

IDB AMERICA

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Claudio Higuera, general manager of Colombia's Emprender



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Lessons from space. Students at a rural school in Mexico gather near a satellite dish that receives daily broadcasts of lessons covering the entire middle school curriculum. The Telesecundaria system, which reaches 800,000 students, is a prime example of how communications technologies are being used to compensate for limited educational resources. See article, page 2.

IDB photo by David Mangurian



EDITORS' NOTEBOOK

An educator who loves TV

TITO MANUEL CALLEROS' children could attend a regular middle school a few blocks away from their home in Cuernavaca, Mexico. But instead, he drives them an hour each day to the town of Coajomulco where the local school offers television-assisted instruction designed for low-income rural children.

He says the rural school is better.

Calleros should know, since he is the director of the Coajomulco school and a big advocate of the distance learning concept that has revolutionized middle school education throughout rural Mexico.

“All of my children have studied in Coajomulco, and all are professionals,” Calleros told IDBAmérica's David Mangurian, “Two have completed their master's degrees. This is the best answer I can give.” Mexico's Telesecundaria

system (see page 4) has enabled hundreds of thousands of rural children to complete their seventh, eighth and ninth grade studies, giving them a solid start in life.

Furthermore, some hard evidence supports Calleros' claim that television-assisted learning may actually be better than traditional classroom learning. The Stanford University (California) Institute for Communication Research study found that telesecundaria students possessed analytical skills superior to their urban peers.

Further comparative data will be coming in from nationwide tests that will be administered next year as part of an \$8 million IDB-financed pro-



Calleros wants the best for his children.

gram to improve the Telesecundaria system.

“Television is a very strong medium,” said Calleros. “The most eloquent teacher can never compete with the television's image.”

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A dangerous calling

By OLIVER CLARKE

"This is not a concession, but rather an appropriate recognition of merit and experience."

Costa Rican president Miguel Ángel Rodríguez, quoted in the April 14 edition of *La Nación*, on why 10 of the 35 cabinet members and government agency chief executives he named that week are women.

"[We are] determined to pursue cyber-criminals at home and abroad."

U.S. Attorney General Janet Reno, quoted in a May 20 *Página/12* article on the sentencing of 24-year-old Argentine computer hacker Julio César Arditá. Arditá fled to the U.S. and pled guilty to illegally penetrating U.S. government computer systems in 1995.

"Guarachi is more important in his sport than Etcheverry is [in soccer]."

Bolivian Vice President Jorge Quiroga, reacting to news that Bernardo Guarachi had become the first Bolivian (and probably the first Native American) to reach the summit of Mt. Everest, in the May 27 edition of *Hoy*. The feat was financed by a fundraising drive spearheaded in part by the IDB's Bolivia country office.

"Where justice is unprofessional, crime flourishes, corruption grows and economies suffer."

U.S. Secretary of State Madeleine Albright, speaking at a plenary of the Organization of American States held on June 2 in Caracas, Venezuela.

"We are proposing ... the abolition of bank secrecy worldwide for every investigation on organized crime."

Pino Arlacchi, executive director of the United Nations International Drug Control Program, in a June 5 *Wall Street Journal* article on U.N. efforts to combat money laundering.

Editor's note: The issues of democracy and a free and unfettered press ranked high on the agenda of the recent Santiago summit (see page 7). Below, the president of the Inter American Press Association (IAPA) describes what his group is doing to help ensure that journalists can carry out their jobs safely and free of intimidation. The views he expresses are his own.

A BASIC COMPONENT of a free society is the free expression of different perspectives on important issues by newspapers, magazines and broadcast programs. Thanks to the end of authoritarian rule and the spread of democracy, Latin America and the Caribbean have in recent years enjoyed a growth of such diversification.

Surveys also consistently show that the news media, along with the church, are among the region's most respected institutions.

But such a prominent role has been critically threatened by the alarming number of murders of journalists. Records compiled by IAPA show that between October 1994 and June 1998 a total of 51 journalists were murdered in the region.

The IAPA statistics also show a high and equally alarming number of kidnappings—66 cases in the last nine years. The problem is most serious in Colombia, Mexico and Peru. Furthermore, 1,586 journalists were assaulted during the same period.

Although the constitutions of virtually all the countries of the region explicitly guarantee freedom of the press, legal protections in many countries remain weak. All too frequently, law enforcement officials and politically influenced courts fail to investigate or properly prosecute

crimes against journalists.

