

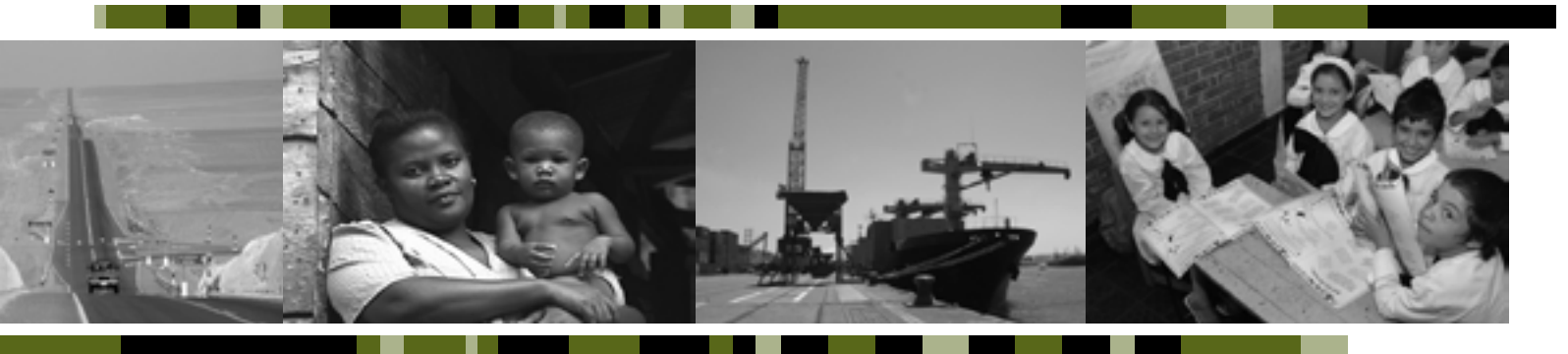


Attaining Progress in Growth and Development in Latin America and the Caribbean

JAPANESE TRUST FUNDS AT
THE INTER-AMERICAN DEVELOPMENT BANK

Attaining Progress in Growth and Development in Latin America and the Caribbean

*Japanese Trust Funds at
the Inter-American Development Bank*



Copies may be obtained from:

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ACRONYMS USED THROUGHOUT THIS REPORT

IDB	Inter-American Development Bank
JCF	Japanese Trust Fund for Consultancy Services
JPO	JSF Poverty Reduction Program
JSF	Japan Special Fund
LAC	Latin America and the Caribbean
NGO	Non-governmental organization

INTRODUCTION

Japan's trust funds at the Inter-American Development Bank (IDB) play a pivotal role in supporting social and economic progress in Latin America and the Caribbean. The Japan Special Fund, or JSF, is the largest active trust fund at the IDB and the single most significant source of flexible, untied, external funding for IDB technical cooperation activities. In addition, in 2003, the JSF celebrated its fifteenth year of successful contributions to innovative IDB technical cooperation and groundbreaking projects that improve the lives and prospects of the LAC region's 500 million inhabitants. The Japanese Trust Fund for Consultancy Services (JCF) facilitates the application of Japanese know-how and development experience to the challenges facing the developing countries of the Americas.

Since 1988, Japan has contributed 29 billion Japanese Yen, equivalent to about US\$240 million, roughly half of all trust fund contributions to the IDB from all donors over the 16-year period. As of December 2004, 295 projects had been approved, with a total value of about \$210 million. These projects directly support the Bank's fundamental goals of *environmentally sustainable economic growth* and *poverty reduction with enhanced social equity*. A portion of JSF resources are set aside exclusively for poverty reduction and social development activities that directly impact on the poorest and most vulnerable groups.

It is difficult to overstate the impact and significance of Japan's technical cooperation trust funds at the IDB. Technical cooperation is essential for building development capacity in the region, transferring technology, and preparing large-scale IDB loan projects. About half of the approved projects have contributed to the preparation of IDB loans, including pilot projects to test new development techniques before going to

scale. Other projects involve the preparation or application of new development tools, methodologies, policies, and reforms that aim to make crosscutting improvements over entire sectors.

The Japanese Funds are recognized and appreciated in the IDB for their relevance to the Bank's core activities. In particular, they are valued for their wide availability to assist many kinds and sizes of projects in all priority sectors, including large projects. They are available to all the recipient countries of the IDB and are among the most flexible trust fund resources in the Bank in terms of procurement conditions - the JSF is completely untied while the JCF is partially untied. Japanese Fund resources are applicable to all the priority areas of Bank activity, supporting social development, competitiveness, regional integration, modernization of the state, and the environment.

The ten case studies presented in this publication provide a sample of the diversity, innovation, and significance of the projects assisted by the Japanese Funds at the IDB. Among them are projects addressing pressing social issues such as violence and the prevention of HIV/AIDS, projects to improve health, education, child welfare, and the environment, and projects to strengthen the functioning of public institutions and promote economic growth for all. These cases convey but a taste of the profound efforts of the thousands of officials, stakeholders, and beneficiaries whose progress is assisted every day by the Japanese Funds.

Readers are invited to visit the Inter-American Development Bank's web site, www.iadb.org, and Japanese Trust Funds' website, www.iadb.org/jsfund/, for further information.



1 BASIC FACTS AND KEY FEATURES

1.1 THE INTER-AMERICAN DEVELOPMENT BANK

A longstanding Latin American aspiration, the IDB was established in 1959 with bold mandates and novel tools that made it the model for all other regional development banks. The IDB is today the main source of multilateral financing for economic, social and institutional development in Latin America and the Caribbean as well as for regional integration. It provides loans, grants, guarantees, policy advice and technical assistance to the public and private sectors in its Latin American and Caribbean borrowing member countries.

MANDATES

The IDB's two overarching goals, as set out in its Institutional Strategy, are poverty reduction and social equity, and environmentally sustainable economic growth. To attain these objectives the Bank works in four priority areas: social programs that expand opportunities for the poor; competitiveness, state modernization, and regional integration and free trade. The Bank has also adopted the United Nations' Millennium Development Goals, which are to eradicate extreme poverty and hunger; promote gender equality and the empowerment of women; reduce child mortality; improve maternal health; support the fight against HIV/AIDS, malaria and other diseases; ensure environmental sustainability; and build a global partnership for development.

MEMBER COUNTRIES

The IDB is owned by 47 member countries, of which 26 are borrowing countries in Latin America and the Caribbean. Initially a partnership between 19 Latin American countries and the United States, the Bank over several decades expanded its membership to the English-speaking Caribbean countries, Canada and Suriname in the Western Hemisphere, and to 16 European countries, Israel, Japan and the Republic of Korea which became the second member country from Asia.

1.2 THE JAPANESE FUNDS

Japan has two trust funds at the Inter-American Development Bank:

- *The Japan Special Fund* – The JSF, established in 1988, has grown into the largest trust fund at the Bank. It finances the full range of technical cooperation activities supporting the Bank's highest assistance priorities. JSF resources are completely untied with respect to procurement and are available to any borrowing member of the Bank. Japan's total contributions to the JSF since 1988 exceed 25 billion Japanese Yen (\$200 million), and have thus far resulted in the approval of 257 projects amounting to almost \$188 million.
- *The Japanese Trust Fund for Consultancy Services* – The JCF was created in 1995 with the aim of channeling technical know-how from Japan to Latin America and the Caribbean. At least half of the resources under each project are required to be utilized by Japanese experts or consulting firms in order to encourage the application and transfer of Japanese development experience and technology. Total contributions to the JCF since 1995 have reached about 3.5 billion Japanese Yen (\$30 million). Thirty-eight projects have been approved totaling just over \$22 million. As with the JSF, all borrowing members of the IDB are eligible.

In 2001, the Japanese Government set aside a portion of the JSF to establish the Poverty Reduction Program (JPO). The sum of \$30 million was allocated for the period 2001 through 2005. The JPO supports targeted poverty reduction and social development activities that have a direct impact on the poor and other vulnerable or disadvantaged groups. JPO projects also promote and incorporate the participation of local stakeholders, such as non-governmental organizations (NGOs) and communities. Eighteen projects totaling almost \$9 million had been approved by the end of 2004.¹ Within the JPO, there is a unique Community-Based Program (see box) that provides direct funding to small-scale, community-based projects.

1. Figures included in JSF totals above.

JPO COMMUNITY-BASED PROGRAM

The Community-Based Program provides small grants (up to \$150,000) for community-based activities that directly benefit poor and vulnerable groups. The projects are designed and implemented by non-governmental organizations (NGOs), other civil society organizations, and local governments. Examples of the kinds of activities supported include:

- Provision of social services such as health, nutrition, education, and assistance targeted to vulnerable groups (e.g., street orphans, low-income indigenous population, and children of poor HIV/AIDS-infected parents).
- Support for development of productive and income-generating activities, such as vocational training and micro-enterprise development.
- Capacity building for community-based organizations.

