project; (ii) in Panama, the integrated efficiency approach and the performance contract concept were aligned with the Metro.Agua WSS Project; (iii) the learning exchange between Honduras, Mexico and Spain was directly related to the objectives of the SFLAC funded grants “Addressing Mexico's Water Challenges- Tackling Water Scarcity” and “Sustainable Water for a Sustainable City: Promoting Integrated Urban Water Management in the Greater Tegucigalpa Area Project”.

**Moving Forward**

The Project significantly improved the efficiency and commercial management of the Nicaraguan water utility (ENACAL), as the utility has created a well-structured department of non-revenue water with a clear work program, with obvious results in terms of key performance indicators. ENACAL is also mainstreaming throughout the utility the knowledge learned on condominial sanitation technologies and on social work methodologies for intervening in low-income areas. The activities under this Grant will be continued in the three countries under the Greater Managua WSS Project in Nicaragua, the Metro.Agua WSS Project in Panama, the “Addressing Mexico's Water Challenges- Tackling Water Scarcity” SFLAC Grant and the “Sustainable Water for a Sustainable City: Promoting Integrated Urban Water Management in the Greater Tegucigalpa Area Project” SFLAC Grant.

**Multimedia**

Photo 1: Caption: Delegation members of the Study Tour in Spain during a roundtable with Tecniberia and Spanish institutions. Photo Credit: Tecniberia

Georegults (beta) ([http://maps.worldbank.org/content/georegults](http://maps.worldbank.org/content/georegults))
Basic Information

Countries: Central America
Topic 1: Trade and Integration
Project Full Name and ID: SFLAC - Capacity Building for Policy Makers and Public Officials in Central America to Implement Policies Related to Regional Economic Integration (TF097186)

Synopsis

Between January and September 2011, five training modules on trade integration topics were delivered to government officials and private sector representatives from throughout Central America. The training modules had very high positive feedback. Additionally, the sessions offered ample opportunity for discussion among the participants and presenters, creating a space to strengthen dialogue, share experience and network with future counterparts.

Challenge

Over the past 20 years, the Central American countries have implemented a set of measures to liberalize trade, deepen the Central American Common Market, attract foreign investment, and achieve greater participation in multilateral trade agreements (including the DR-CAFTA). These measures were complemented by changes in monetary and fiscal policy, as well as improvements in transport infrastructure and customs modernization, with the idea that through economic integration, increasing competitiveness would turn Central America into a more prosperous region. However, for Central American economies to fully take advantage of the opportunities presented by economic integration, this also depends largely on the capacity of human resources, in both the private and public sectors, to address challenges associated with regional trade integration.

Solution

The World Bank sought to increase technical capacities on trade integration in the region by working with the INCAE Business School to develop and deliver an advanced training program aimed at strengthening regional integration capacity of policy makers and private sector leaders in Central America. The project’s objective was to promote a regional integration agenda by: (i) improving institutional capacity to coordinate and implement policies, including strengthening the performance of intra-regional trade, and (ii) enhancing the ability of decision makers, the private sector and government officials in Central America to address the challenges associated with regional economic integration.
Results

Over the course of 9 months, training was given on the following topics: 1) Fundamentals of Regional Economic Integration and the Multilateral Trade System; 2) Agriculture: Policies and Standards; 3) Services, Investment and Competition Policies; 4) Trade Protection, Conflict Resolution, and Climate Change; and 5) Trade Facilitation. Most of the 58 participants attended all five modules. Of the 58 participants, 20 were women, and all six of the Central American countries were represented.

As direct results from training are difficult to pinpoint, a survey was taken to solicit feedback from participants. Of note, 95% of the participants indicated that they use the knowledge gained in the course to support the process of regional economic integration, particularly knowledge of the rules governing the global and regional trade. Part of the knowledge gained was by analyzing trade issues from the different sectoral perspectives involved in the integration process, lending a level of empathy from the participants when working with the different actors and thereby smoothing the integration process. Nearly 80% of participants said the program also allowed them to develop a network of contacts and this would improve communication channels and facilitate regional dialogue.

Link to MDGs

- 1. Eradicate extreme poverty and hunger
- 2. Achieve universal primary education
- 3. Promote gender equality and empower women
- 4. Reduce child mortality
- 5. Improve maternal health
- 6. Combat HIV/AIDS, malaria and other diseases
- 7. Ensure environmental sustainability
- 8. Develop a global partnership for development

Bank Group Contribution

This activity was financed principally through the Spanish Trust Fund for Latin America and the Caribbean (SFLAC) with some support provided by the Secretariat for Economic Integration in Central America through an IDF grant (TF097748), and additional financing by the Trade Facilitation for Regional Integration in Central America Trust Fund (TF096818) for the fifth module on Trade Facilitation. The Bank played an active role in the development of the curriculum and the choice of topics covered. Bank experts also participated as speakers and resource persons for the training modules.

Partners

Through the SFLAC program the Bank contracted INCAE Business School in Costa Rica to develop the curriculum and implement the training for the Program for Regional Economic Integration (PIER). INCAE also worked with the World Trade Institute of Bern University in Switzerland, to develop and deliver the training. INCAE professors, in consultation with the Secretariat for Central American Economic Integration (SIECA), selected 46 scholarship recipients from the eligible participants.
Moving Forward

A number of follow-up activities are underway, including cooperation with INCAE on a Central American private sector task force on regional integration and on other trade training and knowledge exchange events.

Beneficiaries

Participants were highly supportive and appreciative of the quality of the training they received, but almost as important was developing ties with counterparts from other countries to open dialogue for future work:

“In this regard, I can say that the knowledge I acquired in PIER, that my participation in [a trade facilitation event] and other similar events, is that of an informed official capable of supporting, advising and guiding entrepreneurs intelligently. In this sense, my participation in PIER, and the excellent faculty associated with this program has directly impacted the improvement of the services provided from MAG, the institution where I work.”
Guillermo Gonzalez Perera
Ministry of Agriculture and Livestock Officer
Costa Rica

“During the Regional Economic Integration Program (PIER) I had the opportunity to share 4 weeks of intensive training with partners in Central America, this has been a very rewarding exercise of all professionals who have shared their experiences and exchanged knowledge. The professional level of coursework is taught by brilliant teachers, the opportunity to receive updates in a field as complex, competitive and dynamic is very important, since the application of the knowledge acquired is immediate. The methodology of the classes, the material presented and the studio system is excellent.”
Patrick Janson II
Director of International Technical Cooperation, Ministry of Social Development
Government of Panama

Learn More

Capacity Building for Policy Makers and Public Officials in Central America to Implement Policies Related to Regional Economic Integration (TF097186)

- INCAE: http://www.incae.edu
- SIECA: http://www.aic.sieca.int

Multimedia

Course
Basic Information

Country: Chile
Topic 1: Transportation
Topic 2: Urban Development
Project Full Name and ID: Recommendations for Urban Transport System Redesign for Model City in Chile (TF097803)

Synopsis

Following the earthquake that hit Chile in 2010, the World Bank assisted the Government of Chile through the SFLAC program to redesign the transport system in the historical city of Talca.

Challenge

The 2010 earthquake destroyed the majority of the constructions in the Maule region, including the historical regional capital of Talca (about 200,000 inhabitants). In Talca, schools, commercial, administrative and other buildings had to be reconstructed, which meant that there was also a need and an opportunity to redesign the urban transport system to serve the new city better. The Government chose Talca as a model city for reconstruction with the objective to learn from the experience and to extend useful concepts and features to other cities in the region.

Solution

The SFLAC program supported the Government through a grant, which included the following activities: (i) review of international experiences, (ii) diagnostic of Talca’s transport system before the earthquake, (iii) growth forecasts and the definition of future scenarios for the city, (iv) the preparation of recommendations on urban transport system improvements at the conceptual-strategic level and the organization of the public transport system, (v) a detailed analysis of different public transport organization alternatives, (v) the preparation of recommendations on urban transport infrastructure, including bus stops, bikeways, pedestrian infrastructure, intelligent traffic lights and more, and (vi) the preparation of recommendations for similar developments in other Chilean cities.

Results

Through this grant, Talca established the foundation for a better urban transport system. The main results based on the study recommendations are the following:

- Construction or rehabilitation of 82 bus stops, which were also provide with information on bus services (2012);
• Preparation of a bicycle master plan for a network of 45 km (the preparation of the final engineering designs to construct 15 km of bikeways is ongoing);
• Three ongoing studies pre-feasibility studies to implement segregated bus corridors or lanes to improve access on the road interconnection East-West, City Center-South and City Center-North in Talca are ongoing;
• A more detailed study to optimize the bus network and introduce service changes (2012); and
• The definition of an exclusion boundary (perimetro de exclusión), which consists of the central area of Talca, where only public transport vehicles complying with certain requirements may enter (this exclusion boundary is expected to be introduced in 2013).

Link to MDGs

☐ 1. Eradicate extreme poverty and hunger
☐ 2. Achieve universal primary education
☐ 3. Promote gender equality and empower women
☐ 4. Reduce child mortality
☐ 5. Improve maternal health
☐ 6. Combat HIV/AIDS, malaria and other diseases
☐ 7. Ensure environmental sustainability
☐ 8. Develop a global partnership for development

Bank Group Contribution

The SFLAC program contributed US$99,992 to finance the grant activities in Talca.

Moving Forward

The Government of Chile is expected to implement additional physical measures to improve Talca’s urban transport system.

Beneficiaries

The primary target groups include (i) about 70 million public transport users, who typically are people with lower incomes; (ii) about 8,000 cyclist, and (iii) public transport authorities and technician in Talca and at the national level, who gained experience and expertise to redesign urban transport systems.
Basic Information

Country: Colombia
Topic 1: Education
Topic 2: Human Development
Topic 3: Social Development, Gender, and Inclusion
Project Full Name and ID: Strengthening Governance of Early Childhood Development Programs (TF099190)

Synopsis

With assistance from the SFLAC program, Colombia developed and launched a national multi-sector Early Childhood Development (ECD) Strategy, De Cero a Siempre, which aims to provide all young children, particularly the poorest, with access to high quality comprehensive ECD services. The Program built the capacity of a newly created ECD Commission by helping it develop tools to ensure successful governance and accountability in ECD. With the support of SFLAC, the Strategy was finalized, supported by operational tools, and implemented in 6 municipalities. Comprehensive ECD services during the first phase reached 750,000 children under 5 years old, with 1,200,000 targeted in the next phase of implementation.

Challenge

Approximately half of the more than 5.1 million children under 5 years old in Colombia live in conditions of severe poverty and exclusion. Specifically, one in every eight children aged 5 in Colombia is currently severely malnourished, while half and a quarter of children under 4 suffer from zinc deficit and anemia, respectively, both of which can hinder mental and physical development, and decrease individuals’ learning capacity in the long term. While the Government made an integrated ECD system a priority of its National Development Plan (2010-2014), ECD service provision remained fragmented with remaining coverage gaps. Furthermore, prior to 2011, a lack of centralized institutions for ECD, limited Government capacity to provide and coordinate ECD services, and a lack of coordination between and within the central and local levels hindered Colombia’s ability to reach all young children with comprehensive ECD interventions including nutrition, education, health, and protection services.

Solution

To improve the coordination and provision of ECD in Colombia, the program assisted the Government to strengthen the capacity of its new ECD Commission (Comisión Intersectorial de Atención Integral en Primera Infancia) and operationalize its national multi-sectoral Strategy for ECD (De Cero a Siempre) through the following mechanisms:
1) Establishment of multi-sector governance arrangements to support coordination of the Commission's work across sectors and levels of government;
2) Development of tools for implementation of the strategy including an Operations Manual for local level implementation of the Strategy and a framework for the design of a Monitoring and Evaluation (M&E) system;
3) Promotion of accountability through the development of quality standards for ECD Centers and the design of a municipal-level tracking tool for ECD services;
4) International benchmarking (SABER-ECD) and sharing best practices, which assisted officials in assessing Colombia’s ECD policies and provided recommendations for moving forward; and
5) South-South Knowledge Exchange through study tours, which allowed Colombia to learn from Chile’s experience, and also is contributing to development of ECD policies in Bolivia and Nicaragua.