Based on those statistics, the IAPA in 1995 launched a project to investigate "crimes committed with impunity" in a bid to stop criminals from literally getting away with murder. The investigation focused on Colombia, Guatemala and Mexico. The second stage of the project was a hemispheric conference held in Guatemala in 1997 that produced an action plan. The IAPA plan was then adopted by the

UNESCO director general called for the commission to create a special rapporteur on press freedom. Last April, the OAS agreed to name such a rapporteur. Working within the Inter-American Commission on Human Rights, the rapporteur will report on press issues and promote full observance of laws protecting freedom of expression.

Also, the OAS General Assembly at its meeting in Caracas last June "strongly repudiated" attacks against and the murder of journalists and called on member countries to punish such criminal acts.

The IAPA project was developed within the framework of 10 principles contained in the Declaration of Chapultepec, a document drafted in a conference that gathered together influential personalities from throughout the hemisphere in Mexico City in 1994.

The declaration maintains that freedom of expression is an inalienable human right, not something granted by authorities. Since then, all but a handful of the region's heads of state have signed or endorsed it, along with professional and civic groups.

In an effort to promote the Declaration of Chapultepec, the IAPA will coordinate a Conference on Freedom of Expression in Costa Rica in August to reaffirm and ratify the 10 principles and take the first step in incorporating the spirit of the declaration into the legal framework of an American convention on press freedom. The conference will also discuss a five-year program of legal protections to be carried out in all countries of the region.

We hope that these important developments, combined with IAPA's current agenda as watchdog organization of free press issues, will add dignity and safety to the respect already enjoyed by the hemisphere's journalists.



WILLIE HEINZ-IGB

■ A drive is on to protect journalists from violence and intimidation ■

United Nations Educational, Scientific and Cultural Organization (UNESCO), which called on member governments to ensure that crimes against journalists are punished.

Subsequently, cases investigated by the IAPA in Colombia, Mexico and Guatemala were accepted by the Organization of American States' Inter-American Commission on Human Rights, and both the OAS and the



Can technology save the schools?

The answer depends on teachers, budgets and careful choices

By PAUL CONSTANCE

“IT ISN’T EASIER, BUT IT IS MORE FUN.” That’s how Marcos Tedeco, a 14-year-old student at a public school in Buenos Aires, describes using a computer to learn mathematics.

Such a reaction is music to the ears of any teacher who has spent years trying to awaken students to the fun inherent in math or any other academic subject. And it helps to explain why information and communication technologies are generating so much excitement among people who wish to make education more equitable and dynamic.

Although computers are still a rare luxury in most Latin American schools, the reasons for enthusiasm over their potential are easy

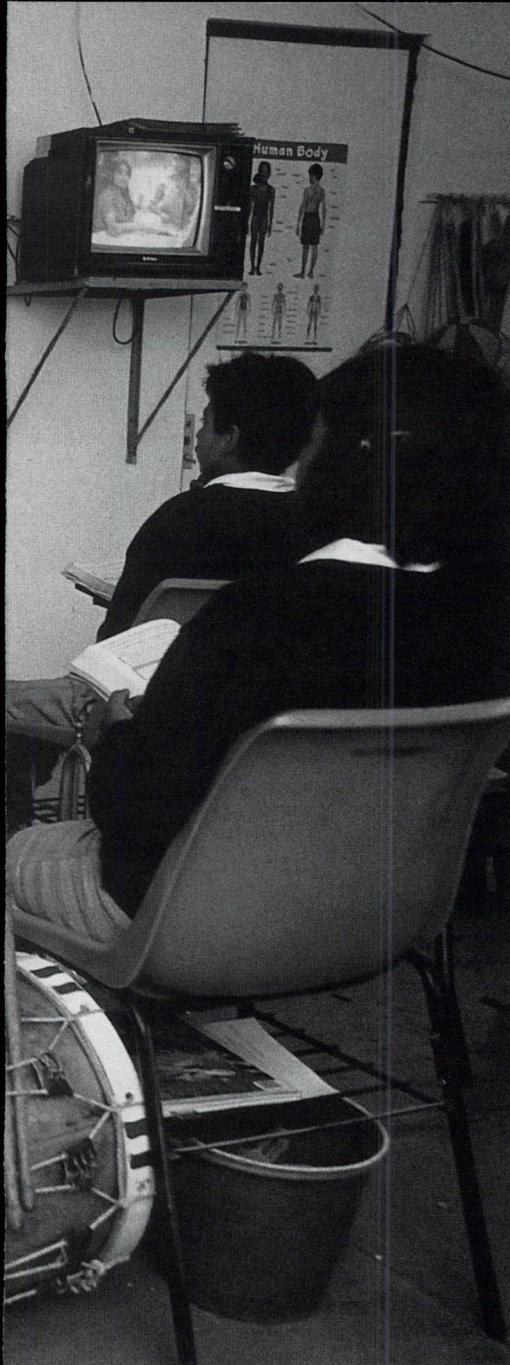
to see. Learning occurs through interaction with words, images and sounds. Access to the teachers, books and other media that convey such “content” has always been limited by cost and distance. But today, the proliferation of inexpensive computers and the Internet promises to allow students in even the most remote places to tap an immense reservoir of information.