1.3 KEY FEATURES OF THE FUNDS

The key features of the Japanese Funds are their following inherent characteristics:

- *Availability* – The Japanese Funds can support very large technical cooperation projects, in some cases up to and even exceeding \$2 million. Furthermore, all borrowing members of the IDB are eligible for the Japanese Funds without restriction.
- *Applicability* – Guidelines for Japanese trust fund proposals are wholly consistent with the policy priorities and strategies of the IDB, thus placing them in the mainstream of IDB technical cooperation activities across all major sectors. Project proposals are considered case by case according to their merits.
- *Flexibility* – JSF resources are wholly untied, and JCF resources are only partially (50 percent) tied; that is, half of the goods and services for the project shall be from Japan.

1.3.1 AVAILABILITY

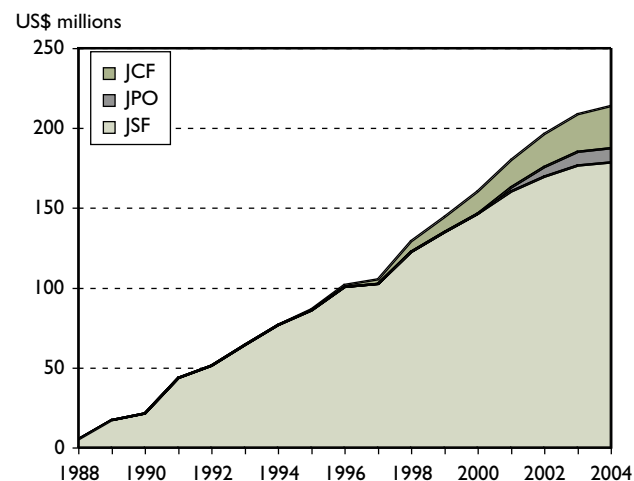
- Open to all recipient countries and regional projects
- Funding for both small and large projects

The Japanese Funds have experienced rapid growth since their inception. During the past 16 years, the JSF and JCF combined have financed 295 projects worth a total of some \$210 million (see Figure 1-1). The Japanese Funds are available to all borrowing members without restriction.

While there is no definite size limitation, in general projects can be accommodated up to about \$2 million. Like all IDB trust funds, the resources are provided on a “non-reimbursable” or grant basis. The beneficiary should contribute at least 20 percent of the cost, in cash or in kind. In the early years of the JSF, there tended to be fewer, larger projects. As demand increased, it became necessary to streamline the internal processing and approval procedures. In 1993, a simplified approval process was introduced for projects below \$750,000.

Japan is by far one of the biggest contributors to the IDB trust funds overall, accounting for about half of the total contributions by all members since the Japan Special Fund was established in 1988. As presented in Figure 1-2, in many years, the Japanese Funds account for the majority of total funding from all trust funds.

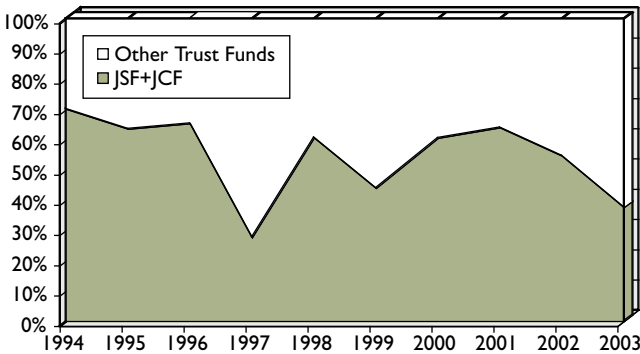
FIGURE 1-1
VOLUME OF JAPANESE TRUST FUND PROJECT APPROVALS
(1988–2004)



Source: IDB Data Warehouse

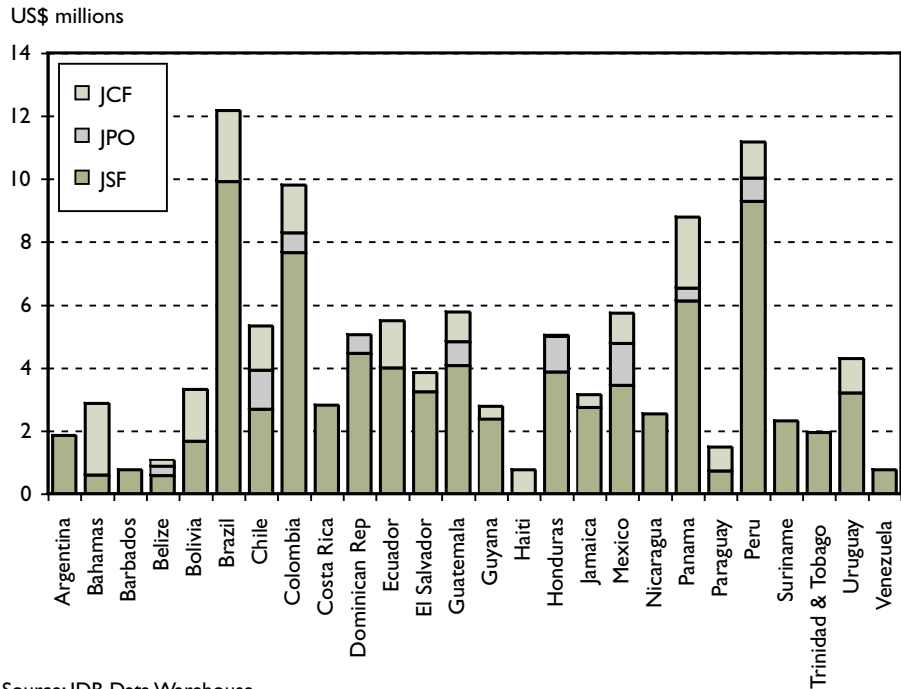
All of the borrowing member countries of the IDB are eligible for the Japanese Funds, and, considering their size and assistance needs, all have in fact benefited in relatively balanced measure. Figure I-3 shows the country distribution of Japanese trust fund resources for the past ten years. In addition, and as shown in Figure I-4, a significant portion has gone to regional projects that benefit numerous countries simultaneously. This is especially meaningful for groups of smaller countries, such

FIGURE I-2
IDB TECHNICAL COOPERATION PROJECT FINANCING
SHARES BY SOURCE (1994–2003)



Source: IDB Data Warehouse

FIGURE I-3
VOLUME OF JAPANESE TRUST FUND PROJECT APPROVALS
BY COUNTRY (1995–2004)



Source: IDB Data Warehouse

as in the Caribbean and Central America, where many regional projects have been carried out.

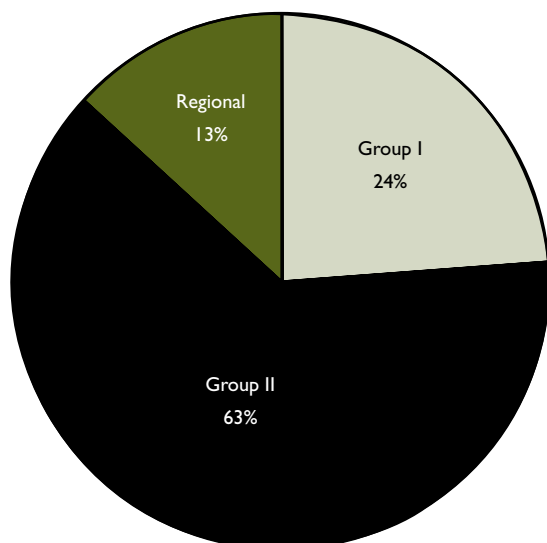
For the purpose of monitoring the distribution of lending, the IDB divides its borrowing member countries into two groups, Groups I and II, based on their gross national product (GNP) per capita. On the basis of their lower per capita income, the IDB aims to channel at least 35 percent of its loan volume to the poorer Group II countries.² Compared to these indicators, the Japanese Funds provide nearly twice as high a proportion of total resources to the poorer countries, as shown in Figure I-4.

1.3.2 APPLICABILITY

- Direct support for IDB strategic priorities
- Preparation of IDB loan projects
- Innovative projects on the frontiers of development practice

Guidelines for Japanese trust fund project proposals are wholly consistent with the policy priorities and strategies of the IDB, thus placing them in the mainstream of IDB technical cooperation activities across all major sectors. A wide diversity of projects can be supported in terms of sectors, activities, and types of operations. Innovative projects that break new ground and test new ideas are welcomed. Every project is considered on its merits, case by case. Many lead to large-scale IDB loan projects.