Results

This program contributed to consolidating fragmented efforts to provide young children, particularly the poorest, with access to high quality comprehensive ECD services in Colombia, by supporting the development and initial implementation of the country’s first multi-sector ECD strategy. Some achievements to date include:

- National multi-sectoral ECD Strategy (De Cero a Siempre) was developed, finalized and approved. The strategy was piloted in 6 municipalities (began in July 2012), and reached 750,000 children under 5 years old in its first phase. Colombia will build on the pilot experience to roll-out the strategy nationally.
- Operations Manual for local level implementation of the Strategy was completed and delivered (October 2012)— providing guidance, frameworks and analytical tools for 24 local authorities to ensure the provision of comprehensive ECD services.
- A municipal-level tracking tool, which can be used to locate ECD service centers and – potentially –service gaps, was designed (March 2012).
- A framework for the design of the Monitoring and Evaluation (M&E) system for the Strategy was finalized (September 2012), strengthening the Government’s capacity to track information on children and service provision.
- Quality Standards for ECD Centers and family based programs were developed, in order to guarantee the provision of high quality services to 1,170,000 children.

Link to MDGs

- 1. Eradicate extreme poverty and hunger
- 2. Achieve universal primary education
- 3. Promote gender equality and empower women
- 4. Reduce child mortality
- 5. Improve maternal health
- 6. Combat HIV/AIDS, malaria and other diseases
- 7. Ensure enviromental sustainability
- 8. Develop a global partnership for development
Bank Group Contribution

The program supported by the grant builds on the Bank’s multi-year Programmatic Knowledge Services “Improving the Performance of Social Services in Colombia”, whose main objective is to enhance public sector capacity to use information for improved policy making through development of new coordination and accountability frameworks and tools in Health, Education, and ECD, and is financed from FY11-FY14 through the following sources:

- US$ 400,000: Health and Human Rights in Colombia (Nordic Trust Fund)
- US$ 379,907: Colombia Enhancing Governance, Transparency and Accountability in Education (IDF Grant)
- US$ 70,000: Strengthening Governance of Early Childhood Development Programs (SFLAC grant)
- US$ 190,000: Bank Budget

Partners

Local project partners include the Alto Consejero for the Presidencia (primary partner and implementing agency), the ministries of Health and Social Protection, Education, the Intersectoral Commission for De Cero a Siempre, and the Colombian Institute of Family Wellbeing (ICBF). To aid the coordination of technical assistance, the team communicated regularly with the Presidencia, who met monthly with the local partners and agencies, and led the consultative process for the development of the national ECD strategy. The Bank team also fostered Spanish engagement by meeting with the ECD strategy coordinator (Constanza Alarcon) and officials from the Spanish Economic and Commercial Office in the Spanish Embassy in Bogota in March 2012, in order to update them on the results, which were made possible by SFLAC funding. The grant partners and their respective financing contributions as well as that of the Bank are detailed in the prior section.

Moving Forward

The strengthening of Government capacity - by developing the tools needed to guide the prioritization of multi-sector ECD approaches, determine their potential impact, inform decision-making for ongoing strategic investment in Colombia’s ECD sector, and promote accountability in service delivery – ensures a sustainable impact and will directly contribute to the Government’s current as well as future ECD efforts. Further support to the ECD strategy implementation nationwide will be provided through the Bank initiated ECD Community of Practice.

The Colombian experience further resulted in knowledge transfer among other countries, and is informing ECD strategies in Bolivia and Nicaragua. Products including the Operational Manual will also be distributed through the Bank’s Human Development knowledge exchange site and the ECD Community of Practice, to benefit practitioners and policymakers in other countries.

Beneficiaries

The local authorities working for the most deprived children in the country have received high quality technical support to improve the services provided to mothers and children under five, and have therefore strengthened their governance of Early Childhood Development Programs. The Social Promoter from the local government of
Norte de Santander, Laura Cáceres, states that “thanks to the implementation of the Strategy, De Cero a Siempre, the region formed a breastfeeding committee, and was able to launch a campaign to promote nursing, conduct workshops for caregivers, and improve the health units in a number of home-based community day care centers.”

**Learn More**

De Cero a Siempre Program Web Site: [http://www.deceroasiempre.gov.co/Paginas/deCeroaSiempre.aspx](http://www.deceroasiempre.gov.co/Paginas/deCeroaSiempre.aspx)

**Multimedia**

Slideshow: Presentación de Cero a Siempre.ppt

**Geo-Reference**

- Georeresults (beta) ([http://maps.worldbank.org/content/georeresults](http://maps.worldbank.org/content/georeresults))
- Implementation has started in 6 municipalities: namely: the cities of Valledupar, Sincelejo, Cali, and the departments (states) of Nariño, Antioquia, Norte de Santander.
Basic Information

Countries: Latin America
Topic 1: Financial and Private Sector Development
Project Full Name and ID: Aid for Trade (TF096059)

Synopsis

Successful knowledge generation and dissemination to contribute to public dialogue and reform around trade and competitiveness issues. More than 220 high level policymakers from the LAC region were convened to a Competitiveness Conference and more than 20 technical presentations were produced and presented as part of the SFLAC support.

Challenge

Trade was rebounding with the economic recovery following the global financial crisis and policymakers were looking for ways to take advantage of new growth and employment opportunities that could emerge for LAC countries.

Solution

This grant proposed a multi-faceted approach to knowledge generation and dissemination on trade issues by using different channels of communication and interaction with targeted audiences in the region. Targeted audiences included policy-makers, academics, the private sector and trade unions, and the general public. Grant outputs were as follows:

• Production and dissemination of technical work on trade through the production of technical notes on critical policy issues related to trade and competitiveness.
• More than 20 technical presentations were produced and presented as part of the SFLAC supported LAC Competitiveness Conference in July 2010. They were also made publicly available for download at www.worldbank.org/laccompconf.
• SFLAC funds were also used to support the a technical note on best practices to support innovation in Latin America and the Caribbean, which was published through the World Bank’s En Breve series in November 2010.
• Finally, this grant has also supported work on regional innovation systems, including presentations on best practices that were recently presented in Mexico in July 2011.
• Other activities were to support the expansion of the public dialogue on trade and competitiveness issues. This was accomplished through the “LAC Regional Competitiveness Conference” that took place in July 2010. The conference convened high-caliber participants, including more than 150 from Mexico and more
than 70 from 18 Latin American and Caribbean countries, Ireland, Spain, the United States, and multilateral institutions (CEPAL, IADB, and Organization of American States).

- Related to this event, editorials on the challenges faced by LAC in competitiveness and globalization were published in newspapers in seven different LAC countries.
- SFLAC funding was used to create a video on best practices of different LAC countries related to trade issues was produced and disseminated at the July conference. This video was utilized heavily in the syndicated show *Oppenheimer Presenta*

**Results**

- Number of high level policy makers at LAC regional competitiveness conference-220 from 19 different LAC countries, Ireland, Spain and the United States
- Number of copies of technical notes disseminated and downloads-4523 hits of conference website and En Breve downloads
- Number of countries in which TV program on trade issues is shown-17 countries (Video created with SFLAC funding was used for a 60 minute *Oppenheimer Presenta* program broadcast in 17 countries the week of Nov. 28, 2010), video distributed to 250 participants

**Link to MDGs**

- 1. Eradicate extreme poverty and hunger
- 2. Achieve universal primary education
- 3. Promote gender equality and empower women
- 4. Reduce child mortality
- 5. Improve maternal health
- 6. Combat HIV/AIDS, malaria and other diseases
- 7. Ensure enviromental sustainability
- 8. Develop a global partnership for development

**Partners**

The conference element of the grant was developed and co-hosted with the Mexican Ministry of Economy. Cristina Garmendia Mendizábal, Minister of Science and Innovation, Spain was invited as a VIP speaker in the Competitiveness Conference held in Mexico City in July 2010. She attended the conference along with 4 other members of her team. Speakers from a range of development agencies (including the IDB and OAS) were also featured.
Moving Forward

A request for technical assistance on regional innovation systems grew out of the July 2010 SFLAC funded LAC Competitiveness Conference in Mexico. In July 2011, information on regional innovation systems was presented in Mexico to approximately 50 participants from different states. This workshop included discussions of various case studies using other relevant international experiences, drawing on the United Kingdom, Israel and other developed countries. The methodology for regional innovation systems was refined in Mexico, and has been presented and discussed with other governments in the context of innovation policy dialogue in Argentina and Colombia.

Beneficiaries

Please see conference website at www.worldbank.org/lacompconf for pictures of conference attendees.

Learn More

- www.worldbank.org/lacompconf
- Editorials were published in newspapers in 7 countries.

Multimedia

Copies of the Aid for Trade video were shared with 250 conference participants. Video created with SFLAC funding was used for a 60 minute Oppenheimer Presenta program broadcast in 17 countries the week of Nov. 28, 2010.

Geo-Reference

Georeresults (beta) (http://maps.worldbank.org/content/georeresults)
Basic Information

Countries: LAC Region
Project Full Name and ID: Skills for the 21st century (Regional Study) (TF099131)

Synopsis

Education attainment has improved markedly across LAC over the past two decades. Learning outcomes have also been enhanced, in spite of the fact that many more disadvantaged students are being drawn into the system. But at the same time, education earnings premiums have declined in the 2000s, reflecting a slowing of the relative growth of demand for skills. However, skill premia remain high to stimulate growth in household demand for tertiary education.

Challenge

The main overall goal of the analysis was to understand to what extent the increase in educational attainment over the last 20 years has translated into better quality of the human capital, and whether education and training institutions are providing workers with the right skills in an efficient way.

Solution

The grant helped finance three key background studies that feed into a LAC Regional Study titled "Skills for the XXIst Century in LAC". These background reports were the following: a) The role of supply and demand factors in the evolution of skill premium in 16 LAC countries; b) Behavioral traits and labor market outcomes: evidence from the psychology literature; and c) Benchmarking the quality and governance of Technical and Vocational Education and Training (TVET) institutions in Argentina.

Results

All background papers supported by the grant were produced in a timely fashion to feed the Regional Study.

The Regional Study was published in the Directions for Development series (World Bank), and its findings were widely presented to an internal and external audience (governments, academia).

The Regional Study provided useful advice to Ministries of Education and Labor across the region in their policy formulation on skills development and productive labor market insertion, as well as served as analytical background for Bank operations in the region.
Results from the background papers and Regional Study suggest that there is an ample research agenda in policy formulation to make skills more relevant for the labor market in LAC.

**Bank Group Contribution**

The US$44,000 SFLAC grant helped mobilize additional resources to complete the task. Complementary resources include internal Bank funds (US$627,000 Bank Budget and variable) and other TFs (US$170,000).

**Partners**

Background papers were produced involving regional think thanks and academic institutions. The findings of the background papers and the Regional Study book were disseminated to policy makers, academia and private sector representatives in events in Colombia, Peru, Venezuela, Honduras, and El Salvador.

**Moving Forward**

The next phase of this agenda is to analyze labor force surveys in three LAC countries (Bolivia, Colombia, and El Salvador) on the role of different skills dimension in the labor market. These surveys form part of a global effort, led by the World Bank, to improve the understanding of skills to promote employment and productivity. Labor force data on educational histories, employment, earnings, skill endowments (literacy, numeracy, and social literacy skills), dimensions of personality, and attitudes to time and risk that might be relevant to labor market outcomes is being collected. The resulting data will deepen the understanding of the open questions, identified in this study, regarding which skills are most needed to facilitate faster future growth of employment, productivity, and earnings in LAC.