“Just think of it,” says John Gage, chief scientist for Sun Microsystems and one of the technical architects of the Internet. “A student in rural northern Chile can read *El Mercurio*, *The New York Times*, *Le Monde*, and *Frankfurter Allgemeine Zeitung*. There are 1,000 newspapers on the Internet.”

Gage, who spoke to IDBAmérica in April at a technology exhibition in Santiago, Chile,

sponsored by the IDB’s Informatics 2000 Initiative, is a persuasive evangelist for the Internet. As a U.S. government employee in the 1960s, he helped conceive and design the military data network that eventually evolved into the Internet. His premise, then and now, was that enabling people to instantly exchange information over vast distances will unleash a revolution in learning, productivity and development. Today, Gage spends much of his time promoting what he calls “a very simple idea—all the best ideas are simple. Every schoolchild should have access to the Internet and an e-mail address.”

More often than not, Gage is preaching to the converted. Employers increasingly see “computer literacy”—the basic ability to use a word processor, a spreadsheet or a data-



SHOWTIME. Seventh graders at the **Escuela Telesecundaria López Portillo in Mexico's Morelos state prepare to take notes on a grammar lesson broadcast directly to their school via satellite. They are among 800,000 Mexican junior highschoolers in isolated rural regions who depend on such broadcasts.**

Good for everyone? The promise of technology has always seemed particularly bright when set against the clouded backdrop of education in Latin America. Although there are many good schools in the region's larger cities, virtually every Latin American country is still struggling to overcome severe shortcomings in the coverage of elementary education, teacher training and pay, and the availability of educational materials and facilities. Even in countries whose governments are promoting educational reform, progress is slowed by a thicket of ideological, bureaucratic and labor-related obstacles.

Some reformers believe technology can be used to leapfrog these barriers. Since it might take decades to overhaul education bureaucracies and bring the benefits of reform down to the school level, why not empower motivated teachers and students by supplying them with educational technology today?

In fact, Latin American educators have been exploring that possibility for years. Long before computers and the Internet, several Latin countries developed pioneering radio and television-based systems for "distance learning" in classrooms, homes and the workplace. Used for everything from basic literacy courses to advanced technical instruction, these programs have generally been very successful, reaching millions of people who would otherwise not have access to education. More recently, schools that can afford both televisions and video tape players have been capitalizing on the ever-increasing selection of instructional material available in this format. A school that can't afford a full-fledged lab for its biology class, for instance, can compensate with a video documentary showing open-heart surgery.

Compared to TV and radio, the educational potential of computers and the Internet is still only partly understood and widely debated. Skeptics say there is little evidence that computers can improve learning. But most educators believe these technologies, when managed by highly qualified and creative teachers, can help develop the "higher-order cognitive skills" of students who already have a firm grounding in the basics. Many students will find it easier to grasp an abstract concept in geometry, for example, when they use three-dimensional graphics software to manipulate shapes on a computer screen. In the world's richest countries, some schools are using interactive

multimedia software to turn the learning process on its head. Instead of passively receiving information, students are encouraged by their teachers to "construct" knowledge, using multimedia tools to express their innate capacity to explore and experiment.

The cost question. Given the past success of "distance learning" technologies and the potential benefits of computers, Latin American educators are faced with tough choices about how best to use their limited budgets. The question of cost is fundamental. Although the prices of computers and network connections continue to decline, they are still substantial. In countries where teachers' salaries remain among the lowest in the public sector, any proposal to set aside money for new equipment is bound to be contested.