FIGURE I-4
VOLUME OF JAPANESE TRUST FUND PROJECT APPROVALS
BY COUNTRY GROUP (1988–2004)

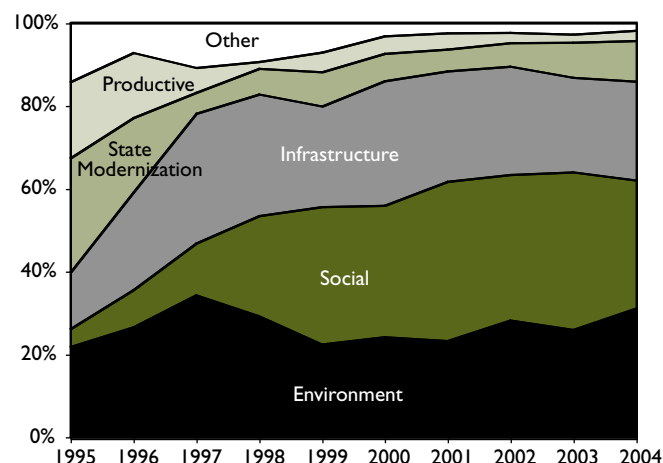


Source: IDB Data Warehouse

In the early years, the Japanese Funds placed priority on infrastructure and environmental projects, including feasibility studies, project preparation, and strengthening of key institutions concerned with IDB projects in recipient countries. The scope has gradually widened to reflect the full range of IDB sector activities, including a significant number of regional projects. About half of Japanese Fund projects support preparation of specific IDB loans. The other half are projects that involve the development or application of new tools, methodologies, policies, and reforms that aim at making improvements over entire sectors. Whether directly or indirectly, most of the projects have a significant impact on the IDB's lending activities.

As can be seen from the following figure (I-5), the Japanese Funds strongly follow and support the trend toward expanded assistance to the social sectors. As described in more detail in the next chapter, they also strongly support all the core areas of IDB assistance – social development, competitiveness, regional integration, and modernization of the state.

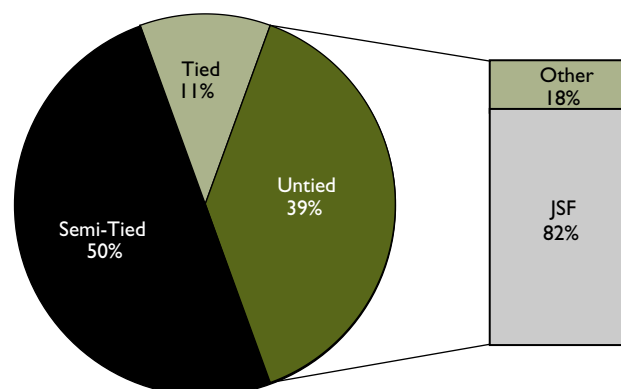
FIGURE I-5
TEN-YEAR TREND OF JAPANESE TRUST FUND SECTOR
ALLOCATION (1995–2004)



Note: The chart displays a 3-year moving average to smooth out annual fluctuations.

Source: IDB Data Warehouse

FIGURE I-6
TRUST FUND CONTRIBUTION BY TYING CONDITION



2. Group II countries are Belize, Bolivia, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru, and Suriname. Group I countries are Argentina, the Bahamas, Barbados, Brazil, Chile, Mexico, Trinidad & Tobago, Uruguay, and Venezuela.

I.3.3 FLEXIBILITY

- Open, untied procurement
- Quality and efficiency
- Transfer of Japanese technology and experience

JSF resources are wholly untied, and JCF resources are only partially (50 percent) tied; that is, half of the goods and services for the project shall be from Japan.

Untied resources are essential for carrying out the IDB's work. They provide the flexibility to obtain the most appropriate goods and services to carry out projects cost-effectively and in accordance with the highest applicable standards. Untied resources are limited, with the Japan Special Fund providing over 80 percent of all available untied trust fund financing (see Figure I-6). In recent years, untied contributions have been declining overall, making untied JSF resources even more valuable.

In cases where it is deemed suitable or advantageous to utilize Japanese expertise and technology, the Japanese Trust Fund for Consultancy Services (JCF) can be applied. The JCF represents about 20 percent of total semi-tied trust fund resources. Even though semi-tied, the JCF is still very flexible, considering that the tying ratio is only 50 percent and the balance can be utilized as if untied. This formula encourages the formation of joint ventures between Japanese and local institutions or companies, which further contributes to capacity building and technology transfer from Japan to the recipient countries.

In summary, flexibility is really the watchword for the Japanese Funds. Within reason and the bounds of the IDB's development priorities, they are flexible in every dimension – country, size, sector, activity, and even procurement condition.



2 ACHIEVEMENTS

2.1 CONTRIBUTIONS TO PROGRESS IN LATIN AMERICA

In 1999, the IDB's Board of Executive Directors approved the Bank's Institutional Strategy, which outlines priority areas for IDB activities and operations. The strategy defines *environmentally sustainable economic growth* and *poverty reduction with enhanced social equity* to be the fundamental goals of the IDB. Under these two goals, the strategy identifies four priority areas on which the Bank will focus its efforts:

- *Social development*, particularly poverty reduction through sustainable economic development, educational reforms, and initiatives that promote social inclusion.
- *Competitiveness*, particularly activities that improve countries' abilities to compete in the global economy as well as strengthen their financial sectors and capital markets.
- *Regional integration*, including integration at the sub-regional, regional, and hemispheric levels.
- *Modernization of the state*, including the processes of state reform and institutional strengthening at the national and sub-national levels.

In addition, *the environment* is considered to be crosscutting and is addressed within each area in order to ensure sustainability.

During the now 16-year history of the Japanese Funds at the IDB, a total of about \$210 million has been invested in 295 projects. The support provided by the Japanese Funds in each of the IDB priority areas is described below. It is worth noting that most projects do not fit easily into a single category. Typically, a project's various components address multiple areas or cut across areas, such as modernizing state institutions engaged in social development activities.

2.1.1 SOCIAL DEVELOPMENT

Social development has accounted for about one fourth of all Japanese Fund projects, more than one half if the environment is included. As shown previously in Figure 1-5, the trend is

strongly increasing and reached 60 percent in 2004, surpassing the allocation target set in the 8th Replenishment for social needs, equity, and poverty reduction. The projects cover the full range of traditional social program activities for improving health, nutrition, education, and the environment, including water supply and sanitation. They also cover "emerging" social sector activities such as social protection, early childhood care, youth development, slum upgrading, and the promotion of peaceful societies, among others. A majority of the case studies presented in the next chapter are social development projects or include major social development components.

Based on lessons learned from past IDB experience in the social sectors,³ among the keys to success are the implementation of appropriate sector reforms, breaking the cycle of intergenerational poverty by building human capital early in life, fighting exclusion and combating violence, and integrating interventions over geographically targeted areas. The case studies in the next chapter illustrate how the Japanese Funds are contributing in each of these areas.

SECTOR REFORMS

Reliable data and data analysis are essential for formulating appropriate sector policy reforms, designing and targeting interventions, and measuring progress. As illustrated in the case studies for Ecuador and Guatemala, the Japanese Funds are helping governments to improve their knowledge and understanding of the social conditions of the population and to keep track of their progress. Without such knowledge, it would be nearly impossible to make informed decisions regarding the design of social assistance interventions and the efficient allocation of public resources. Similar systems have also been developed with Japanese Fund support in Mexico and Honduras. In addition to these projects for strengthening the knowledge base, the Japanese Funds directly support social sector reform efforts throughout the LAC region, especially in the critical areas of health and education reform. In Belize, for example, the JPO assisted the preparation of the national poverty reduction strategy and action plan, which establishes the framework for assistance from international financial institutions.

3. Social Development Strategy Document, August 2003.

BUILDING HUMAN CAPITAL

Wawa Wasi, “children’s house” in the indigenous Quechua language, originated at the community level in Peru more than 30 years ago. With JSF and IDB support, it has grown into a nationwide program of early childhood intervention to break the cycle of poverty. Nearly 100,000 children are benefiting from the program. In rural southern Mexico, the indigenous population has gained the opportunity to try the best of the old and the new in a fascinating program to integrate elements of traditional and modern medicine in the *Development of a Model on Maternal and Child Health Care*.⁴

In the Bahamas, thanks to JCF support, a leading Japanese NGO worked with its Bahamian counterpart to develop an *Adolescent Reproductive Health Education Program* to combat the alarming spread of HIV/AIDS among teenagers. Japan’s 100 Schools Connectivity Project served as the inspiration for Uruguay’s *Pilot Project for the Educational Connectivity Program and Preparation of an Expansion Strategy*. This project did not stay a pilot for long; within short order it spread across the country, affecting the lives and learning of over 400,000 children.

There are many other examples of Japanese Fund support for building human capital that could not be included in the case studies, such as youth development in Jamaica, educational reform in Nicaragua, a regional program for girls’ education, and bridging the digital divide in Chile. At the other end of the life cycle, a regional program is supporting the social and economic integration of low-income older adults through the development of seniors’ community organizations.

FIGHTING EXCLUSION AND COMBATING VIOLENCE

Two encouraging programs for combating violence are presented for Chile and Colombia. The *Safer Chile Program* is helping the police and communities to join together to address the problem of neighborhood violence. In Colombia, the innovative *Support Program for Civic Coexistence* is breaking new ground in the early prevention of criminal behavior. The project is part of the dramatic improvement in security that is being achieved in Colombia. In Medellín, birthplace of an infamous drug cartel that stole the city’s good name, the homicide rate fell from 400 per 100,000 in 1992 to 60 per 100,000 in 2003. The JSF has also supported a number

of related and complementary efforts in Colombia, such as reform of the justice system and improvement of drug abuse treatment.