**Beneficiaries**

The expected beneficiaries are policy makers in LAC in charge of implementing education and labor market policies.

**Key Words**

Educational achievement; Returns to education; Labor market policies.

**Learn More**

Access to Finance (A2F)

Section I: Progress Achieved

Grant Information as of 31 December 2012

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>SFLAC IFC - Access to Finance</th>
<th>Program</th>
<th>SFLAC - SPANISH TF FOR LATIN AMERICA &amp; CARIBBEAN</th>
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<tbody>
<tr>
<td>Beneficiary</td>
<td>Latin America</td>
<td>Grant Amount (US$)</td>
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<td>Executed by</td>
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<td></td>
<td></td>
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<td>Managing Unit</td>
<td>CLAAF - IFC</td>
<td>O/S Commitments as of 04-March-2013 (US$)</td>
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</tr>
<tr>
<td>Grant Start Date / End Date</td>
<td>15-Nov-2009 to 30-Oct-2014</td>
<td>Cumulative Disb as of 30-Dec-2012 (US$)</td>
<td>1,592,240.39</td>
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<tr>
<td></td>
<td></td>
<td>Disbursed in period Jul-2012 to Dec-2012 (US$)</td>
<td>262,418.41</td>
</tr>
</tbody>
</table>

Grant Objectives

With the support of the SFLAC, the Access to Finance (A2F) Program will develop between three and four new advisory services projects to increase access to financial services for micro, small and medium enterprises (MSMEs) by financial institutions participating in the Program. Projects may include components for supporting financial institutions such as increasing rural outreach, developing loan products tailored to MSME needs, mobilizing deposits from the general public, diversifying funding sources, developing mobile financial services, and reducing funding costs in the medium and long-term. Moreover, some projects are aimed specifically at strengthening financial institutions’ capacity and sustainability.

A2F projects aim to have an impact at the level of the clients of financial institutions. The impact may vary depending on project scope, institutional characteristics, and other variables. Among others, some of the benefits are:

(i) increase access of new clients, particularly MSMEs to financial services and increase their working capital / investments / assets,
(ii) improve terms and conditions of financing to end clients, and
(iii) provide deposit products that encourage savings.

Additionality: IFC’s involvement with financial institutions allows for several key value-added benefits that are well-suitied to the needs of the financial institution clients:
(i) In-depth knowledge of lessons learned of other similar Technical Assistance (TA) programs. In fact, IFC is well-positioned to add value by sharing lessons learned under the LAC MSME Program that includes ongoing projects with a myriad of institutions;
(ii) Specialized staff with broad experience in SME Banking, Microfinance, Mobile Banking, and Risk Management;
(iii) Combined investment finance and advisory services (i.e., technical assistance), which reinforce and provide cross-support to each other, resulting in better performance and greater impact;
(iv) Capacity to measure and benchmark against global best practices related to helping banks with downscaling; and
(v) In contrast to other providers of technical assistance operating in the region, IFC maintains an active and ongoing engagement in the management of its projects to ensure delivery of results, considering the interests and needs of the client.

Overall progress from 15-Dec-2011 to 28-Feb-2013

I) Achieving Grant Objectives

The objective of the grant was to develop Advisory Service (AS) projects aimed at increasing MSMEs’ access to financial services. The original target was to work with 3–4 financial institutions in separate AS projects. This target has been exceeded, as 11 separate financial institutions were supported through separate AS projects in eight different countries (plus one regional program in LAC). These AS projects include:

- FMM Popayan (Colombia)
- ADOPEM (Dominican Republic)
- Finterra (Mexico)
- AMC (El Salvador)
- Coopenae (Costa Rica)
- Sogebank (Haiti)
- Leasing (Haiti)
- LAC Mobile Banking (regional)
- Tribanco EE (Brazil)
- Edyficar (Peru)
- BHD EE Advisory (Dominican Republic)

Active projects listed above are performing well, often surpassing targets and achieving important outcomes (see information regarding individual project performance throughout this report). Several projects listed above completed activities successfully during the reporting period considered, and are being monitored post completion. Two projects not listed above were shortened, namely Apoyo Integral (El Salvador) and FUNDEA (Guatemala), for reasons explained in the next section.

Visibility - IFC staff make a concerted effort to ensure that whenever there is communication or press related to A2F Spanish funded projects, the Spanish Government is recognized for providing critical support to IFC projects. To that end, the team has included SFLAC recognition in press releases issued regarding several projects, including Coopenae, Tribanco EE, LAC Mobile Money, and Haiti Leasing. All press releases resulted in additional press coverage.
II) Implementation of Grant – Report on activities from 15 December 2011 to 28 February 2013

For A2F in LAC, the following projects received funding from SFLAC:

**Ongoing Projects**

1. **Peru – Edyficar Savings Mobilization (January 2011 - April 2013):** Design a small-scale savings product to pilot in periurban Peru to help Edyficar determine the product’s attractiveness to its low-income clients. The first phase is devoted to conducting research, developing a market study, and designing the products to be evaluated in the pilot. Phase II will entail initiation of the marketing campaign, adapting the IT platform to accommodate the product, implementation of the pilot, and findings and recommendations based on pilot results. Over the period the following occurred:

   - The project was put on hold in June 2012 because Edyficar needed time to coordinate with BCP, the new owner of Edyficar, as BCP had concerns about cannibalization of Edyficar’s deposit products with those of BCP. There was also IT difficulties that were confronted related to the micro-savings product.
   - The project was re-activated mid-February 2013 as parties were ready to move forward. Meetings between IFC team and Edyficar were held. It was decided that the remaining part of the project would focus on implementing a pilot to introduce the micro-term deposit product and help Edyficar develop a roll out plan to introduce the product in other regions. The project will be extended to December 2013 to enable completion of activities.

2. **Costa Rica - Coopenae (Jan 2012 – December 2013):** Assist Coopenae, the largest regulated financial cooperative in Costa Rica, in expanding its credit operations to the Micro and Small Enterprise (MSE) segment by improving its market strategy, credit methodology and risk management. Activities over the period include:

   - Establishment of a functional unit at Coopenae responsible for the management of the new MSE operations
   - Completion of a risk management diagnostic and a gap analysis to determine Coopenae’s readiness and capacity to provide financial services to the MSE segment
   - Completion of three market studies assessing the potential of the demand for credit of the MSE segment and market features
   - Design of an MSME strategic plan, new MSE Credit Manuals, Policies and Procedures
   - Design of a training plan and initiation of staff training
   - Design and approval of an MSME Pilot plan
   - Pilot implementation in four branches of Coopenae
   - Training of financial institution staff related to the MSE segment
3. **Haiti – Sogebank (July 2012 – June 2014):** Support the Sogebank Group in developing an alternative financial services delivery channel (mobile money) to expand its customer base. This includes performing market research on mobile services, piloting and testing the proof of concept for pre-paid cards to the lower-income client base, and validating customer acceptance of the mobile money services. Progress during the current period include:

- Consulting firm selected and hired
- Workshop held with the Board of Directors of the Sogebank Group to review and finalize project’s objective, scope of work and activities
- Workshop held with all relevant Sogebank Group stakeholders to ensure project objectives, roles in execution and expected outcomes are well understood
- Methodology for the market research on mobile service designed
- Gap analysis conducted to review the related mobile financial services strategy and the main operations between the Sogebank Group subsidiaries

4. **LAC Mobile Banking Program (September 2010 – March 2013):** Support the development of viable Mobile Financial Services (MFS) in the LAC region by: identifying promising pilot projects through initial design work with strong partner institutions; conducting original research and assessments of market demand and barriers to customer uptake that can inform the development of MFS in target markets; deepening and sharing knowledge of MFS with internal and external audiences.

- Implementation of mobile financial services strategies and pilot at the following clients: Astra Holding DTS (Honduras), Sogebank (Haiti), Tribanco (Brazil), JNMS Money (Jamaica); and design and implementation of a pilot for mobile financial services at Banco AV Villas (Colombia). The project also lead to the implementation of a mobile financial services strategy: Sogebank II (Haiti)
- Scoping market reports (11 countries: Mexico, Colombia, Dominican Republic, Haiti, Nicaragua, El Salvador, Peru, Guyana, Brazil, Jamaica and Guatemala)
- A market demand study was conducted in Colombia to increase knowledge in the market on the demand opportunities for mobile financial services. The results of the study were presented in an event organized by Felaban in Bogota in August, 2012. There will be an additional presentation of the study during an Access to Finance Congress, organized by Asobancaria (the Colombian Banking Association) in Cartagena in March, 2013
- Several knowledge sharing events were conducted in the LAC region to increase awareness on mobile financial services practices and to share knowledge through IFC’s Mobile Money toolkit.
New Projects

1. **Haiti – Leasing (April 2013 – April 2015):** The objective of this project is to support the development of the leasing and micro-leasing industry in Haiti. The project is supporting the central bank to (i) improve the legal and regulatory framework related to leasing, and (ii) create awareness and strengthen knowledge about leasing by the regulator, financial institutions, and companies. The project is currently in its pre-implementation stage, and several activities have been undertaken during the period including:

   - Consultant selected and hired
   - Analysis of the Haitian regulatory context finalized
   - Support provided to the National Bank of the Haitian Republic in drafting the leasing law and regulations based on the recommendation of IFC’s 2010 market study; inclusion of relevant stakeholders
   - Two-day leasing conference held in Port-au-Prince for which the Governor of the Central Bank and Minister of Finance gave the opening speech. Members from the government and private sector (banks and companies) participated

Closed Projects

1. **Mexico - Finterra (Jul 2010 - December 2012):** Strengthen credit risk management and increase credit evaluation efficiencies through the implementation of an operational risk rating model for Finterra, a non-bank financial institution providing loans to small and medium-sized (SME) agribusinesses in the southern region of Mexico.

2. **Dominican Republic - BHD EE Advisory (May 2010 – November 2012):** Help Banco BHD build a portfolio of energy efficiency and renewable energy projects in the Dominican Republic that were then financed by the Bank demonstrating the viability of sustainable energy finance in the country.

3. **El Salvador - AMC (September 2010 – December 2012):** Assist AMC, a large MFI operating in the poverty stricken eastern part of El Salvador, with strategic planning, risk management and other requirements to transform itself into a regulated savings & loan association, leading to the development of deposit products in a later stage of the project.

4. **Brazil – Tribanco EE (July 2011 – December 2012):** Support the development of the internal capacity in Tribanco to identify, implement and manage an energy efficiency finance program in Brazil. The project included training and capacity building; development of specific SEF opportunities among existing clients; and development of partnerships with other companies to build a pipeline of energy efficiency projects to finance.
Terminated projects

1. **El Salvador - Apoyo Integral (November 2009 - June 2012):** Support Apoyo Integral, the leading MFI in El Salvador, to improve its risk management practices and operating efficiency, thereby supporting its growth and expansion plans.

   - The project was terminated in January 2012, largely as a result of changes in the client’s upper management. During the course of the project, a new CEO took over at Apoyo Integral, and chose to focus on other projects (most notably, migrating to a new core banking system), rather than on risk management.

2. **Guatemala - FUNDEA (October - April 2012):** Conduct a feasibility study to determine what steps are required for Fundea’s transformation, taking into consideration the regulatory and financial context of Guatemala.

   The project was terminated in April 2012 with the completion of the pre-implementation phase as the feasibility study identified several institutional weaknesses that FUNDEA needed to address before embarking into an institutional transformation process. These weaknesses were related to FUNDEA’s risk management processes, its credit underwriting policies and procedures, its commercial strategy and product offering, among others. IFC offered to provide AS support in those areas, but FUNDEA opted to address them on its own while continuing with its transformation process as planned. To date the institution remains unregulated as a Foundation.