So while governments in the industrialized world can afford to ponder which technologies provide the best complement to school systems that are already well funded, their counterparts in Latin America must still determine whether any technology will generate sufficient benefits to justify the financial sacrifice.

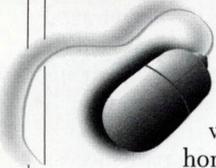
According to Claudio de Moura Castro, the IDB's chief education advisor, the cost of different kinds of educational technology has clear implications for their long-term success. As an example, he cites Telecurso 2000, a popular Brazilian distance education program that offers a basic high school equivalency curriculum for young adults. The program features more than 200 hours of video lessons in math, science, history and other core subjects, plus a series of illustrated workbooks that can be purchased for a nominal fee at newsstands. Each 15-minute lesson is broadcast several times a week over four television networks at times that are convenient for working people, and the whole series is available on videocassettes. As of late 1997, more than 1.4 million Bra-
(next page please)

base—as an essential skill. Convinced that technology is the key to preparing youngsters for meaningful participation in an information-driven global economy, governments from Canada to Costa Rica are carrying out programs to wire schools and supply computers to as many students as possible. And to an extent rarely seen in the past, this drive is being promoted and sometimes financed by the private sector. Evidence of corporate enthusiasm was ubiquitous at the exhibition in Santiago, which was organized to coincide with the presidential Summit of the Americas where education emerged as a major issue, (see article on page 6). Microsoft Corp., Sun Microsystems and IBM were but a few of the world-class media, computer, software and networking companies that showcased educational products and services at the hemispheric event.

"Every schoolchild should have access to the Internet and an E-mail address."

John Gage
Sun Microsystems

FOR FURTHER READING...



Internet links to numerous education resources in Latin America can be found at www.americas-edu.org, a home page sponsored by the IDB's Informatics 2000 Initiative and several other private and multilateral entities. The site includes a country-by-country list of primary and secondary schools that have a website, along with numerous other links to government and academic resources.

Information in Portuguese on Brazil's Telecurso 2000 broadcasts (including a full set of student workbooks) can be found at <http://www.frm.org.br/tc2000/tc2000.htm>. The Escola do Futuro website at the University of São Paulo (www.futuro.usp.br) includes links to an impressive "Virtual Library for Brazilian Students," the Brazilian Distance Learning Association, and contact information for researchers and schools that are experimenting with technology.

A daily programming guide for Mexico's Telescundaria broadcasts is available at <http://edusat.ilce.edu.mx/>, along with a subject index of coming programs.

The Chilean Ministry of Education's Enlaces program has installed computers and Internet connections in close to 500 primary and secondary schools and provided them with on-line learning resources. The program's website (www.enlaces.ufro.cl) includes a link to the Educational Informatics Institute at the Universidad de la Frontera.

Among the wealth of U.S.-based Internet resources on this subject, two stand out: EdWeb (<http://edweb.gsn.org/>), a "hyperbook" that explores the worlds of education reform and information technology, and the exhaustive Educational Resources Information Center (www.askeric.org).

A lively discussion of the issues referred to in this article can be found in "Education in the Information Age: What Works and What Doesn't," a collection of essays by some of the world's leading specialists. Edited by Claudio de Moura Castro and published early this year, the book can be ordered through the IDB Bookstore, 1300 New York Avenue, N.W., Washington, D.C. 20577, or by telephone: (202) 623-1753, fax: (202) 623-1709, or e-mail: idb-books@iadb.org.



(from previous page)

zilians were tuning in to the courses in the city of São Paulo alone.

"The entire Telecurso curriculum cost around \$50 million to produce," says Castro. "That seems like a lot. But during its useful life, the series could well be used by 5 million students. That works out to an average cost of \$10 per student."