2.1.2 COMPETITIVENESS

Since their beginning, the Japanese Funds have played a key role in the preparation of IDB economic infrastructure projects. Reliable and efficient power, transportation, and communications systems are the backbone of the modern, competitive economy. With the advent of the Japanese Trust Fund for Consultancy Services in 1995, Japanese consultants are increasingly applying their technical and engineering know-how to improve infrastructure services in Latin America.

About one third of overall Japanese trust fund resources go to support infrastructure and productive activities. A few examples from a regional perspective are mentioned in the next section. A partial listing shows the Japanese Funds have prepared road and highway projects or otherwise assisted the transport sector in Argentina, Bolivia, Brazil, Chile, Ecuador, Guyana, Haiti, Jamaica, Peru, and Trinidad & Tobago; assisted the power sector in Brazil, Costa Rica, Ecuador, Guatemala, Guyana, and Panama; and assisted the communications sector in Guyana, Jamaica, and Suriname, among others. In other words, most of the countries of the region have already benefited or will eventually benefit from the assistance of the Japanese Funds to improve their economic infrastructure.

Productive activities include assistance for micro-enterprise in Belize, Costa Rica, Guatemala, Mexico, Panama, and Uruguay, as well as support for agriculture and agro-forestry, including non-traditional products, in Brazil, Guatemala, Nicaragua, Paraguay, and Peru. As just one example, with JSF assistance, Brazil now has an industry of cultivating exotic flowers on a sustainable basis for export around the world, including even to Japan.

2.1.3 REGIONAL INTEGRATION

Historically, a little over 13 percent of Japanese trust fund resources have gone directly to regional projects in various sectors. In addition, many national projects also contribute to regional integration, including such basic infrastructure projects as improvement of major transportation and communication systems. Among the regional projects that particularly stand out are the following:

4. Italicized project names indicate case studies presented in Chapter 3.

- *Mundo Maya* – Southern Mexico and Central America were once home to the “lost” Mayan civilization, whose 5 million descendants still inhabit much of the region and speak the ancient dialects. The JSF gave critical support to the creation of the Mundo Maya program, which is designed to showcase Mayan heritage and help preserve Mayan artistic and social traditions while expanding economic opportunities through tourism-related enterprise development.
- *South American Regional Infrastructure Integration Initiative (IIRSA)* – IIRSA is a program of regional infrastructure development which is implemented mostly through a series of national projects. The JSF is supporting preparation of a Peru Border Crossing Project to facilitate the flow of goods between Peru and its neighbors – Bolivia, Brazil, and Chile. A major focus of IIRSA is the development of highways to connect the middle of the continent, central Brazil, with the above-mentioned countries to the west and with their ports on the Pacific Ocean. Project preparation studies and a GIS (geographic information system) mapping system financed by the JSF are contributing to the “Northern Corridor” route passing through Bolivia, integrating that country internally as well as externally.
- *Trinational System for the Upper Lempa River Basin* – The Lempa is the largest river in Central America and plays a pivotal role in the region’s economies, supplying 70 percent of El Salvador’s electrical power, irrigating crops, and sometimes producing devastating floods due to erosion of the watershed. The JSF is assisting a Trinational Commission of Guatemala, Honduras, and El Salvador to protect the basin’s natural resources and implement soil conservation measures in the upper watershed areas.

In addition, there have been various regional projects for research and policy formulation, for example to address widespread public health issues and cross-border environmental problems. A 1998 JSF project prepared a feasibility study for a system to predict the El Niño phenomenon, whose periodic appearance and influence on weather patterns has widespread and dramatic implications for agriculture, coastal erosion, and the economy in general throughout much of the region. The results of a more recent JSF project to develop indicators for assessing disaster risk were presented at the World Conference on Disaster Reduction held in Kobe, Japan, in January of 2005.

2.1.4 MODERNIZATION OF THE STATE

The Japanese Funds have supported a total of 29 projects for modernization of the state, amounting to nearly \$20 million. However, this figure is hardly indicative of the true extent of support given to this area, considering that almost every technical cooperation activity in every sector has some element of strengthening and capacity building of public institutions.

The JSF is currently supporting establishment of a Caribbean Regional Technical Assistance Center, which aims to achieve sustainable improvements in macroeconomic management in the Caribbean through assistance to governments with budgeting, tax administration, financial management, and economic and social statistics. Over the years, a series of similar efforts has been undertaken to strengthen tax administration systems in Guatemala, Honduras, Peru, and others. Fair and efficient tax collection is a very basic and essential prerequisite for achieving other public objectives; without revenue, governments cannot sustain the investments the IDB is assisting them with for economic growth and poverty alleviation.

Other major projects for modernization of the state undertaken within the last few years have improved financial securities markets throughout the region, introduced and upgraded information and communications technologies for public institutions, strengthened civil society organizations, expanded citizens’ participation, and enhanced public safety and security. In Guatemala and Nicaragua, two post-conflict countries, the JSF is building the capacity of police and security forces to fight crime and maintain civil order. Another important, ongoing project is tackling corruption and promoting transparency in public institutions in Colombia.

2.1.5 THE ENVIRONMENT

The environment has been a priority for the Japanese Funds from their very beginning. Two powerful case studies are presented in the next chapter that deal directly with the core issues.

In the *Darien Sustainable Development Program*, the JSF jump-started one of the seminal IDB projects of the past decade, a project whose model is now being replicated and refined in other projects throughout the region. The essence of the project lies in its novel approach to community consultation and participation, a three-way dialogue that brings officials and

experts together with the community to identify and solve problems. Community participation is married to an integrated package of social, economic, and environmental policy reforms in tandem with infrastructure improvements. It is truly a case of the whole adding up to more than the sum of its parts.

Brazil's São Paulo is one of the world's top mega-cities, and the Tietê River is the city's lifeblood. The river basin is a complex network of lakes and tributaries. It is also, unfortunately, heavily contaminated. After years of efforts and significant progress by the IDB to address various dimensions of the problem, it became clear that in order to proceed further it was necessary to deepen the scientific understanding of the hydrology of the basin. The answer lay in the development of a *Mathematical Model for the Upper and Middle Tietê River Basin*. The mathematical simulation of the river basin will greatly

facilitate the development and implementation of coordinated policies, regulations, plans, and projects to control pollution of the river basin. This project, the first of its kind in the region, is assisted by Japanese experts applying experience gained from the hydrologic mathematical modeling of Lake Biwa in Western Japan.

The portfolio of the Japanese Funds is rich with environmental projects spanning a full range of activities and countries, from resource conservation to anti-pollution and waste management infrastructure, and from basic science to national legal reform. In line with the direction of the IDB as a whole, the Japanese Funds are supporting the integration of the environmental dimension as a crosscutting element of projects in all four priority areas described above.



3 CASE STUDIES

3.1 BAHAMAS – REPRODUCTIVE HEALTH

THE PROJECT

Adolescent Reproductive Health Education (JCF 1998: \$1,240,800)

The project was designed to help reduce the high incidence of unwanted pregnancies and sexually transmitted diseases among adolescents through a reproductive health information, education, and communication program, including a media campaign in New Providence and Grand Bahama. The secondary purpose was to strengthen the institutional capacity of the Bahamas Family Planning Association (BFPA) by providing on-the-job training and technical support to improve the institution's capacity to expand and sustain activities in this field. The Japanese Organization for International Cooperation in Family Planning (JOICFP), a leading Japanese NGO with long experience in the field of population and reproductive health was selected to assist the project (see profile later in this section).

ACHIEVEMENTS

The core activity was the implementation of the information, education, and communication (IEC) program. The IEC program supported school-based interventions to sensitize parents and train teachers, nurses, police officers, guidance counselors, and peer leaders in reproductive health care and related issues. The trained peer leaders had a paramount impact on reaching both unattached youths (school dropouts, runaways) and those in school.

The wide dissemination of information laid the foundation for the effective development of the program. The teaching syllabus was carefully designed to reflect Bahamian social and cultural nuances. Underlying the teaching was an openness to modifying the course material as needed in the light of lessons learned from participant feedback and experience in general. The result was the production of a well-tailored syllabus that is held in high regard by all parties associated with the program. The materials included manuals for teachers, booklets on reproductive health for adolescents, an audio tape in Creole (a language spoken by Haitian immigrants), activity booklets for primary school children, and teachers' guides. An important aspect of the educational material was

PARTNERSHIP OF PRIZE- WINNING NGOS FROM OPPOSITE SIDES OF THE WORLD

JOICFP – Winner, 2001 United Nations Population Award (following is an excerpt of the United Nations Population Fund press release 11 May 2001)

“The winner in the institutional category was the Japanese Organization for International Cooperation in Family Planning (JOICFP). JOICFP has made very significant contributions to population issues in the developing world and in Japan as well. JOICFP is the most experienced Japanese non-governmental organization internationally active in the field of population and reproductive health. JOICFP has projects in 26 countries in Asia, Latin America and Africa, and is especially committed to contributing to health and education.