According to the most recent IFC Project Supervision Reports (December 31, 2012), all ongoing projects included in the Spanish Fund portfolio received Satisfactory Development Effectiveness Ratings. All closed projects were rated as successful, except for one that was rated as mostly successful (BHD EE project).

### III) Activity Risk

The major risks incurred by SFLAC-funded projects have been monitored carefully throughout the life-cycle of each project, resulting in their successful mitigation. The risks and mitigation are described below.

1. **Consultant delivery risk:** In all components supported by SFLAC, this risk has been successfully mitigated thus far. Careful attention is made to ensure that top quality consultants are selected to implement projects, and IFC has managed each project closely, intervening as needed to keep the consultants and, overall project on track.
2. Financial Institution delivery risk: The requirement that financial institutions pay a significant portion of the costs of the technical assistance they receive helps to mitigate the risk that participating FIs do not put in place the identified reforms, as the cost-sharing arrangement helps to ensure an active participation by the FI in the entire process. According to IFC’s pricing policy and project management methodology, all clients must contribute to the cost of the project, even in conflict afflicted/IDA countries, though specific requirements vary in consideration of countries and project focus. This cost-sharing approach contributed to client commitment, leading to the successful project implementation. In the case of the SFLAC portfolio, for all active projects, the clients have committed between 50% and 70% cash contributions to project technical assistance costs.

3. Slow development in project execution: Some delays do occur in projects due to external factors outside the control of project teams. These include some project-related decisions that are not within the control of IFC project teams, although it merits mention that IFC’s hands’ on project management methodology entails working very closely with our client partners, educating them on the importance of technical assistance activities, and tailoring those actions and activities to help ensure that the client is able to absorb the training and technical assistance effectively. When setbacks do occur, IFC dedicates additional time working with our client partners to assist them to stay on track.

4. Macro-economic risk: The macro-economic environment has continued to be difficult in the LAC region, especially in Central America and conflict-affected Haiti. These issues are due in large part to the continuing effects of the global financial crisis and political/country instability in certain markets. FIs supported by the SFLAC program have maintained their commitment to expanding services to SMEs, rather than retracting this financial product as a result of continued difficult economic conditions.

IV) Expected follow-up activity

Key Next Steps for SFLAC funded projects in the next 6 months are as follows:

**Edyficar**
- Define the product variants, business case, projections, procedures and prepare for the pilot
- Conduct pilot, namely train staff, deliver the product in a sample of branches in Lima and evaluate pilot results
- Support Edyficar to develop a roll-out to other regions
- Finalize project

**Coopenae**
- Finalize MSME training
- Complete pilot activities
- Get approval for the final versions of the MSME products, policies, procedures
- Complete and approve roll-out plan
Sogebank
• Finalize market research and present findings to the Sogebank Board of Directors and Sogebank Group Stakeholders
• Develop new product road map and financial model
• Develop pilot concept note, plan and monitoring tools
• Launch pilot and monitor progress

Haiti - Leasing
• Raise funding to launch the implementation stage
• Continue to lobby with the government to get the leasing legislation passed through Parliament
• Create awareness creation/ conduct training events
• Develop and pilot a leasing product

LAC Mobile Banking Program
• Conduct an assessment of the pilot implementation of the Business to Business model in Astra Holdings DTS
• Complete the final report of the Astra project
• Complete the final report of the LAC Mobile Banking program

Section II: Outcomes by projects closed between 15 December 2011 and 28 February 2013

Closed Projects

Finterra
• Outstanding loans grew to US$109 million against original target of US$ 155 million
• Number of outstanding loans reached 882 against a target of 898
• 1,392 loans disbursed compared with original target of 1,339
• Target for percentage of loans > 90 days overdue was surpassed: 3.5% against a target of 8%
• Target in terms of recommended procedures was met: 4 against a target of 4
• Target for loan officer productivity was surpassed: 25 against a target of 20

AMC
• Outstanding loans grew to US$26.7 million compared with original target of US$22.3 million
• 29,106 loans disbursed against original target of 26,250
• Value of all loans disbursed by project completion: US$26.7 million against a target of US$22.3 million
• Number of recommended procedures/ policies/ practices improved or eliminated: 24 against a target of 11
• AMC incorporated the recommended risk management policies and procedures, representing a dramatic change in the institution’s operations. The client has also expressed strong commitment to incorporate the recommendations resulting from the Transformation Plan.
BHD EE
• Institutional side: creation of a SEF related unit at BHD
• Portfolio side: the following results were achieved at project completion
  Value of Energy Efficiency (EE)/ Renewable Energy (RE) loans disbursed = US$20.9 million
  Value of EE/ RE outstanding loans = US$19.9 million
  % of loans 90 days overdue: 0

Tribanco EE
• Support to Tribanco helped incorporate energy efficiency finance into the operations of the bank. A specific energy efficiency product is now in the testing phase.
• Number of new financial products launched: 1 against a target of 1
• Number of loans disbursed: 0 against a target of 1
• Number of recommended procedures/policies/practices/standards that were improved/eliminated: 1 against a target of 1

Section III: Spanish Visibility and Coordination

• February 2012 – A press release was issued on February 28, 2012 regarding the Coopenae project, aimed at increasing the availability of financial services for micro and small enterprises in Costa Rica, spurring job creation and economic growth. The press release highlighted that with the support from the Spanish Fund for Latin America and the Caribbean, the initiative will provide advisory services to help Coopenae identify areas for improvement in its current micro and small enterprise credit operations and strengthen its institutional capabilities to better serve the Costa Rican market. International media outlets published articles on this topic.

• March 2012 – A press release was issued on March 12, 2012 describing the Tribanco EE project which is aimed at enhancing access to financial services for small Brazilian enterprises interested in reducing their energy use. The press release highlighted that with the support from the Spanish Fund for Latin America and the Caribbean, IFC is helping Tribanco train its staff in energy-efficiency financing and identify opportunities to finance projects in this area. Regional and international media outlets published articles on this topic.

• March 2012 – A press release was issued on March 26, 2012 describing IFC’s work to address one of the biggest challenges in getting mobile financial services to underserved populations in remote areas of Latin America and the Caribbean: the agent network. The press release noted that IFC’s Mobile Financial Services Program is providing financial institutions and service providers with customized solutions for their agent networks, maximizing results to benefit both service providers and underserved end users. The press release highlighted the Spanish Fund for Latin America and the Caribbean as one of IFC’s partners in the project. International media outlets published articles on this topic.
• October 2012 – A press release was issued on October 2, 2012 announcing IFC’s memorandum with the Central Bank of Haiti to help the Haitian financial and business sectors expand leasing for micro, small, and medium enterprises, which will help create jobs for low-income Haitians. The press release noted that with support from the Spanish Fund for Latin America and the Caribbean and the Netherlands’ Ministry of Foreign Affairs, IFC will help draft leasing legislation and regulations, strengthen knowledge about leasing among regulators, and provide early-stage technical assistance to financial institutions interested in offering leasing products. Local and international media outlets published articles on this topic.

Environment and Social Sustainability (ESS)

Section I: Overview

Grant Information as of 30 December 2012

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<thead>
<tr>
<th>Fund Name</th>
<th>IFC – Environmental and Social Sustainability</th>
<th>Program</th>
<th>SFLAC - SPANISH TF FOR LATIN AMERICA &amp; CARIBBEAN</th>
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Grant Objectives

The objective of the ESS BL in LAC is to provide advice and undertake market transformation activities to enable the private sector to deliver environmental and social benefits in developing countries. In the LAC Region, the BL will implement two products with different, but complementary objectives:
Cleaner Production

The objective of the CP assessments is to contribute to the adoption of cleaner production practices among IFC client firms to promote efficiency-lead savings in production costs and reduce environmental risks. At the impact level, the program aims to promote greenhouse gas-GHG emissions abatement, energy efficiency and water saving. In order to facilitate the CP audits implementation and reach the program’s objective, IFC will offer financing as a complementary service.

Eco-standards

Eco-standards aim to promote better environmental and social practices through implementation of shared standards that will lead to better natural resource conservation and lower biodiversity loss.

Overall progress from 01-Jul–2011 to 30-December–2012 with regard to:

1) Achieving Grant Objectives

The objective of the Grant is to help firms in targeted sectors benefit from the cost savings available from successful cleaner production interventions, while simultaneously reducing GHG emissions. This will be done via IFC’s Resource Efficiency (REF) Program for LAC.

The REF Program for LAC (previously known as Cleaner Production) has helped a total of 37 industrial facilities identify resource efficiency opportunities, of which 24 have completed detailed assessments and 11 have reported implementation of the recommended improvements, achieving the following results: a value of US$28.4 million financing facilitated by advisory services; 472,543MWh/y of energy use avoided; 318,951 GHG (TM CO2e/y) avoided; and the value of US$38.1 million of aggregate savings reported.

Under the Eco-Standard component, two sub-programs were developed: a) Wood (Bolivia) and b) Responsible Soy.

a) Wood Bolivia - The objective of the Grant is to establish an innovative sustainable forestry business model that integrates one of the largest wood companies in Bolivia SLV (IFC’s client) - which has no forestry concessions- with project beneficiary Indigenous Community Forest Enterprises (CFMEs). The SLV-CFMEs integration should create a stable, annual wood supply of at least 15,000 m3 for SLV and annual direct sales revenues for CFMEs of US$300,000. In addition, the long-term commercial alliance will result in a minimum of 150,000 hectares (ha) of lowland tropical forest legally managed under internationally-recognized standards. A total of approximately 312 indigenous families (1,560 people) will benefit from the project.
b) Responsible Soy Program -- US$150k of SFLAC funds were assigned to the Responsible Soy Umbrella Program in Latin America. Umbrella Programs are created with an overarching concept and are meant to generate “child” projects under its umbrella concept. The Responsible Soy Umbrella Program was created to foster soy projects in Argentina, Brazil and Bolivia. In this context, three soy related projects were developed including: a) Soy Bolivia project, b) Cerrado Mapping and c) Responsible Soy. The last two projects are in Brazil. Soy Bolivia is now in implementation. However, Cerrado Mapping and Responsible Soy did not move forward due to challenges in identifying matching funds.– Given that we do not foresee other projects that fit under this Soy umbrella concept program and considering a funding gap in two other projects with strong Climate Change elements in Bolivia (IDA country), the SBA Team decided to reallocate funds originally assigned to the Responsible Soy Umbrella Program (US$150k) as follows: US$90k reallocated to the Soy Bolivia project and US$60k to the Advisory Service Wood Bolivia project.

II) Implementation of Grant

In the July 2011 to December 2012 reporting period, the key progress highlights for the REF Program were:

1. 1Scoping missions have been completed and reported in 27 new facilities, the majority of which have shown interest to move forward into phase 2 (detailed resource efficiency assessment). In total, the REF program has undertaken 37 scoping missions.

2. REF phase 2 assessments have been completed in 18 additional facilities, totaling 24 facilities receiving in-depth advisory services.

3. The REF Program’s portfolio continued to grow and presently consists of an aggregate portfolio of 37 firms. A total of 11 firms have reported implementation of recommended changes. The sum of US$591,619.88 of the Spanish Fund for LAC has been spent to date (99%).

Wood Bolivia – During the reporting period, project support was key to ensure SLV’s provision of wood of 24,564 m3 (164% above the target) and CFMEs annual sales for US$465K (165% above the target). In addition, 188,341 ha are moving towards sustainable forestry management practices (SFM), and 312 families benefited from the project as planned.

The key progress highlights were:

1. Component 1: Strengthened Community & Private Forest Enterprise (CFMEs)
   Technical assistance (AS) in improved Organizational Governance and Business Skills was provided to the four CFMEs, which allowed the communities to improve its social statutes, decision making processes and wood benefit distribution, as well as basic accounting and reporting practices.
2. Component 2: Improved Forest Management Planning and Production
CFMEs were trained in sustainable forest management (SFM), including improved forestry plans & inventories, forest stewardship international certification standard (FSC) & reduced impact logging (RIL), supervision of wood extraction, etc.