By comparison, an instructional software program that requires each student to spend time at a personal computer can imply very high fixed costs. "A computer still costs around \$3,000 when you include peripherals and software," says Castro. "Assuming a useful life of five years and another \$300 per year in maintenance costs, each computer costs \$900 per year. Even if you can get 10 students to share each computer, you're still talking about \$90 per student. In a typical Latin American country that spends \$300 per

■ Everyone agrees that technology is the answer. What was the question? ■

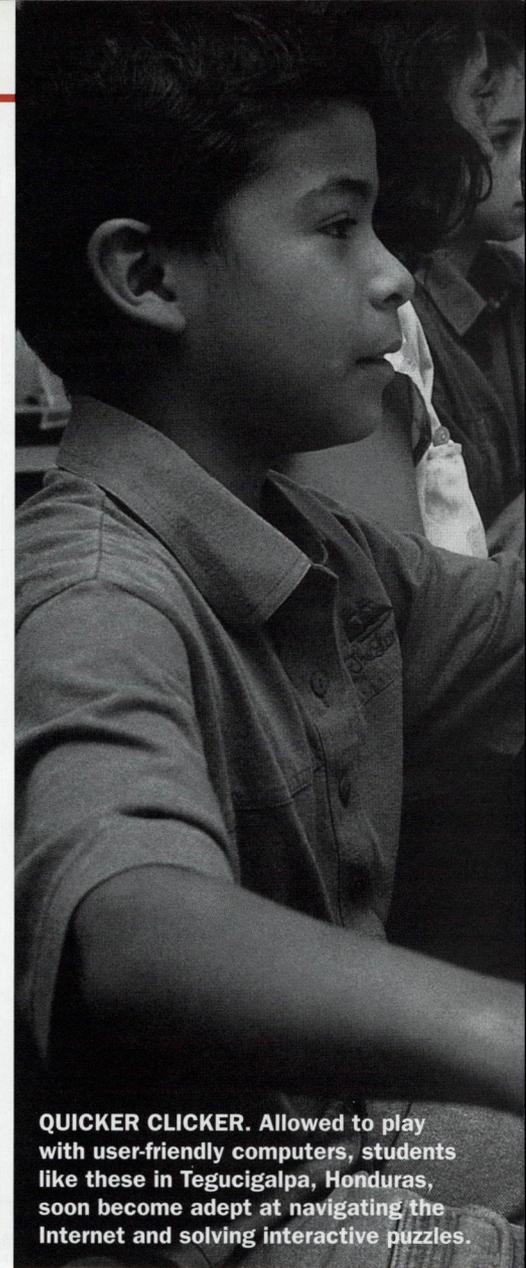
student on basic education each year, computers would require a 30 percent increase in the budget."

The political impossibility of obtaining such increases tempers the enthusiasm of educators who would otherwise champion John Gage's goal. "It is an illusion to try to reach all the schools or students in the short term," Frederick Litto, founder and scientific coordinator of Brazil's Escola do Futuro, wrote recently. The Escola, which is based at the University of São Paulo and partly funded by the IDB, conducts interdisciplinary research on the application of new communication technologies to education.

Cautionary tales. Even if they could afford to, Latin American education leaders might not want to embark on a massive effort to computerize every school. The reason, according to Castro and others, is that too many of these large-scale efforts have been disappointing.

During the mid-1980s, for example, the governments of France and the United Kingdom placed tens of thousands of computers in their national school systems. But surveys conducted later that decade found that most schools used the machines infrequently, if at all, and that practically nothing had been done to adapt traditional curricula in order to take advantage of computers as learning tools.

The surveys also revealed a number of problems that seem obvious in retrospect. Teachers had not been adequately trained to use the new machines, and busy schedules left no time to get acquainted with the



QUICKER CLICKER. Allowed to play with user-friendly computers, students like these in Tegucigalpa, Honduras, soon become adept at navigating the Internet and solving interactive puzzles.

computers or develop lesson plans around them. Many teachers found that the computers did not fit well into the curriculum, particularly because very little useful software had been provided. Others simply did not approve of the way computers had been imposed on them by a distant bureaucracy. As a result, some teachers simply ignored the machines and kept on teaching like they always had.

Teacher training and acceptance are just two of the factors that can either save or derail computer-centered educational technology efforts (see "Computers in the classroom: how to succeed," page 5). "It is imperative to learn from the mistakes of the past," says Castro. "If we don't, we risk ending up with weak or disastrous results that demoralize proponents, encourage skeptics and make subsequent efforts all the more difficult."

Despite the hype surrounding the computer revolution, governments in Latin America and the Caribbean are taking a cautious approach to introducing technology in the classroom.