JOICFP has contributed to population questions and their solutions in three major areas. They are: the community-operated integrated approach to family planning; the sharing of Japanese expertise through human resource development; and what JOICFP calls “Multi-dimensional Advocacy and Resource Development for the issues of population and reproductive health/reproductive rights”. Since the Cairo ICPD Programme of Action, and again at the ICPD +5 last year, the Japanese approach of integrating family planning to maternal and child health is gaining much attention.”

The BFPA won the International Planned Parenthood Federation's Rosa Cisneros Award in 1995 for articles published in a magazine that is distributed in primary and secondary schools and deals with the activities, achievements, and opinions of students. Issues include love, relationships, responsibility, and teen pregnancy. A weekly television talk show also addresses the issues facing youth, including education, music, community work, sexuality, pregnancy, and the relationship between teenagers and adults.

the incorporation of the so-called Family Life Curricula, a tailored approach to teaching reproductive health care to schoolchildren.

Comprehensive training was provided based on achieving the greatest impact in schools, institutions, and the wider community. A total of 2,272 individuals were trained or sensitized, which exceeded the original target of 1,150 due to the strong response and participation of community groups.

OUTCOMES

As a result of this project and the coordinated efforts of other groups tackling the same problem from other angles, the number of reported new HIV cases decreased by 55 percent from 1994 to the end of September 2000. The overall HIV incidence in the Bahamas decreased from 268 per 100,000 in 1994 to 121 per 100,000 at the end of September 2000.

The success of the project prompted the Ministry of Education to launch a nearly identical program for two other islands of the Bahamas, Eleuthera and Abaco. The College of the Bahamas incorporated the educational material developed under the project into their teacher training programs. The

Ministry of Health and Environmental Services provided nurses to the project for training activities and incorporated the project's methodology into its programs.

The education and awareness campaign has helped families and individuals in the Bahamas to understand what should be done to avoid the problem of unwanted pregnancies, as well as how they should deal with the threat of HIV/AIDS and other sexually transmitted diseases. The institutional strengthening provided by JOICFP positioned the BFPA to continue providing the services initiated under the project. The BFPA has developed a three-year strategic plan for the Family Life Curricula to become part of the standard school syllabus. In addition, the involvement of JOICFP has given Japan a visible role in assisting the Bahamas to tackle a major social problem confronting the country and the region.

3.2 BRAZIL – RIO TIETÊ MATHEMATICAL MODEL

THE PROJECT

Mathematical Model for the Upper and Middle Tietê River Basin (JCF 2002: \$750,000)

The JCF project provides for the development of a three-dimensional hydrodynamic mathematical model to realistically simulate water quality throughout the basin based on various scenarios; for example, construction of a new sewage treatment plant in a certain location or a new factory in another. Understanding the characteristics and behavior of the polluted waters will enable the accurate identification and design of remedial measures. It will also serve as a tool for communities and regulatory authorities concerned with the operation or construction of factories or other facilities that impact on the water environment.

A consortium of Japanese and other international experts carried out the assignment. They were able to draw upon considerable international experience in this specialized field, including mathematical models developed to simulate the water quality of Lake Biwa in western Japan, among others.

ACHIEVEMENTS

Before the JCF program was initiated, the various agencies and other stakeholders involved in managing the water resources, especially the authorities concerned with water supply, sanitation, drainage, and electrical power, operated autonomously and without any real coordination. Since all these groups will ultimately benefit from using the

"This project will serve as an important model for adolescent reproductive health care education in the English-speaking Caribbean."

— Harumi Kodama, JOICFP Program Manager



Photo by Willie Heinz

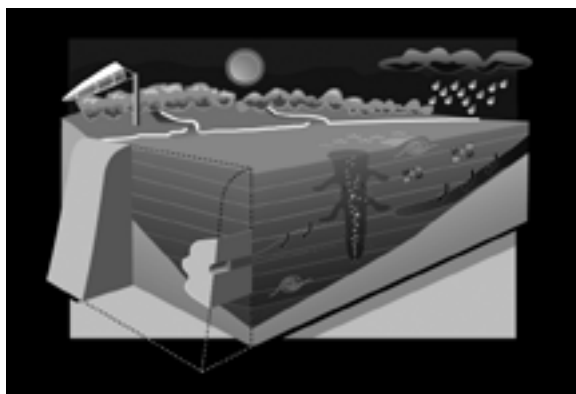
mathematical model, the consortium sought to involve them in the program from the beginning in order to gain their cooperation. The initiative prompted a newfound willingness among sector stakeholders to work in harmony for the common cause and to share information, both with the consortium and among each other.

The technical difficulties associated with designing a mathematical model to simulate the complexity of the river basin are considerable. Special priority was given to the analysis of the Billings and Barra Bonita Reservoirs. The former is a hydroelectric power source that is often unable to operate because of conflicting demands on its water resources. The model will make possible the design of a management scheme to better balance water use, permitting the power station to operate more reliably.

Capacity building was provided by the consultants to enable Brazilian technicians to learn how to use the model. Later,



Contaminated Tietê River in São Paulo



3D Model of Water Quality Management

specialized training was given customized to the interests of different user groups, principally those concerned with drinking water, sewerage, drainage, hydroelectricity, and navigation.

The calibration of the mathematical model of the Tietê basin is at an advanced stage and the work is expected to be completed in April 2005. The initial results of the project were presented to stakeholders at a workshop in August 2004.⁵ A presentation of the final results will be made at an international forum in São Paulo in mid-2005.

OUTCOMES

The three-dimensional hydrodynamic model enables the objective study of the impact on water quality of proposed scenarios for the development of the region. The impact of new projects and remedial measures can now be simulated before the investments take place. Proposed projects for water supply and sanitation infrastructure can be properly planned and evaluated, including those to be assisted by the IDB and other international financial institutions. Furthermore, industrial activities in the Tietê River basin can now be more effectively regulated and monitored.

The project has increased public awareness of the challenge São Paulo faces with respect to water pollution and the urgent need for additional remedial actions. The fact that the Brazilian stakeholders are now collaborating more closely as a direct result of their participation in the project is another noteworthy outcome. The technical capacity of the recipient institutions has been significantly raised by the training provided to Brazilian technicians in this highly specialized field, which is sustained by their continued learning through utilization and maintenance of the model. This is an innovative project, the first of its kind in Latin America and one that will surely be of interest to other countries of the region.

3.3 CHILE – THE SAFER CHILE PROGRAM

THE PROJECT

Support for the Preparation of a Vulnerable Neighborhood Intervention Program: The Safer Chile Program (JPO 2002: \$745,000)

5. The press release for the first event can be found on the CETESB (Companhia de Tecnologia de Saneamento Ambiental, state environmental sanitation company) web site, http://www.cetesb.sp.gov.br/Noticias/004/08/23_BID.asp. Also, illustrations of the model are presented at http://www.cetesb.sp.gov.br/Noticias/004/08/30_modelos.asp and other related press releases at http://www.cetesb.sp.gov.br/Noticias/003/10/27_projeto_bid.asp and http://www.cetesb.sp.gov.br/Noticias/004/05/24_tiete.asp.

The main objective of the project was to reduce violence, fear, and vulnerability affecting neighborhoods under the influence or control of drug traffickers. The project required the preparation of a series of studies to inform the design of the crime prevention program. These included studies to delineate the target neighborhoods and identify international best practices to be applied to such areas as community training, citizen security, and public communication. In addition, the department of the Ministry of Interior in charge of the coordination of the neighborhood intervention program would be strengthened.

ACHIEVEMENTS

The consultants analyzed the Ministry of the Interior's existing policies and strategies for preventing crime and identified problems that were hampering results. They also identified the needs for institutional strengthening of the national and regional divisions concerned, designed a citizen security strategy, and developed a media campaign. The studies and activities funded by the project enabled the ministry to deepen its approach to crime prevention and its understanding of the fear and insecurity confronting residents of affected areas. The Ministry of the Interior has increased coordination and collaboration with the Ministries of Justice, Education, Health, and Public Services, all of whom are now working closely together in what has become a national program.

The JPO project established the foundation for a wide variety of activities now being accomplished under the loan project. For example, the police are now gaining access to geographical reference data for tracking crime trends in different areas on a real-time basis, allowing for better force

deployment and consequent improvements in resource management and efficiency. There are already 40 police stations equipped with computers and software for this purpose.

The project places primary emphasis on crime prevention and reduction of juvenile delinquency. Therefore, most of the project components focus on community-based activities. The *barrio seguro* (safe neighborhood) program targets high-risk children living in dangerous areas who are potentially susceptible to recruitment by urban gangs. Some 1,200 children are already being helped under this initiative, with special programs that include individual counseling. To combat pervasive school violence in high-risk neighborhoods, the Ministry of Education is implementing a program to help delinquent youths to reintegrate into society, reduce crime through community surveillance in parks, playgrounds, and other open areas, and provide support to victims of violence.