3. Component 3: Building SLV’s Capacity to Effectively Engage with CFMEs
SLV received AS in several technical aspects not only relating to better community engagement, but also to SFM (including RIL), improved wood machinery, logistics and extraction - key activities to ensure an effective and efficient provision of wood into its plant. In addition, SLV received advice on better wood process costing and performance indicators management.

III) Expected follow-up activity

REF LAC Project activities include:
1. Publication of the manual resulting from the Water Utility Performance Based Contracting study that was completed in Brazil

Eco-Standards - Wood Bolivia

The follow up activities for the AS Wood Bolivia project include:

Component 1: Strengthened Community & Private Forest Enterprise (CFMEs)
1.1.1 Communities revised Statues presented to their Assemblies - June 2013
1.1.2 Communities 2012 wood financial reports elaborated through the accounting system (APLICOM) and presented to their Assemblies - June 2013
1.1.3 Communities Wood Profit Distribution presented to their Assemblies - June 2013

Component 2: Improved Forest Management Planning and Production
1.2.1 Communities 2012 Harvest Annual Reports (IAPOAF) presented to the ABT - March 2013
1.2.2 Communities 2013 Harvest Census (POAFs) presented to the ABT - May 2013

Component 3: Building SLV’s Capacity to Effectively Engage with CFMEs
1.3.1 SLV’s community engagement strategy developed - June 2013
1.3.2 SLV’s 2013 Wood Provision plan developed - June 2013
IV) Activity Risk

1. REF - None at this time.

2. Eco-Standards - Wood Bolivia

Description: Governmental perception that communities are being exploited or manipulated by foreign entities.

Mitigation: Active engagement by project staff and partners in public activities will reduce the likelihood of misconceptions. Progressive involvement in community forestry development with concrete results, coupled with an effective and public communications and community engagement strategy will make support of activities likely and show that multinational financial institutions and the private sector are necessary for enterprise development. The strong project team and an IFC field presence will minimize problems.

Description: Potential communities’ displacement from forest activities could have a negative impact on indigenous community families and members.

Mitigation: Conduct annual reviews of community consultation and economic displacement/impact on indigenous peoples included in FSC audits. The project itself aims to benefit community members (indigenous origin) by creating in-house capacities for them to be able to run sustainable forest activities and obtain increased and reliable source of income to improve their life conditions. The project will also aim to orient community members on adequate revenue management and investment of wood resources in their CFMEs as well as their social needs.

Section II: Component/ Outputs

I) Comment on implementation progress

1. REF Program, a total of 24 detailed audits/assessments (phase 2) have been completed and two (2) benchmarking studies in the construction materials and the agribusiness. Thus exceeding the expected results of the program.

Four indigenous communities linked to SLV’s value chain received AS in improved Organizational Governance and Business Skills. Nineteen procedures, policies, and practices were proposed for improvement/elimination, achieving 119% of execution rate for this indicator.

Component 2. Improved Forest Management Planning and Production
Twelve procedures, policies, and practices were proposed for improvement/elimination, achieving 200% of execution rate for this indicator since inception.

Component 3. Building SLV’s Capacity to Effectively Engage with CFMEs
A total of 3 procedures/policies/practices were proposed for improvement/elimination, achieving this indicator 150% of execution rate for this indicator since inception.

Section III: Outcomes

I) Comments on outcome achieved from 01-Jul-2011 to 30-Dec-2012

- REF - The Program has exceeded the target of four entities implementing recommended changes.

- Eco-Standards - Planned technical assistance allowed SLV and the four CFMEs to put in place better organizational, business, forest management, community engagement, wood logistics/extraction practices, etc. A total of 18 procedures, policies, and practices were improved/eliminated and 312 indigenous community members were reached by IFC; showing execution of 100% for both. Improved practices ensured SLV provision of 24,564 m3 legal wood (164% of target) and CFMEs annual sales reached US$495k (165% of target). In addition, 188,341 ha of beneficiary communities are moving towards SFM.
Infrastructure/Public Private Partnerships (INF/PPP)

Section I: Overview

Grant Information as of 31 December 2012

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Grant Objectives

The objective of the IFC is to team up with LAC countries to address the infrastructure gap in the region and help remove the obstacles for private sector investment. The Program will help identify structure and launch sustainable infrastructure projects which leverage private sector expertise and capital, and achieve public-policy objectives. These projects will focus on the PPP model.

Overall progress from 01-Jul-2010 to 31-Dec-2012 with regard to:

I) Achieving Grant Objectives

Latest Rating: N/A
Current Rating: Moderately Satisfactory

For LAC PPP the following projects are being funded by SFLAC:

1. El Salvador - El Salvador Port (May 2010 – September 2013): The project aims to advise the Government of El Salvador on the structuring and implementation of a private participation scheme for the ports of Acajutla and La Union on the Pacific Coast of El Salvador. This would allow taking advantage of the country's location on the Pacific coast to become a transportation
hub for trade from Asia to northern Central America, as well as trade between the Pacific and Atlantic coasts. The ultimate objective is to increase the competitiveness of El Salvador and the region by attracting world class port operators that will invest in the port. The project estimated size of investment was US$30 million for the first 5 years.

2. Paraguay - Silvio Pettirossi Airport (Terminated): The project aimed to finance significant delayed investments works and maintenance needed in Silvio Pettirossi International Airport to improve the quality of service and security provided to airport users. This project approximate investment was US$105 million.

3. Honduras – La Ceiba Road Project (March 2011 – July 2014): The objective of this project is to assist the Ministry of Presidency, Ministry of Transport and the Municipality of La Ceiba in structuring a PPP scheme for the construction, operation and maintenance of Boulevard del Oeste which is composed of a 9.2km greenfield inter-city alternative route to highway CA-13 and the expansion, rehabilitation, operation and maintenance of CA-13 and other urban sections to reduce the time in connecting within the city and to increase road security. The project has received an approximate private investment estimated at US$50 million.

II) Implementation of Grant

Latest Rating: N/A  
Current Rating: Moderately Satisfactory

During this period, main highlights include:

1. El Salvador Port – The IFC’s advisory mandate has been divided into three phases:
   • Phase 1 which has been completed and consisted of the analysis of the market potential for the ports and assistance in preparing a draft law to allow implementation of a port concession;
   • Phase 2 consists of (a) technical, legal, environmental, and social analyses and (b) design and recommendation of potential concession structures;
   • Phase 3 will consist of implementation of an international competitive tender to engage a private port operator.

During Phase 1 of IFC’s advisory mandate the government of El Salvador made the determination to only implement a concession of the port of La Union (through an initial stage of development, called “Phase 1 of La Union”) and maintain the port of Acajutla under public operation. The concession enabling law was approved by Congress on September 8, 2011. During Phase 1, market, legal and pre-feasibility studies were delivered. In addition, two workshops were conducted to present the international experience, and to discuss specific elements of the concession and decree with the Congress.
After concession the law was approved (Sept 8, 2011 – Phase 1), a preliminary market test was conducted to assess potential interest from operators and to assess reactions to the concession law approved. The Project is currently under Phase 2, procurement process for the project consultancies were launched in October 2011. During this phase, IFC submitted the final versions of the consultants’ reports (technical and legal) and CEPA approved them. Technical due diligence found significant higher dredging costs. This requires a new cost benefit analysis. Plus, the first version of the TSR was delivered to the client in September 2012. In addition, market sounding meetings with investors (joint IFC-CEPA) occurred between October and December 2012. A package that includes term sheet, structuring options around dredging requirement, law reform decree and financial bids evaluation criteria was delivered to CEPA in December 2012 for decision making and to kick off drafting of the bidding document.

2. Silvio Pettirossi Airport - Although the Pre-Implementation phase was expected to be over in FY10, the project had not started its Implementation phase. Thus, funding for this project’s Pre-implementation phase applied for both FY10 and FY11. On September 1, 2010 IFC signed its advisory mandate with Ministry of Public Works (MOPW) for assistance in the structuring and bidding process of the Silvio Pettirossi Airport including a new law. On October 14, 2010 President Lugo and Ministry Efrain Alegre from MOPW introduced to Congress the airport concession law. On December 16, 2010 the law was ratified by the Senate and on March 31, 2011 the law was ratified by Congress. Minister of MOPW, the main champion of the project resigned in June 2011 and President Lugo vetoed the concession law in early November 2011. Government announced the hiring of a consultant to draft a new concession law. Given that presidential elections are too closed, IFC terminated the mandate since there was no time to issue a new law and conduct a bidding process.

Pre-implementation phase involved: (a) hiring a communications consultant to design and implement a communications strategy and a stakeholder analysis to promote the approval of the concession Law by the legislative power and by the President, (b) hiring two individual airport consultants to analyze the Asuncion Airport potential in economical terms, to prepare preliminary technical analysis from an operational and a commercial point of view, and to identify regional investors and operators and (c) hiring of a legal firm to contribute to the drafting of the concession enabling law.

3. La Ceiba Road Project – During FY10 to FY12 the key highlights included: (a) engineering, legal and fiscal pre due diligence work was conducted in October-November 2010, (b) mandate was signed on March 2011, (c) donor funding equivalent to US$1.1 million was secured (b) procurement processes were finalized for engineering, legal, social and land acquisition, fiscal and communications consultants (d) fiscal consultant conducted a study on additional revenue mechanisms that the Municipality of La Ceiba could implement to fund the project. In FY12, a full due diligence (engineering, traffic, legal and social) was concluded in March in parallel with the Transaction Structure Report also completed in March 2012. During this period, the client accepted the TSR report in June 2012. However, the government’s failure to achieve IMF targets led to a critical fiscal situation.
III) Activity Risk

The following risks have been identified for SFLAC PPP co-funded projects:

1. El Salvador Port

Market size

Among the main challenges facing La Union’s successful tender is its market size. Without the container base from Acajutla and improved road networks, the port’s baseline cargo volumes are lower. Consequently, revenues in the first five to six years of the concession are expected to be low while the concessionaire ramps up operations and sees the fruits of business development efforts. Potential concessionaires recognize this risk and would discount their bid accordingly.

Mitigation options

- Allow flexibility (relative to volumes achieved) in the investments required in the first 5 years (US$30 million)
- Lower or waive concession fees from the operator for a number of years until a minimum volume is achieved in La Union
- Do not grant any new container terminal concession in the country for a number of years
- Establish a harmonious tariff scheme and services costs (tugging and pilotage and channel access) to avoid unfair competition practices. Tariff schemes for same services should be similar in both ports.
- Elaborate an investment plan for Acajutla whereby it would specialize in bulk cargo, thus desist from container handling activities
- Establish a road rehabilitation plan to widen the Panamerican Highway between the cities of San Vicente and San Miguel, build a by-pass around San Miguel and improve the road connecting La Union to Tegucigalpa.

Channel maintenance

A technical due diligence pointed out significant costs to dredge and maintain the access channel at minimum initial required depth (-11m) and subsequently (up to -14m). The magnitude of the costs was not known before the study. According to the concession law, CEPA is in charge of the dredging and maintenance of the channel. However, reaching the minimum depth will require significant funds, which may affect CEPA’s financial position. In August, CEPA started its trial dredge in the access channel using a rake (not traditional technology). In November, CEPA claimed that sediments were removed, to bring the inner channel to a -9 m depth. Bathimetric confirmation was not possible, however, because of on-site problems with the equipment. Although a depth of -9 m would be better than previous measured depth of -7 m, it is still insufficient to attract bidders to the project, requiring CEPA to go deeper.
Mitigation options

• IFC has proposed to CEPA to strengthen the rake work by involving our technical consultant to validate or conduct the bathymetric surveys. This validation will increase credibility of the effectiveness of the technique and its costs. Toward mid-December, CEPA told IFC that it had obtained resources to conduct the trial dredge that was recommended by IFC in May 2012 (valued at US$10-12 million) to reach 11/12 meters.
• IFC has also proposed to CEPA a concession structure by which the project could be tendered and awarded but the commencement of the contract would depend on some conditions: the economic viability of the project and the results of a monitoring program of the channel to narrow down dredging costs. Considering that the current concession law establishes the obligation by CEPA to dredge the channel to an initial depth of -14 m, a reform to the concession law has been drafted by IFC for potential introduction by CEPA to Congress in the next few months.