DAVID MANGUJIAN—IDB

On the one hand, countries like Brazil and Mexico, which over the last 30 years have become world leaders in the development of TV-based distance education programs, are building on the success of these efforts. Telecurso 2000, which itself draws on several earlier generations of TV- and radio-based distance education in Brazil, is now moving to develop Internet-based instruction that will compliment its broadcasts and workbooks.

Mexico's government-run Telesecundaria, which offers a complete curriculum for seventh, eighth and ninth-graders in remote rural regions via satellite, is so admired that school systems in neighboring Central American countries have requested permission to broadcast the classes. In an effort partly financed by a \$171 million IDB loan approved last year, Mexico plans to extend Telesecundaria to new locations, upgrade television and satellite equipment, provide additional training to teachers and improve evaluation standards and procedures.

According to Castro and other education

specialists, it makes sense to continue focusing on TV-based distance education, even as computers and the Internet continue to grab headlines. "These systems let you take the best, most creative teachers to the largest number of disadvantaged students with a comparatively modest technology investment that takes advantage of existing infrastructure. That's a good strategy in countries where highly trained teachers are rare and financial resources for new technology are extremely limited."

That said, Castro is quick to praise efforts underway in Chile, Costa Rica, and several other countries in the region to introduce computers and the Internet gradually at selected schools. "The most effective programs start with a few simple software applications at schools with highly motivated teachers and students who have clear ideas about what they hope to accomplish with technology," he said. "Then, as more experience is acquired, it becomes easier to upgrade and expand the program to other schools."

—With reporting by Daniel Drosdoff.

Computers in the classroom: how to succeed

Though introducing computers in schools can seem like a fool-proof proposition, there are hundreds of examples of programs that failed to gain student interest or teacher support—often at great expense.

One recurring problem: the failure of school administrators to study the mistakes of earlier programs in order to avoid repeating them. Following are nine suggestions that can help make an educational computing program popular, affordable, and fun.

- Target schools whose teachers have specifically requested computers and have clear plans for integrating them into the curriculum.
- Make specific financial provisions for maintenance and technical support for computers and peripherals throughout their entire lifespan.
- Ensure that teachers receive adequate hardware and software training in advance.
- Ask suppliers to ship computers to schools with a pre-installed kit of practical software that a novice can use right "out of the box."
- Prepare detailed plans to incorporate computers into the regular curriculum as soon as they arrive. Machines that languish unused after delivery are rarely adopted later on.
- Identify simple software applications, such as word processing and arithmetic drills, that have short-term pay-offs for both teachers and students. Save complex applications for later.
- Before going to the trouble and expense of developing custom software applications, thoroughly explore existing commercial options that may fill local needs.
- The use of computers for a "work skills" class (i.e. to learn typing and basic clerical software applications) is a valid and effective way to encourage early acceptance.
- Allow students to play freely with computers outside of class time. Such "play" has been shown to have significant potential for developing cognitive skills.



Seeking common ground: heads of state from across the hemisphere gathered in Santiago for the second Summit of the Americas.

Social issues and trade share summit spotlight

Heads of state urge IDB and other agencies to boost lending

By DANIEL DROSDOFF, Santiago

SOCIAL ISSUES SHARED THE SPOTLIGHT with trade as 34 Western Hemisphere heads of state meeting in April in Santiago, Chile, urged the IDB and other international agencies to move forward on a series of initiatives to reduce poverty and increase equity.

Among other actions, they endorsed an IDB move to double lending for education to a total of \$5 billion during the five-year period ending in 2002. The IDB pledge was announced just prior to the close of the two-day event by Bank President Enrique V. Iglesias.

On the trade front, the heads of state formally ratified the goal of the first Summit of the Americas, held in 1994 in Miami, to establish a Free Trade Area of the Americas (FTAA) by the year 2005.

In their Plan of Action, the heads of state asked the IDB and the Organization of American States (OAS) and the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), to continue to support the Administrative Secretariat for FTAA negotiations.

The summit also asked these three orga-

nizations to "respond positively to requests for technical support" from entities conducting negotiations. Prior to the summit's conclusion, Iglesias said that the IDB will provide \$50 million annually to help smaller countries strengthen their technical negotiating capacity in the area of foreign trade.

The summit's action plan also asked the Bank and other agencies to press ahead on a wide range of other initiatives to improve living conditions, strengthen civil society, ensure equity and promote economic growth.