Fostering closer cooperation between the police and the public is another important achievement of the project, facilitated by media and public relations campaigns. Permanent Crime Prevention Councils are being formed at the community level and play an advisory role to the Safer Chile Program. The project also provides training for community leaders, 70 so far, to help them mobilize and strengthen the community network for crime prevention and to address related social issues.

OUTCOMES

The program attained early success in stimulating cooperation between the police, communities, and civil society organizations concerned with the problems of crime and violence. The most important outcome is that residents of marginal areas are developing greater confidence in their own security.

The Chilean Government, through the Ministry of the Interior, has stressed its strong commitment to fighting criminal violence. The program is being treated as a national priority. Other ministries have come forward to support the initiative, including the Ministries of Defense, Finance, Justice, Education, Health, and Public Services. Of particular note is the signing of an accord in November 2004 among all the major political parties, unanimously backing the government in its quest to fight crime on a national basis.

The project laid the foundation for an IDB project loan of \$10 million, approved in April 2003, to implement and expand the policies and strategies introduced under the JPO project. The loan project is currently strengthening citizen security across some 76 municipalities throughout Chile.



Policemen talking with people

3.4 COLOMBIA – SUPPORT PROGRAM FOR CIVIC COEXISTENCE

THE PROJECT

Support Program for Civic Coexistence (JSF 1998: \$700,000)

The program was designed to address the problems of crime in the major Colombian cities. The project entailed the design of an IDB loan project and the provision of technical support in areas such as family and youth counseling, formation of anti-violence workshops, early prevention of criminal behavior, and targeting of juveniles who might be susceptible to influence by paramilitary or guerilla groups.

ACHIEVEMENTS

A study of urban violence prevention initiatives in Bogotá, Bucaramanga, Cali, Cartagena, Medellín, and Pereira was carried out in order to identify models and best practices for other cities to follow with the aim of reducing the risk of repeating past mistakes. A system for evaluating the impact of measures being contemplated for inclusion in the subsequent IDB loan project was also developed.



"The music school helps to prevent violence being a means to fill young people's time with productive pursuits, which will help them to develop as human beings."

— Jorge Lozano, Music School Director
Medellín

One of the important components of the project was the establishment of mediation centers as an alternative means for settling disputes outside of the court system. This was combined with training in mediation techniques. The mediation centers deal with matters ranging from domestic disputes to contractual non-compliance. Family counseling centers were also established for household domestic disputes and family violence.

The root causes of much of the social disruption may be found within the family, and there is now increasing recognition of the problems associated with aggression in families. Help for families facing such problems was introduced through the JSF project. The project supported services including family counseling to, for example, help parents deal with disruptive behavior of teenage children that, if not addressed, could have led to juvenile delinquency.

Another achievement is the formation of the acclaimed *Guías Ciudadanos*, literally, citizens' guides. This is a citizens' help service, which serves to complement the work of the police and is an example of community participation. Most of the members are young people who volunteer to take on the job of patrolling the streets of Medellín, looking out for the interests and safety of its citizens. They are fast becoming part of the urban landscape, recognizable by their distinctive blue uniforms and pleasant manners.

Another highly visible and successful program targeted at young people was the formation of 26 youth orchestras around the country, which involve the participation of some 3,200 aspiring young musicians. In addition, a number of community schemes for improving, beautifying, and maintaining public parks were initiated.

OUTCOMES

The JSF project paved the way for a \$57 million IDB project loan, Support for Peaceful Coexistence and Citizen Security, approved in 1998. The JSF project, and the subsequent loan project, have contributed to the significant reduction in violent crime achieved during the last decade. In Medellín, the homicide rate fell from 400 per 100,000 in 1992 to 60 per 100,000 in 2003. Bogotá's homicide rate came down from 80 per 100,000 in 1993 to 23 per 100,000 in 2003.⁶

The drastic improvement in Medellín over a period of only 12 years can be explained, in part, by the exceptional

6. National Reference Center on Violence, Santafé de Bogotá.

collaboration developed between the police and citizens of this city. This positive trend is attributed to the active encouragement and participation of civil society, a key aspect of this program.

The system of encouraging mediation of disputes relieves the courts of heavy case backlogs. The attraction of mediation, apart from the less formal ambiance and more amicable style, is the fact that dispute resolution is being delegated to the community level. As a process, it is faster and cheaper than the courts. The effectiveness of this scheme, which has much to do with the competence of the mediators, has inspired greater confidence in the community's ability to exercise control over its affairs.

The project has brought about a change in perception by the general public from impotence in the face of depressing crime statistics to the realization that, with the right measures and with community participation, law and order can be significantly improved. The project has also been successful in building civic pride and attracting the attention and engagement of young people. This burgeoning interest on the part of young people is immensely encouraging for Colombia's future.

3.5 ECUADOR – SOCIAL INDICATORS

THE PROJECT

Strengthening of Social Indicators (JSF 1999: \$1,000,000)

The JSF project was designed as a second phase to enhance the existing SIISE system (the Integrated System of Social Indicators for Ecuador) by introducing improved software and methodologies. The coverage of SIISE was to be comprehensively expanded, with detailed information on education, health, employment, and housing, among others. In addition, the capacity of the implementing institution to manage and sustain the system was to be strengthened.

ACHIEVEMENTS

Comprehensive training was delivered to staff responsible for the census work. Two hundred thirty professionals were trained in the use of the SIISE system in the first year of the two-year program, followed by another 152 professionals

“The (new) system has brought about a true ‘democratization’ of information in the social field. ...SIISE is regarded as a source of reliable information from a technical viewpoint by users.”

— External evaluator

during the second year. Eight hundred lower-level staff attended briefing presentations. Informational material concerning the SIISE software was distributed via publications and on CD-ROM during the course of the program. In the second year, updated publications became available over the Internet. SIISE training has also been incorporated into several of the leading Ecuadorian university postgraduate programs. A user manual developed for mid-level teachers will form the basis for a virtual learning program under the auspices of the Program Coordination Unit and the Ministry of Education.

OUTCOMES

The JSF project resulted in improved institutional capacity and the reinforcement of a highly effective tool, enabling the government to manage a wide range of statistical data, from income surveys to population censuses. Detailed data are made available to the public via SIISE's web site,⁷ including census figures and about 100 distinct social indicators compiled from a variety of sources broken down to the provincial and district levels. It is noteworthy that the external technical evaluation of the JSF project rated the operation as *excellent* based on the system, the quality of data, the architecture of the information technology, and the wide acceptance and general popularity of the SIISE model.



Photo by David Mangurian

7. <http://www.siise.gov.ec/>

The immediate value of the JSF project may be seen in the creation of district “poverty maps,” permitting the extent of poverty to be clearly recognized by area. This has proven to be effective in, for example, assessing the eligibility of poor families to receive cash payments under an IDB-assisted program known as the *Bono de Desarrollo Humano*. This program, supported by a \$200 million IDB loan, subsidizes the incomes of 1 million very poor families throughout Ecuador. The data generated by SIISE allow means testing of hundreds of thousands of families by proxy. Prior to the JSF project, the subsidy payments were not always targeting the right individuals through lack of accurate data, so not all deserving cases were benefiting from the program. The result has been a more equitable distribution of payments with less risk of fraud or inadvertent mistakes.

SIISE is now a significant part of the National Statistical System. Evidence of the impact of the system can be seen from wide acceptance and use. For example, it is the definitive source of social indicators used by the IDB, the World Bank, the International Monetary Fund, the United Nations Development Programme, the United Nations Children’s Fund (UNICEF), and other development agencies, all of whom rely on the JSF-financed system for preparation of their assistance strategies and social development projects for Ecuador. It is also utilized by Ecuadorian university students and faculty as well as international researchers and scholars advancing knowledge and understanding of Ecuadorian society.

The success of SIISE has elicited interest from across the border. The Peruvian government recently sent officials to Ecuador to investigate the possibility of replicating the system in Peru.

3.6 GUATEMALA – MEASUREMENT OF LIVING CONDITIONS

THE PROJECT

Program for the Improvement of Surveys and the Measurement of Living Conditions (JCF 2001: \$640,000)

The objective of the project was to introduce, in accordance with the MECOVI (the Program for the Improvement of Surveys and the Measurement of Living Condition) model, a comprehensive statistical reporting and information system for monitoring living standards, with particular emphasis on

lower-income families. The project therefore focused on (1) improving the system for managing data collected from households through interview surveys, and (2) strengthening the data management capacity of the National Institute of Statistics (NIS).

A Japanese consulting firm was employed to introduce the necessary information technology and develop the data management system, including the application of the data and associated research.