Commercial Risk

The Government’s decision has been to maintain the current container port in El Salvador (Acajutla) under management by CEPA. All investors have expressed concern in competing with Acajutla for different market (e.g. dumping) and political (e.g. influence by unions) reasons

Mitigation options

• After several months of discussions, CEPA has confirmed that Acajutla will phase out of its container business, to enable La Union to develop critical mass, this could include assuming obligations to limit investments in Acajutla and incentives to shipping lines to call in La Union
• CEPA is willing to accept minimum initial and fixed concession payments to make La Union attractive to bidders, with the bulk of CEPA’s revenues coming from variable fees, linked to volume.

2. Silvio Pettirossi Airport (Pre-implementation)

Project’s concession law was vetoed by President Lugo in early November 2011. Therefore the project was terminated.

3. La Ceiba Road Project

Political situation

Government failure to achieve IMF targets led to critical fiscal situation. No agreement with IMF is expected until 2014, so fiscal space will be extremely tight. Further the political situation of the country is unstable due to upcoming elections due on the 4th quarter of 2013. However, the project still has strong political support from two champions: La Ceiba Mayor and Congressman Irias who are pushing the highest authorities for funding. In addition, the marketing of the project has not started yet but some investors are showing interest.
Mitigation options:

- IFC is conducting a marketing test while the two political champions continue to push to secure funding from central government; the objective of this task is to have IFC better positioned to take a decision during this period regarding the continuity of the project during 2013.
- With a new government elected in 2014, the fiscal situation should improve; hence a better opportunity for the government to sign a new IMF agreement. Until then the project could be put on hold.

Project affordability

Project needs government and municipality funds due to a low traffic. Currently, the Municipality of La Ceiba (MOL) has limited funding capacity for the project. Hence, IFC team hired a fiscal consultant with relevant experience working with Municipalities in assessing and implementing additional revenue sources. Four revenue mechanism have been identified and one of those is currently being implemented (MoL will act as tax retention agency). Annual revenues are estimated at $1.5 million. The Ministry of Finance is delaying the government funding approval due to limited fiscal space. Hence the project scope was restructured to its minimum scope, to lower government availability payments.

Mitigation options

- IFC has identified funds from the Mexican government, which can potentially support infrastructure in Central America. Therefore, IFC is coordinating with the relevant government agency to attempt to secure funds for the project.
- Coalianza, the PPP unit, has also offered funds from a transport fund. IFC is reviewing financial projections with Coalianza to define the amounts needed for the project.
- If funds are secured from any of the sources mentioned above and the market response is positive, IFC will then take the project to market.

Stakeholder Risk.

There are several stakeholders involved in this transaction. SOPTRAVI (Ministry of Transport) which manages CA-13 highway and has to provide authorizations for the project, SEFIN (Ministry of Finance) that needs to approve the transaction structure and may need to fund part of the project, Coalianza, Honduras PPP unit, was recently created. Coalianza will carry out bidding processes for PPP infrastructure projects in the country except for the La Ceiba project, which has a specific law allowing the Municipality of La Ceiba (MOL) to carry on this project. Coalianza is looking to help the MOL with funding for the project. Under La Ceiba road project's decree, MoL is in charge of designing and bidding out the project. Hence, a potential conflict of roles exists.
Mitigation:

A Steering Committee formed by SOPTRAVI, SEFIN, Infrastructure Commissioner (Ministry of Presidency) and Municipality of La Ceiba has been formed to inform and to make decisions between all the parties involved. The committee will get together once a month. The team has started conversations with Coalianza and Municipality of La Ceiba separately about their roles in the project. The objective is to reach an agreement that benefits both parties.

IV) Expected follow-up activity

1. El Salvador Port

- CEPA’s Board to make decision on: (a) Trial Dredge work, (b) Law reform draft and process and (c) PPP structure (concession or management contract). After Board’s approval: (a) CEPA’s implementation of trial dredge (with IFC support), (b) CEPA’s introduction of law in Congress (with IFC support) and (c)
- IFC’s preparation of bidding documents. CEPA’s Board Approval of IFC and Consultant’s reports (formally ending Phase 2 and allowing IFC to invoice CEPA)
- Validate contractual structure with investors (through a formal road show, meetings and/or investor conference) by …
- If all of the above works, launch bidding process.

2. La Ceiba Road

- Secure funds with the Mexican government    Finalize the review of the financial projections with Coalianza to define amount needed for the project    Conduct Market testing to verify investor’s interest

Section II: Component/ Outputs

I) Comment on implementation progress by component

1. El Salvador Port

Feasibility studies were finalized by June 2012. Final version of consultants report were delivered and approved by CEPA IFC presented to CEPA a draft of the reform law that could be introduced in Congress to overcome some prevailing issues of the existing law and draft was approved by CEPA team
2. La Ceiba Road

A full diligence report on the engineering, traffic, legal and social aspects was conducted by March 2012. Transaction Structure report was completed in March 2012. Client accepted the Transaction Structure Report in June 2012.

II) Additional comment on actual outputs

1. El Salvador Port

IFC proposed a recommendation on the trial dredge that has finally be accepted by CEPA in mid December 2012.

2. La Ceiba Road

Transaction Structure Report completed and delivered to Client in March 2012.

Section III: Outcomes

I) Comments on outcome achieved from 01-Jul-2010 to 31-Dec-2012

1. El Salvador Port

IFC and CEPA held informal meetings with potential investors. The meetings helped CEPA validate of a number of issues raised by IFC in the past and following these meetings, CEPA conveyed to IFC a 'stronger' commitment to key structuring elements: (a) Need for CEPA to guarantee a minimum initial channel depth (e.g. -11 meters) and channel maintenance, (b) gradual transformation of Acajutla to a port specialized in bulk cargo (La Union becoming specialized in container handling).

2. La Ceiba Road

The Municipality of La Ceiba accepted the Transaction Structure report in June 2012 and presented the project to the Ministry of Finance for funding.
Section IV: SFLAC Visibility and Coordination

Silvio Pettirossi Airport

During 2011 IFC met and spoke with Ms. Carmen Garcia, Commercial Attaché of the Spanish Embassy in Paraguay to discuss the developments of the project. IFC and the Commercial Attaché consulted about the challenges that the concession law was facing in Congress for approval. Although the concession law was approved in Congress, it was ultimately vetoed by the President.
## Annex IV: List of Grants Associated with IBRD/IDA Projects

### 1. Recipient-Executed Project Preparation

<table>
<thead>
<tr>
<th>Country</th>
<th>Grant ID</th>
<th>Grant Name</th>
<th>Grant Amount (US$)</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Project Amount (US$M)</th>
<th>Project Status</th>
<th>Planned Board Date</th>
<th>Project Development Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>TF096046</td>
<td>Supporting Inclusive Business Alliances for smallholder agricultural producers in Pernambuco State</td>
<td>250,000</td>
<td>P120139</td>
<td>Pernambuco - Rural Economic Inclusion</td>
<td>100</td>
<td>ACTIVE</td>
<td>6-Mar-12</td>
<td>The proposed operation would contribute to increased productivity and competitiveness among organized rural small-scale producers through their participation in productive alliances.</td>
</tr>
<tr>
<td>Caribbean</td>
<td>TF099933</td>
<td>Broadband Communications Infrastructure Feasibility Studies for Dominican Republic and Haiti for the Preparation of the CARCIP Program</td>
<td>250,000</td>
<td>P114963</td>
<td>Caribbean Regional Communications Infrastructure Program</td>
<td>22</td>
<td>ACTIVE</td>
<td>22-May-12</td>
<td>The Caribbean Advanced Regional Communications Infrastructure Program (mirroring the design of the Africa RCIP) has three overarching development objectives: (i) to increase access and affordability of broadband communications networks in the Caribbean region and within countries (the “connectivity development objective”); (ii) to contribute to the development of the regional IT industry (“IT industry development objective”); and (iii) to contribute to improved Government efficiency and transparency through regionally harmonized e-government applications (the “transparency development objective”).</td>
</tr>
<tr>
<td>Colombia</td>
<td>TF096015</td>
<td>Project preparation for Barranquilla Flood Management Project</td>
<td>725,000</td>
<td>P120159</td>
<td>Barranquilla Flood Management</td>
<td>85</td>
<td>PIPELINE</td>
<td>12-Dec-13</td>
<td>The proposed objective of the Project is to reduce the risk of urban flooding in target areas of Barranquilla’s eastern watershed. The PDO will be measured by tracking: i) percentage of streets in target areas that have drainage systems with a determined flood design return period, ii) population living and working in risk-prone areas, iii) number of drainage inlets that are impeded due to solid waste in target areas.</td>
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<tr>
<td>Country</td>
<td>TF Code</td>
<td>Project Title</td>
<td>Amount</td>
<td>ID Number</td>
<td>Title</td>
<td>Status</td>
<td>Start Date</td>
<td>Description</td>
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<tr>
<td>Honduras</td>
<td>TF099664</td>
<td>Strengthening Municipal Territorial Planning Capacity as part of the Honduras Land Administration Program (PATH)</td>
<td>380,000</td>
<td>P106680</td>
<td>(ApL2) Land Administration</td>
<td>ACTIVE</td>
<td>30-Jun-11</td>
<td>The development objective of PATH, to be implemented in a three-phased, 16-year period, is to establish a fully integrated and decentralized national property rights system (National System for Property Administration, SINAP). The PDO for Phase II of PATH is to provide the population in the Project area with improved, decentralized land administration services, including better access to and more accurate information on property records and transactions. To achieve this objective, PATH will continue to promote the streamlining of the systematic cadastral surveying, legalization, titling and registration, as well as the improvement of land administration services in terms of access and transparency.</td>
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<tr>
<td>Mexico</td>
<td>TF096061</td>
<td>Promoting a Multi-sectoral Multi-stakeholder Approach to Sustainable Local Development in Mexico’s Poorest Municipalities</td>
<td>250,000</td>
<td>P120170</td>
<td>Strengthening Social Resilience to Climate Change</td>
<td>CLOSED</td>
<td>1-Mar-12</td>
<td>Introducing institutional reforms to increase access to local infrastructure services and income generating opportunities in the poorest municipalities of Mexico through improved territorial planning and local governance, inclusion of sustainability objectives within local investments, and efficiency gains in federal spending at the local level.</td>
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<tr>
<td>Peru</td>
<td>TF096160</td>
<td>Vilcanota II Project Preparation</td>
<td>625,000</td>
<td>P117318</td>
<td>Cusco Regional Development</td>
<td>PIPELINE</td>
<td>26-Sep-12</td>
<td>This would be achieved by: (i) improving solid waste management, disaster risk management, and transportation infrastructure; (ii) protecting and enhancing key historic sites; and (iii) creating new capacity and instruments for tourism development planning. Possible project performance indicators are: (i) entry into operation of a new solid waste management system, with a sustainable operation and maintenance framework in place; (ii) completion of the road and rail bypass designed to preserve the historic center of Ollantaytambo; and (iii) adoption of a new planning framework for tourism development in the Cusco Region, enhancing the Regional Government’s capacity to collect and analyze relevant information and move towards evidence-based policymaking and planning in the tourism sector.</td>
<td></td>
</tr>
</tbody>
</table>
### Uruguay