■ The IDB has pledged to double lending for education during the next five years ■

In the area of microenterprise, the IDB, ECLAC, the World Bank and other development agencies were asked to support the region's small-scale producers and service providers by financing policy reforms, programs to simplify tax and licensing procedures, and the application of new technologies. Regional, government, bilateral, and multilateral development agencies

were asked to invest between \$400 and \$500 million in microenterprise and small business during the next three years, an amount that will be substantially met by the IDB with its previously announced pledge to direct \$500 million over four years to this sector.

Also, the IDB and the World Bank were asked to provide technical assistance for better land titling and property registration systems and to support initiatives to improve health, including greater access to safe drinking water and sanitation, with special emphasis on rural and poor urban areas.

Recognizing the growing importance of private citizen initiatives in the region, the heads of state agreed to "stimulate the formation of responsible and transparent, non-profit and other civil society organizations," including volunteers, and to "promote increased participation of civil society in public issues." Governments were encouraged to ask the IDB to develop and implement financial mechanisms for strengthening civil society and public participation in the government process.

On the subject of gender equity, the IDB, World Bank, ECLAC, and Inter-American Commission on Women were asked to assist

"No holdouts...no backsliders"

That is how United States President Bill Clinton described the region's stance on democracy in his address before the Second Summit of the Americas.

Although all 34 leaders attending the gathering were freely elected, the meeting's action plan recognizes the need to strengthen democratic institutions still further. Among actions urged in this regard, the heads of state agreed to appoint a special envoy to document threats against the news media in the region. They also decided to establish a region-wide alliance against drugs and take steps to combat corruption and strengthen judicial systems.

in ending "discrimination and violence against women," as well as exploitation of child labor. The organizations were asked to take steps to defend the "basic rights of workers" as well as to promote labor reforms.

The heads of state recognized the continued progress in strengthening the region's democratic institutions, and pledged that their governments would, "within their legal framework and within reasonable time," take steps to "strengthen mechanisms for the participation of groups of society in the process of local and other subnational decision-making." They would also take steps to strengthen the financial autonomy, resources and capacity of the subnational governments

and "study the possible transfer of additional national governmental functions to local and other subnational levels."

The governments pledged to "share their experiences and information" on decentralization with the IDB, the OAS, and the World Bank to make ongoing and future programs more effective.

Recognizing the growing importance of the private sector, the IDB was asked to prepare a draft set of voluntary principles that will encourage private sector investment in infrastructure projects. The principles, which will serve as a basis for bilateral and multilateral agreements, will be presented in 1999 to ministers responsible for infrastructure.

Also, the IDB, the International Telecommunications Union, and the Inter-American Telecommunications Commission were asked to assist in developing best practice guidelines on regulation and free access in the area of telecommunications.

Following the summit, Iglesias noted that the heads of state focused on areas in which the IDB is already committing considerable resources and technical cooperation. The Bank could potentially lend \$40 billion to the region in the next five years, of which \$20 billion would be targeted at investments in the social sectors, such as health, education, and the protection of vulnerable groups.

The IDB, the OAS, ECLAC, the Pan American Health Organization, and the World Bank will participate in the Summit Implementation Review Group to ensure that the summit's decisions are implemented. ▀

Ten points for action

In his address before the heads of state, IDB President Enrique V. Iglesias outlined a Bank action plan to help put the region on the path to sustainable development.

- 1** Lend \$40 billion for the five-year period ending in 2002.
- 2** Direct half of IDB lending for investments in health, education, sanitation, protection of vulnerable groups, neighborhood improvement, support for microenterprise and other social areas.
- 3** Double lending for education to a minimum of \$5 billion over the five-year period ending in 2002.
- 4** Mobilize \$20 billion in private sector investment in infrastructure over the next five years.
- 5** Lend a minimum of \$500 million in the next four years to microenterprise.
- 6** Support the development of modern financial systems and improvements in banking supervision.
- 7** Create a regional facility to help countries strengthen their negotiating capacity in matters dealing with international trade.
- 8** Help strengthen judicial systems as an essential pillar for an efficient market economy and democratic government.
- 9** Support dialogue and cooperation among governments, civil society, and the private sector.
- 10** Support the use of information technology in areas such as social security, health, education, tax administration, land titling, and the judiciary.