ACHIEVEMENTS

The project consultants had to overcome a number of initial obstacles. The NIS was facing severe limitations with respect to hardware systems and budget. In addition, it was found that the organization was not technologically integrated; each department was operating as an independent unit, following different standards and utilizing its own systems for capture and diffusion of data. The lack of an internal network, not to mention Internet access and external communications, posed additional barriers to mounting a new system. Finally, the institution itself was not well prepared to adapt to the new technologies and tasks required to implement the recommendations put forward by the MECOVI program.

Despite these challenges, consultants and staff successfully worked together to review the statistical production processes of each department based on the available technology and human resources and come up with an optimum strategy to integrate the separate processes under a common standard. A software-centric approach was adopted in order to circumvent the limitations of the existing hardware and achieve a sufficient degree of technological integration within the Institute to allow the new system to be implemented.

NIS staff were introduced to the new system through interactive training. The underlying purpose of the training was



Photo by David Mangurian

to ensure that technicians and users alike would be properly prepared to manage the system. The training combined working sessions with more formal training across a wide spectrum of relevant subjects. The consultants provided training to the staff responsible for data entry as well as the technical staff. The latter group attended seminars, whereas the former benefited more from on-the-job training, which was found to be cost-effective.

The NIS's information systems have been significantly improved, and the changes to their information processing methodologies resulted in distinct improvements in their ability to conduct future surveys.

OUTCOMES

Guatemala is now in a better position to accurately assess living conditions in relation to the design of new poverty reduction programs and the evaluation of existing ones. As a result of this project, the NIS not only has the necessary tools and training to manage the current statistical products, it also has the capability to introduce new products as the need arises. Also, the Institute is now better prepared to adapt to further upgrading and technical development as new and better information technologies become available in the future.

Ancillary benefits of the improvements brought about by the project include improved recording of births, deaths, and marriages. This is the result of the introduction of an intranet and the general streamlining of the NIS's regional office communications system.

Social programs can now be designed for the poor in Guatemala based on a greater understanding of their actual conditions. The IDB, the World Bank, and other international development agencies are now actively using the data generated under the MECOVI framework to improve their development assistance strategies and social development projects in Guatemala.

3.7 MEXICO – MODERN AND TRADITIONAL MEDICINE

THE PROJECT

Development of a Model on Maternal and Child Health Care (JSF 1998: \$554,300)

The main objective of the project was to develop a model for increased medical attention to women and children

through the joint participation of modern and traditional health practitioners. The strategy centered on bringing medical attention into the communities, including preventive medicine linked to various training programs.

The program concentrated principally on maternal and child health care and focused on sensitizing modern doctors to the specific needs of indigenous people, creating partnerships between modern and traditional medics, and empowering indigenous women to take control of their health. Through sensitization workshops, modern doctors would learn how to better communicate with their indigenous patients. The design of the program placed considerable importance on the role of traditional medicine in the communities, including integration of traditional practices with modern treatment methods in order to combine the strengths of both.

ACHIEVEMENTS

The lynchpin of the JSF project was training. Practitioners of traditional and institutional medicine, medical auxiliaries, and staff of government agencies concerned (state and federal levels of Social Security and Ministry of Health) participated in workshops to improve cooperation between the two groups of practitioners, traditional and modern.

Other workshops were dedicated to providing health instruction and empowerment to women and their families. The workshop was replicated for the benefit of 1,109 women. Another set of courses was designed to familiarize people with their basic rights as citizens. Instruction was



"I get immense satisfaction . . . in overcoming the resistance of many indigenous families to receiving medical attention."

— Doctor Juan Carlos Arroyo Ortigoza, a
Doctor From Cuetzlan

given in 15 distinct communities with 4,583 indigenous people participating in the program. One noteworthy aspect was the preparation of learning materials in the various native languages of the different indigenous communities. Knowledge of Spanish is limited in indigenous communities of Mexico, a significant barrier against their access to national development programs.

For the community to have access to medical services, health centers were either newly constructed or rehabilitated. To make people aware of the services, media campaigns about preventive health were launched in both Spanish and local languages. This included radio broadcasts, publication of bulletins, and information dissemination via community gatherings.

A management information system was developed to monitor the program, and the consultants evaluated the efficacy of this new approach to indigenous health care in order to recommend improvements. Additionally, following the results obtained from the media drive and the consultants' studies, a training program was developed for health care providers and administrators, including doctors, nurses, and midwives. Training was given to 90 health care providers in both modern and traditional medicine.

OUTCOMES

The program's success has been due in large part to confidence building with the communities. Many barriers that existed between medical doctors and traditional healers before the program have been broken down through closer cooperation. Both sides have learned from each other and now jointly consult over cases, such as problematic pregnancies that would have previously been attended only by a traditional midwife, at potentially great risk to the patient. Modern doctors, for their part, have learned the medicinal uses of local plants. In an interview with the IDB, a young medical doctor recognized the value of the more personal and attentive manner in which traditional practitioners treat their patients.

In addition to improvements in community health and nutrition, major progress has been observed within communities as a result of both the training and the establishment of health centers. The health centers have become focal points in the community, which has encouraged greater community participation and motivated people to seek the health services being provided.

The impact of the program has been significant. It has facilitated indigenous peoples' access to modern medicine



"The program has been beneficial for the community, and we have received training and (as a result) bettered ourselves."

— Micaela Perez Vasquez, Traditional Medicine Practitioner

and health care, leading to commensurate improvements in infant mortality rates and family health. On account of its popularity and success, the Mexican Government has expressed strong interest in replicating the program in other parts of the country.

3.8 PANAMA – DARIEN SUSTAINABLE DEVELOPMENT PROGRAM

THE PROJECT

Darien Sustainable Development Program (JSF 1998: \$750,000)

The Darien Gap is the narrow strip of land connecting North and South America, belonging partly to Panama (in North/Central America) and partly to Colombia (in South America). Darien Province is the poorest in Panama, but it also has one of the biologically richest and most diversified ecosystems in the world. The Darien National Park occupies nearly one third of the province and has been designated by the United Nations Educational, Scientific and Cultural Organization (UNESCO) as both a world heritage site and a "Man and Biosphere Reserve."

In 1997, the IDB was requested to finance a new project for sustainable development of Darien Gap. An international

expert advisory group was assembled to elaborate the overall concept and methodology of the project and monitor its implementation. The advisory group included participation of local NGOs and indigenous community leaders. The goal was to create a sustainable framework for the protection and management of natural resources, improve the quality of life of Darien communities, and strengthen public and civil society institutions and organizations. It was also decided that the highway would not be extended beyond the Tiura River, 54 miles north of the border with Colombia, in order to preserve the function of the Darien Gap as a natural buffer between the two continents.

The purpose of the JSF project was to complement the preparatory studies for key components of the IDB loan project, including the development of a strategic environmental plan, aero-photometry for preparing a cadastre (land registry), a transportation study for interconnecting the highway with other modes of transport, and associated technical and economic studies. Other studies concerned river navigability, design of river ports, water supply, rural roads, airport improvement, and alternative energy.

ACHIEVEMENTS

The output from the technical studies provided a strong basis for implementing the IDB loan project. The completed studies included, among others: the environmental impact study for paving the existing road from Bayano to Yaviza; preparation of a

multi-modal transport plan for interconnecting the improved road with other means of transport, such as small airports and water transport on which the local population depend in the absence of usable roads; and needs assessment and planning studies for drinking water and rural electrification. The complexity of the overall project, involving a series of interconnected parts, demanded careful planning. The project was implemented according to a sequencing matrix that established the conditions for proceeding with each step and synchronized execution of the major components.

The question of land ownership was a key issue, as few natives of the region had established legal title to their land. The aero-photometric surveying was therefore of critical importance for early implementation of land titling, which under the sequencing matrix was a prerequisite to proceeding with other components. By gaining legal title to their property, native people are no longer at risk of their land being arbitrarily confiscated or having to face disputes over ownership. The process of explaining to land occupiers their future rights as legal owners was an important aspect of the work. Individual meetings were held with families to build up the necessary confidence of the communities in the program and the importance of their participation.

The project made significant progress in the rationalization of land use, especially the conversion of fragile land from agricultural use to grassland and pasture. Also, there has been measurable progress in poverty reduction. Surveys show



“Darien is a laboratory of how to put it all together – sparse population, large territory, high bio-diversity, little infrastructure.”

— Manuel Perez, Executive Director of the Darien Sustainable Development Program



“As to the benefits of the land titling (cadastre), it is to establish where the rights of each landowner begin and end. ... The program is to ensure what exactly belongs to each person.”

— Paul Mong, Program Assistant

that standard of living indicators improved. For example, the percentage of homes with drinking water increased from 35 to 58 percent, and the percentage of homes with electricity doubled, from 18 to 37 percent.

OUTCOMES

The overall project has broken new ground for the IDB. The project links a series of multi-sector activities via an integrated model. The reconstruction of the road, although important, was not the focal point. Land entitlement, preservation of the ecology, and community empowerment were of equal importance for achieving the basic aims of the program, which were to improve living standards and protect the environment.