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Project Name</th>
<th>Amount</th>
<th>Proposal ID</th>
<th>Project Name</th>
<th>Stage</th>
<th>Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>TF096016</td>
<td>Preparation for the OSE Response to Climate Change Project</td>
<td>450,000</td>
<td>P118064</td>
<td>Response to Climate Change</td>
<td>ACTIVE</td>
<td>5-Jul-12</td>
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</tbody>
</table>

The project development objective is to support OSE in adapting to and mitigating climate change by increasing the efficiency and resilience of existing and future water supply and sanitation systems. The project is based on OSE’s need for a holistic approach to respond to climate change, through looking at adaptation and mitigation measures along a spectrum of engagements. These engagements include investments in water supply and sanitation systems, monitoring and planning, and stakeholder involvement. The project also focuses on institutional and public engagement, as well as knowledge-based activities to strengthen local capacities and enable sustainability. The investment loan would be centered on strengthening OSE’s ability to adapt to climate change by reducing water supply and sanitation vulnerability while contributing to the nation’s mitigation efforts to reduce green house gasses (GHGs). To that end, OSE will apply a disaster risk management approach combining climate change science with local conditions to assess existing systems and new infrastructure investments.

| Total      | 2,930,000  | 623      |

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## 2. Recipient-Executed Technical Assistance Window

<table>
<thead>
<tr>
<th>Country</th>
<th>Grant ID</th>
<th>Grant Name</th>
<th>Grant Amount (US$)</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Project Amount (US$M)</th>
<th>Project Status</th>
<th>Planned Board Date</th>
<th>Project Development Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>N/A</td>
<td>Rural Social Business Strengthening for Economic Inclusion</td>
<td>350,000</td>
<td>P121167</td>
<td>Ceará Rural Sustainability and Competitiveness</td>
<td>100</td>
<td>ACTIVE</td>
<td>5-Apr-12</td>
<td>Project development objective is: to strengthen small/mid-sized rural producers’ competitiveness by favoring commercial ties between family agriculture and markets. As part of the State Multi-year Strategic Investment Plan and Rural Development Strategic Plan, this project’s investments will focus on: (a) innovation and technology (irrigation, green houses, etc) to qualify products for the market (local/regional and for exportation); (b) food security; (c) well-being improvement, through drinking water distribution and sanitation in the rural areas; and (d) climate adversity/change, adaptation and mitigation.</td>
</tr>
</tbody>
</table>

| Total   | 350,000  | 100       |
### 3. Bank-Executed Technical Assistance Window

<table>
<thead>
<tr>
<th>Country</th>
<th>Grant ID</th>
<th>Grant Name</th>
<th>Grant Amount (US$)</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Project Amount (US$M)</th>
<th>Project Status</th>
<th>Planned Board Date</th>
<th>Project Development Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>TF098374</td>
<td>Supporting the Implementation of Phase I of the Matanza-Riachuelo Basin Sustainable Development Project</td>
<td>450,000</td>
<td>P105680</td>
<td>Matanza-Riachuelo Basin (MRB) Sustainable Development Adaptable Lending Program</td>
<td>840</td>
<td>ACTIVE</td>
<td>9-Jun-09</td>
<td>This Argentina Matanza-Riachuelo Basin Sustainable Development APL would support basin-wide planning, institutional reforms, and investments designed to significantly clean up the Riachuelo Basin, a major pollution hot-spot in Buenos Aires. The project would work through and support the new Autoridad de Cuenca, which has representation from the national government, represented by the Secretariat of Environment, the Province of Buenos Aires, and the City of Buenos Aires. It would finance both (a) non-structural interventions (such as pollution monitoring and assessments, river basin and land-use planning, pollution compliance regimes, water quality monitoring, and institutional capacity-building), and (b) structural measures (such as basin clean-up, sewerage and treatment plants, drainage, and solid waste management). While Phase I would finance the most urgent infrastructure requirements, starting with investments related to sewerage and water, it would also include relatively more non-structural measures to create capacity and initiate activities in the areas of pollution control, resettlement, and urban development. Phase II would implement plans developed in Phase I.</td>
</tr>
<tr>
<td>Brazil</td>
<td>TF010458</td>
<td>Advisory Services for Integrated Urban Development in Rio de Janeiro</td>
<td>250,000</td>
<td>P122391</td>
<td>Rio de Janeiro Metropolitan Urban and Housing Development</td>
<td>485</td>
<td>CLOSED</td>
<td>15-Mar-11</td>
<td>The objective of the project is to support the State of Rio de Janeiro for the implementation of its urban and housing development strategy. The project will provide support to the policy actions in the following areas: (1) Institutional framework for planning and growth management in the metropolitan region (2) Housing, urban upgrading and land management (3) Transport and urban growth (4) Urban environment and disaster risk management (5) Social development and crime and violence prevention.</td>
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<td>P126735</td>
<td>Rio State TAL AF - PROGET</td>
<td>48</td>
<td>PIPELINE</td>
<td>12-Jul-12</td>
<td>The additional financing will: (i) scale up the integrated territorial development approach to the state of Rio de Janeiro by expanding sectoral activities with four new pillars dealing with metropolitan governance and urban transport, environment and disaster risk management, housing, and social development; and (ii) scale up services and activities offered in health and education.</td>
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<tr>
<td>Brazil</td>
<td>TF098917</td>
<td>Improvements in Governance and Effectiveness of Social Protection Systems</td>
<td>90,000</td>
<td>P101504</td>
<td>Second Bolsa Familia</td>
<td>200</td>
<td>ACTIVE</td>
<td>16-Sep-10</td>
<td>The 2nd phase of the Bolsa Familia Project would build on the foundation of the Bolsa Familia Program (BFP) to further consolidate the safety net and deepen technical improvements aiming to transform Brazil’s safety net in general and the BFP in particular into a modern social assistance and social service system. Such improvements would depend on the institutional and reform opportunities that arise in Phase 1, but could include: (a) supporting additional efforts to consolidate the safety net (for example with possible further integration of other transfer programs into the BFP); (b) further improvements in the system for identifying the target population; (c) on-going contributions to monitoring and evaluation (including the implementation of the follow-up beneficiary survey); (d) further improvements in service delivery, including possible mainstreaming of approaches to link BF beneficiaries to complementary services and develop tailored empowerment (emancipação) strategies for improving their self-reliance. The objectives are to (a) consolidate Bolsa Familia management and the Cadastro Unico; (b) strengthen the program’s overall governance; (c) consolidate the Ministry of Social Development monitoring and evaluation system; and (c) promote innovations and strategies to link population of the Cadastro Unico to skills development, income-generation and productive inclusion initiatives.</td>
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<tr>
<td>Colombia</td>
<td>TF098814</td>
<td>Analyzing the Experience of Specialized Water Operators</td>
<td>100,000</td>
<td>P096965</td>
<td>La Guajira Water and Sanitation Infrastructure and Service Management Project</td>
<td>90</td>
<td>ACTIVE</td>
<td>15-Mar-07</td>
<td>The objective of the proposed Project (APL Phase I) is to improve the quality of water supply and sanitation services in urban and peri-urban areas of La Guajira, moving towards complete coverage with continuous supply of potable water for urban areas. Specifically, the proposed operation will increase service quality for water supply, sanitation, and wastewater treatment in urban areas for 300,000 consumers and improve the sustainability of service by (a) supporting utility institutional performance through the Government of Colombia’s “Specialized Operator” policy, and (b) delivering the necessary water and sanitation infrastructure.</td>
</tr>
<tr>
<td>Colombia</td>
<td>TF010489</td>
<td>Fiscal Management Support</td>
<td>100,000</td>
<td>P123267</td>
<td>First Programmatic Fiscal Sustainability and Growth Resilience Development Policy Loan</td>
<td>300</td>
<td>CLOSED</td>
<td>21-Jul-11</td>
<td>Enhanced fiscal sustainability and strengthened resilience of economic growth. The programmatic DPL operation supports the long-term Country Partnership Strategy (CPS) outcome of improved fiscal, financial and social risk management under the ‘inclusive growth with enhanced productivity’ CPS theme.</td>
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<tr>
<td>Country</td>
<td>TF Code</td>
<td>Project Title</td>
<td>Amount</td>
<td>Project Code</td>
<td>Description</td>
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<tr>
<td>Colombia</td>
<td>TF099763</td>
<td>Strengthening Governance for Social Risk Management</td>
<td>150,000</td>
<td>P113084</td>
<td>To strengthen the Government’s program for reducing risks resulting from adverse natural events.</td>
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<tr>
<td>Colombia</td>
<td>TF097840</td>
<td>Institutional Strengthening and Capacity Building to Support the Rio Bogotá Environmental Improvement Program</td>
<td>200,000</td>
<td>P111479</td>
<td>The objective is to transform the Rio Bogotá from an environmental liability into an urban set for the metropolitan region by improving water quality, reducing flood risk, and creating a series of multi-functional parks along the river.</td>
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<tr>
<td>Colombia</td>
<td>TF097348</td>
<td>Strengthening National Environmental System and Enhancing Sustainability in Water Resources and Air Quality Management</td>
<td>750,000</td>
<td>P082520</td>
<td>The Sustainable Development TAL would strengthen the institution capacity of the newly merged Ministry of Environment with the Ministry of Development. It would also strengthen the ability of the new Ministry to mainstream environment in key economic sectors. This TAL is linked with the Sustainable Development SAL in the CAS for FY05.</td>
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<tr>
<td>Colombia</td>
<td>TF010017</td>
<td>Technical Assistance Implementation Support for the Integrated Public Transport Regulatory Framework in Cities Participating in the National Urban Transport Program</td>
<td>390,000</td>
<td>P117947</td>
<td>The PDO of the Integrated Mass Transit System Project are to (i) develop high quality and sustainable BRTS in selected medium and large cities to improve mobility along the most strategic mass transit corridors; (ii) improve accessibility for the poor through feeder services and fare integration; and (iii) build greater institutional capacity at the national level in order to formulate integrated urban transport policies, and at the local level in order to improve urban transport planning and traffic management. This Additional Financing focuses on scaling up and financial gap. There is no change in the parent project’s PDOs.</td>
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<tr>
<td>Costa Rica</td>
<td>TF099242</td>
<td>Innovative Funding Mechanisms and Governance Structures in Higher Education</td>
<td>120,000</td>
<td>P123146</td>
<td>The objective will be to improve quality and relevance of the Costa Rican university system.</td>
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<tr>
<td>Country</td>
<td>TF099486</td>
<td>Institutionalizing Innovations in Accountability</td>
<td>100,000</td>
<td>P125806</td>
<td>3rd Performance and Accountability of Social Sectors DPL</td>
<td>70</td>
<td>CLOSED</td>
<td>17-Nov-11</td>
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<tr>
<td>Dominican Republic</td>
<td>TF099486</td>
<td>Institutionalizing Innovations in Accountability</td>
<td>100,000</td>
<td>P125806</td>
<td>3rd Performance and Accountability of Social Sectors DPL</td>
<td>70</td>
<td>CLOSED</td>
<td>17-Nov-11</td>
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<tr>
<td>Haiti</td>
<td>TF099445</td>
<td>Support to the Development of a Sustainable Housing Policy and Housing Finance Framework</td>
<td>300,000</td>
<td>P125805</td>
<td>Port au Prince Neighborhood Housing Reconstruction</td>
<td>65</td>
<td>ACTIVE</td>
<td>4-May-11</td>
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<tr>
<td>Mexico</td>
<td>TF096060</td>
<td>Addressing Water Challenges - Tackling Water Scarcity</td>
<td>341,000</td>
<td>P091695</td>
<td>Modernization of the Water and Sanitation Sector Technical Assistance Project</td>
<td>25</td>
<td>CLOSED</td>
<td>4-Aug-05</td>
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<td></td>
<td>P080149</td>
<td>Decentralized Infrastructure Reform and Development</td>
<td>108</td>
<td>CLOSED</td>
<td>8-Jun-04</td>
<td></td>
</tr>
</tbody>
</table>

This is the last of the series of three Programmatic Development Policy Loans before national elections in 2012. This third DPL will continue to assist the Government in advancing reform and deliver better results for its investments through three main inter-related themes: i) coordinated action across social sectors to deliver integrated, targeted and appropriate education and health services to poor households; ii) deep reforms in social assistance, education and health, focusing on increased efficiency and equitable access of the poor to quality health and education services; and iii) increased performance and accountability of the social sectors involved, with the development of results frameworks, results-based budgeting mechanisms, and complementary measures on transparency and civil society oversight.