The experience in Darien has been recognized as a model of “best practice” in the IDB because of the intensive community consultations that were carried out during both project preparation and implementation.⁸ These processes led to the mobilization and empowerment of communities to participate in the project and take control of their own development. The program has stimulated the emergence of a new generation of community leaders, some of whom have entered the political mainstream, giving voice to indigenous peoples in front of the national audience, in some cases for the first time.

Thanks to its unique and demonstrably effective approach to sustainable development, the project has attracted national and international attention and has influenced the design of a growing number of other sustainable development programs. In northern Panama, for example, a similar program for the islands of Bocas Del Toro has been undertaken, also with JSF support. This is an area rich in flora and fauna that, like Darien, faces problems associated with disorderly growth, poor infrastructure, inadequate natural resource management, poor planning, and lack of community participation. The experience gained in the Darien, with JSF support, will help Bocas Del Toro and other sustainable development programs to more successfully involve and empower local communities in their own development processes.

3.9 PERU – CHILD DEVELOPMENT

THE PROJECT

Childcare Program for Children under Five Years Old – Wawa Wasi (JSF 1998: \$600,000)

Wawa Wasi, which means “children’s house” in the Quechua language of the indigenous Peruvians, began as a community-based day-care and feeding program over 30 years ago and began receiving government support in 1973. UNICEF and the IDB saw Wawa Wasi as a vehicle for improving early childhood development and provided some initial assistance in 1993 for formation of a network of home-based nurseries.

The JSF project was conceived as a pilot program in childhood care and development, aimed at children less than five years old, to test concepts for scaling up under a prospective IDB project loan. It was understood that the IDB would not approve the project loan unless the JSF project proved successful.

“Children who don’t go don’t know what day it is, always play alone. They can hardly mix with other people because they are almost like little savages or animals. It’s because they are afraid of people. But those who attend know how to read, identify trees, and distinguish colors. They call the animator ‘teacher’. They build up their confidence together.”

— Wawa Wasi parent

“In the Children’s House they are taught to behave and to interact with others. Here, those that have fear, learn to lose their fear. It is as if they were in their own homes, learning to play and talk without fear. That leaves us to concentrate on helping them acquire more knowledge.”

— Wawa Wasi animator

(From interviews published by the Exchange Network, a program of Healthlink Worldwide.)

8. The Project Team Leader and Social Development Specialist assigned to the project published a paper under the IDB Sustainable Development Department’s Best Practices Series, *Community Consultation: The Case of Darien, Panama*, which is available online at http://www.iadb.org/sds/IND/publication/publication_133_1835_e.htm.



Photo by Willie Heinz

ACHIEVEMENTS

The JSF project was undertaken in eight distinct locations in Peru following the model developed in 1993. The program encouraged participation by the local population in addition to organizations such as churches, health centers, municipalities, NGOs, and the private sector. In the course of the program, local communities took on increasing responsibilities, including management and supervision of the program.

A technical unit was established whose task would be to manage the subsequent IDB loan project. Office infrastructure was put in place to support the program, consisting of information and communications systems, training materials, and office setup, including staff.

About 3,000 boys and girls benefited from improved nutrition, mental and physical development, and an immunization program. Thirty working committees supervised the program activities. Periodic assessments of the children indicated developmental improvements, for example, psychomotor development as a result of improved diet. The quality of the service provided was determined to be superior to that of the earlier *Wawa Wasi* programs as a result of applying lessons learned from previous experience and by introducing a more sophisticated system for monitoring the program.

The earlier *Wawa Wasi* programs required payment from families, who were only partially subsidized from the program. Despite the subsidy, it was found that many deserving families still could not afford the cost and were excluded. Therefore, a decision was taken to stop requiring contributions from families in the interest of making the program accessible to all. This change generated a significant increase in participation.

Training was provided to 478 women and 375 “nursery mothers.” The training focused on childhood development through early stimulation and proper nutrition.

OUTCOMES

The IDB’s willingness to finance the expansion of the program on a larger scale was dependent upon the success of the JSF project. The project was evaluated positively in accordance with strict evaluation criteria, and an IDB loan was implemented to extend coverage of *Wawa Wasi* to 95,000 children.

The experience of this program has taught mothers the importance of proper childhood nutrition and improved feeding habits. The positive results in childhood development will accrue in more healthy children for the long-term benefit of the nation. *Wawa Wasi* has been declared as a priority program of the Peruvian Government.

3.10 URUGUAY – EDUCATIONAL CONNECTIVITY

THE PROJECT

Pilot Project for the Educational Connectivity Program and Preparation of an Expansion Strategy (JCF 2001: \$748,200)

The project was inspired from Japan’s successful 100-schools Networking Project, which connected participating elementary and junior high schools with computer networks in order to explore new possibilities in learning methods.

The JCF project constituted a pilot project for launching what would become a nationwide program for training teachers in the use of information technologies in teaching. The project included development of training content, teaching and learning materials, and actual training.

A Japanese consulting firm designed, developed, and executed the system for the pilot program. Uruguay supplied the (mostly existing) hardware and communications infrastructure.

“When the connectivity program started there were no schools that were connected to the Internet. Now we have almost 1,000. We have reached rural areas, every last remote corner of Uruguay!”

— Daniella Barindelli, coordinator of the Educational Connectivity Program

ACHIEVEMENTS

Initially, 120 teachers received instruction in how to use computers for accessing the Internet. This grew to 3,000 teachers by December 2004. What stands out is the speed at which this entirely new approach to teaching was introduced — within one year a large proportion of the country's schools were benefiting from this new and exciting method of teaching.

The rapid expansion of the program from no school connectivity in 2002 to over 1,300 schools connected and supported by qualified teachers has transformed the Uruguayan educational system. Under the government's policy of equal opportunity for all, the intention is to have every school in the country connected without exception.

An interesting aspect of the teacher training is that much of the knowledge needed has been acquired through hands-on experience. Instructors have encouraged teacher trainees to come forward with their own ideas on how the Internet might be effectively used for teaching their particular subjects. In general, open and free discussion between peers has taken place, helping to dispel any latent resistance to the use of modern technology in teaching. While there was some initial resistance to change among a small minority, it has long since given way to near universal acclaim. Teachers are now able to communicate electronically with their peers to exchange experiences and pool information related to teaching. This has proven especially beneficial to teachers working in isolated areas of the country that, until recently, were virtually cut off from the outside world.

OUTCOMES

This is the first program of its type in Latin America. It is indeed a triumph that there is universal recognition of the benefits within Uruguay by schools and the public in general. The program's popularity has sparked interest in other South American countries, which have shown strong interest in replicating the system in their own countries.

The program has even attracted the attention of the Microsoft Corporation, which arranged the donation of 2,500 recycled computers and a distance learning tool, called Almagesto, enabling the training of an additional 2,000 teachers. In addition, a web portal for teachers is being developed to facilitate sharing of information, such as course materials.

To date, some 400,000 students, representing about 55 percent of the national total, are now able to access the Internet from their school facilities. Most importantly, as a

"The prior association of the Internet with its Internet café connotation has given way to a realization that its applications go far beyond chatting with friends over the Internet. Learning can, also, be more fun. As a result of children becoming proficient in using the Internet, parents are showing interest too, sometimes asking their sons or daughters to search for information of particular interest to them."

— Sra. Alicia, head teacher of Las Violetas school



"Thanks to the Connectivity Program, Uruguayan school classrooms are now open to the world."

— Javier Bonilla, Former National Director of Education, Uruguay

result of the JCF project, their computer-related learning is guided by appropriately trained teachers and aided by well-prepared, relevant course content. It is reported that student absenteeism has fallen as a direct result of the introduction of electronic learning and that students now study for longer periods than before the advent of connectivity.

Young Uruguayans are now being better equipped to enter modern society with its demands for computer literacy. The Japanese trust fund combined with the transfer of knowledge and experience from Japanese experts has sown the seeds of a nationally and internationally acclaimed educational program with lasting benefits for the younger generation.



4 CONCLUSION

The Japanese Funds play a crucial role in supporting project preparation and technical cooperation at the IDB. During the past 16 years, Japanese trust funds have financed a combined total (JSF and JCF) of 295 projects amounting to \$210 million.

This report has shown, through specific examples and case studies, some of the many ways that the Japanese Funds are contributing to the achievement of key development objectives in all four of the IDB's priority action areas — social development, competitiveness, regional integration, and modernization of the state.

The Japanese Funds are in great demand within the IDB, where they are widely recognized and appreciated for their inherent characteristics:

- *Availability* – The Japanese Funds can support very large technical cooperation projects, in some cases up to and even exceeding \$2 million. Furthermore, all borrowing members of the IDB are eligible for the Japanese Funds without restriction.
- *Applicability* – Guidelines for Japanese trust fund proposals are wholly consistent with the policy priorities and strategies of the IDB, thus placing them in the mainstream of IDB technical cooperation activities across all major sectors. Project proposals are considered case by case according to their merits.
- *Flexibility* – JSF resources are wholly untied, and JCF resources are only partially (50 percent) tied; that is, half of the goods and services for the project shall be from Japan.