The objective of the proposed project is to help some residents in the most severely affected areas of Port-au-Prince by the Earthquake return to their communities in safe conditions. This will be achieved by supporting the residents to repair and/or rebuild their permanent homes and community infrastructure.

The project will assist the Government of Mexico to develop the tools and instruments to induce local authorities to improve financial sustainability and efficiency of water supply and sanitation service provision in their jurisdiction. This will imply a shift toward “performance based” allocation of public (federal and state) transfers and concessional lending (via the Development Banks).

Improve the provision and performance of the transport, water and sanitation, and housing sectors in Guanajuato State. Four PDO indicators will be used to assess progress: 1. Percent of state road network, managed by the Secretaria de Obras Publicas, that is in good or fair condition. Intermediate outcome indicator will be the share of road work program that has been derived using the HDM4 methodology for planning and maintenance decisions. 2. Increase use of water and sanitation services by consumers (measured by volume of water sold in municipal capitals). Intermediate PDO: % of municipal operators that show a 10% improvement in revenue/production ratios. 3. Housing institute, IVEG, implements low-income housing program using clear eligibility and subsidy criteria and charging a real interest rate. Intermediate PDO: % of loans issued by IVEG targeted to low-income consumers. 4. State fiduciary and environmental procedures and systems have improved. Intermediate PDO: % project implementation agencies that have in place systems and trained staff for procurement planning, financial management, implementation of environmental and social safeguards and consultation process.
<table>
<thead>
<tr>
<th>Country</th>
<th>TF Code</th>
<th>Project Title</th>
<th>Amount</th>
<th>ID</th>
<th>Project Title</th>
<th>Status</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>TF099439</td>
<td>Strengthening of the Financial system of the Water Sector (Sistema Financiero del Agua)</td>
<td>98,000</td>
<td>P091695</td>
<td>Modernization of the Water and Sanitation Sector Technical Assistance Project</td>
<td>CLOSED</td>
<td>4-Aug-05</td>
<td>The project will assist the Government of Mexico to develop the tools and instruments to induce local authorities to improve financial sustainability and efficiency of water supply and sanitation service provision in their jurisdiction. This will imply a shift toward &quot;performance based&quot; allocation of public (federal and state) transfers and concessional lending (via the Development Banks).</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>TF098868</td>
<td>Promoting Efficiency and Poverty-Focus of Public Water Utilities in Central America</td>
<td>95,000</td>
<td>P110092</td>
<td>Greater Managua Water and Sanitation (PRASMA)</td>
<td>ACTIVE</td>
<td>16-Dec-08</td>
<td>The Project’s Development Objective is to increase access to reliable water and sanitation services to the population of the greater Managua region. Reliable water is defined as piped potable water with adequate pressure and continuity of at least 16 hours per day, 7 days per week.</td>
</tr>
<tr>
<td>Paraguay</td>
<td>TF096259</td>
<td>Enhancing Public Sector Effectiveness</td>
<td>300,000</td>
<td>P117043</td>
<td>Public Sector Reform Development Policy Loan</td>
<td>CLOSED</td>
<td>13-Dec-11</td>
<td>This is the 2nd operation of the Paraguay Public Sector Development Policy Loan programmatic series. The overall development objective of the proposed programmatic series is to contribute to the effectiveness and efficiency of the public sector, while maintaining a stable macroeconomic policy framework.</td>
</tr>
<tr>
<td>Paraguay</td>
<td>TF096259</td>
<td>Public Sector Reform Development Policy Loan</td>
<td>100</td>
<td>P113457</td>
<td>Public Sector Reform</td>
<td>CLOSED</td>
<td>5-May-09</td>
<td>The overall development objective of the proposed Programmatic Development Policy Loan (PDPL) is to contribute to the effectiveness and efficiency of the public sector while maintaining a stable macroeconomic policy framework. This will be achieved by: (i) improving revenue collections and the equity of the tax system; (ii) improving the effectiveness of Central Administration internal and financial control; (iii) exerting effective SOE oversight to ensure sound and transparent financial management; (iv) improving the efficiency and equity of social capital expenditures; and (v) contributing to the professionalization of the civil service. These objectives are inter-related and address three main public sector outcomes: revenue stability, accountability, and public sector efficiency.</td>
</tr>
<tr>
<td>Country</td>
<td>TF</td>
<td>Description</td>
<td>Amount</td>
<td>IFS</td>
<td>Project Title</td>
<td>Status</td>
<td>Date</td>
<td>Summary</td>
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<tr>
<td>Peru</td>
<td>TF095953</td>
<td>Integration of Disaster Risk Spatial Information System</td>
<td>300,000</td>
<td>P120860</td>
<td>Catastrophe Development Policy Loan DDO</td>
<td>100</td>
<td>ACTIVE 9-Dec-10</td>
<td>The overall development objective of the proposed operation is to enhance the Government of Peru’s capacity to implement its disaster risk management program for adverse natural events. The DPL with a CAT DDO is a new financial product, which was approved by the Bank’s Board of Directors on March 5, 2008. The DPL with a CAT DDO can help address Peru’s immediate liquidity needs in the aftermath of a catastrophic disaster. It is a flexible and prompt financial tool to address risks to which the country is prone. It will enable the Government of Peru to focus on emergency response measures, rather than spend valuable time and resources for fundraising activities.</td>
</tr>
<tr>
<td>Peru</td>
<td>TF095895</td>
<td>Rapid Response: Effective Urban Traffic Management Program for Historic Districts in the Metropolitan Municipality of Lima</td>
<td>125,000</td>
<td>P035740</td>
<td>Lima Urban Transport Project</td>
<td>45</td>
<td>CLOSED 9-Dec-03</td>
<td>The main objective of the project is to assist the Municipality of Metropolitan Lima (MML) in enhancing the economic productivity and the quality of life within the Lima Metropolitan area through improving mobility and accessibility for the metropolitan population, especially in the peri-urban poor neighborhoods by establishing an efficient, reliable, cleaner and safer mass rapid transit system. The specific project development objectives are to: (i) implement the new mass rapid transit system on the basis of a Public Private Partnership (PPP) with concessional bus corridor/feeder routes operations and fare collection system; (ii) improve access within low income areas through facilitating the use of low cost transport alternatives, such as bicycles and walking; (iii) strengthen the local institutional capacity to regulate and manage the metropolitan transport system on a sustainable basis; and (iv) reduce the negative environmental impact of motorized transport in Lima.</td>
</tr>
<tr>
<td>Uruguay</td>
<td>TF099061</td>
<td>Capacity Building Activities for the Ministry of Economy and Finance on Public-Private Partnerships (PPPs)</td>
<td>100,000</td>
<td>P125803</td>
<td>Road Rehabilitation and Maintenance Program</td>
<td>66</td>
<td>ACTIVE 13-Nov-12</td>
<td>The project objective is to contribute to strengthening the Uruguay transport infrastructure management, with a view to foster multimodal approaches and logistics efficiency.</td>
</tr>
<tr>
<td>Regional</td>
<td>TF096250</td>
<td>Groundbreaking Path to Integrate Climate Change and Sustainable Transport Agendas</td>
<td>500,000</td>
<td>P114010</td>
<td>GEF Sustainable Transport and Air Quality Project (STAQ)</td>
<td>8.5</td>
<td>ACTIVE 28-Dec-09</td>
<td>The overall Project Development Objectives of the Brazil GEF Project, in support of the Regional STAQ Program, are: (1) to foster a long-term increase in the patronage of less energy intensive transport modes so as to promote a reduction in the growth of GHG emissions, and (2) to promote the implementation of policies and regulatory frameworks that foster the development of sustainable transport systems.</td>
</tr>
</tbody>
</table>

**Total** 4,084,000 3,902.5
## 4. Bank-Executed Knowledge and Learning Window

<table>
<thead>
<tr>
<th>Country</th>
<th>Grant ID</th>
<th>Grant Name</th>
<th>Grant Amount (US$)</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Project Amount (US$M)</th>
<th>Project Status</th>
<th>Board Date</th>
<th>Project Development Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>TF099062</td>
<td>Improving Governance of Sub-National Social Protection Programs</td>
<td>250,000</td>
<td>P115183</td>
<td>Argentina Basic Protection</td>
<td>450</td>
<td>ACTIVE</td>
<td>9-Jun-09</td>
<td>The objective is to increase the effectiveness of Argentina’s income transfer programs for the unemployed and families with children and to create the preconditions for expansion of the safety net.</td>
</tr>
<tr>
<td>Brazil</td>
<td>TF099465</td>
<td>Knowledge and Learning for Metropolitan Regions</td>
<td>95,000</td>
<td>P122391</td>
<td>Rio de Janeiro Metropolitan Urban and Housing Development</td>
<td>485</td>
<td>CLOSED</td>
<td>15-Mar-11</td>
<td>The objective of the project is to support the State of Rio de Janeiro for the implementation of its urban and housing development strategy. The project will provide support to the policy actions in the following areas: (i) Institutional framework for planning and growth management in the metropolitan region, (ii) Housing, urban upgrading and land management, (iii) Transport and urban growth, (iv) Urban environment and disaster risk management, and (v) Social development and crime and violence prevention.</td>
</tr>
<tr>
<td>Brazil</td>
<td>TF096763</td>
<td>Water in Northeast Brazil: Enhancing the Productive Use of Water</td>
<td>300,000</td>
<td>P112073</td>
<td>Brazil Federal Integrated Water - Interaguas</td>
<td>107</td>
<td>ACTIVE</td>
<td>12-Jul-11</td>
<td>The over-arching objective is to support the implementation of national water sector policies and plans to reconcile conservation with development with a focus on cross-sectoral integration, building capacity to implement respective institutional functions, and improve efficiency in public resource allocation.</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>N/A</td>
<td>Effective Inter-agency Coordination around Water-related Risk Management: A Strategic Knowledge and Learning Approach for the Caribbean</td>
<td>100,000</td>
<td>P109932 &amp; P126840</td>
<td>Emergency Recovery &amp; Disaster Management</td>
<td>100</td>
<td>ACTIVE</td>
<td>5/1/2008 &amp; 11/17/2011</td>
<td>The objective of the project is to support activities designed to rehabilitate infrastructure in water (irrigation and hydrology) and electricity sectors damaged by hurricanes Olaga and Noel in 2007 and to improve institutional capacity for disaster mitigation and risk reduction (includes additional financing).</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Mexico</th>
<th>TF099325 Policy Framework Development in Mainstreaming of Climate Change in Key Development Sectors</th>
<th>413,000</th>
<th>P087038 Environmental Services Project</th>
<th>45</th>
<th>CLOSED 29-Mar-06</th>
<th>The project development objective is to enhance the provision of environmental services of national and global significance and secure their long-term sustainability. This would be done by strengthening and expanding the national PSAH and CABSA programs and supporting the establishment of local payments for environmental services (PES) mechanisms in selected pilot areas.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,158,000</strong></td>
<td>1,187</td>
<td></td>
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</table>