ROUND-UP

Costa Rican computer chips

The microprocessor company INTEL inaugurated in March the first of four plants it is building on the outskirts of Costa Rica's capital of San José. At the ceremony, then-president José María Figueres said that just this year, the value of the country's microprocessor exports will exceed that of bananas and coffee, the country's traditional top earners. Costa Rica's drive to become the high tech capital of Latin America and the Caribbean has been fueled in large measure by its educated population, in part a result of programs carried out with the help of IDB financing.

From conflict to cooperation

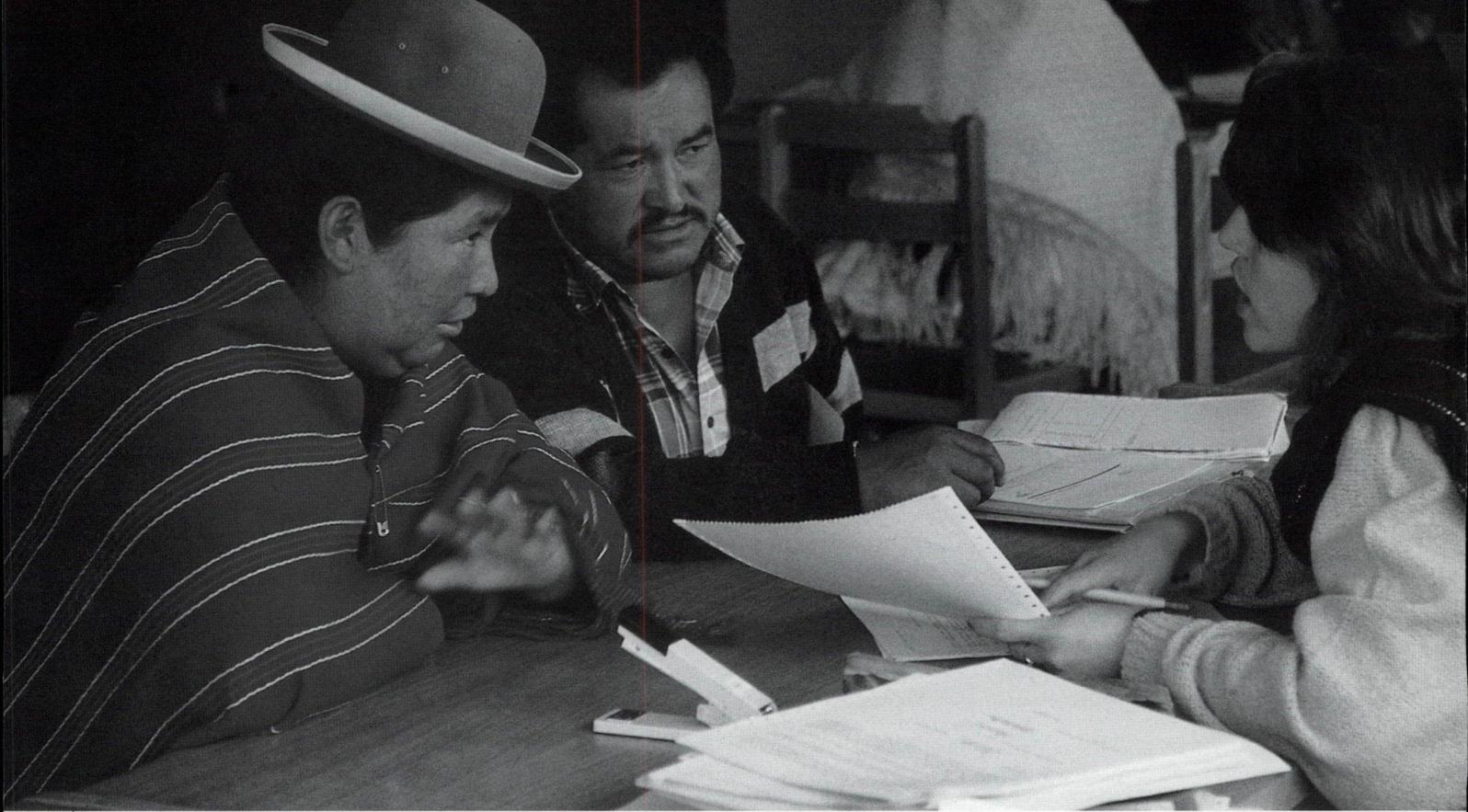
A commission established to plan integration initiatives along the Peru-Ecuador border ended its work in Washington, D.C., in May with an ambitious plan detailing investments for \$3 billion and free commerce between the two nations by the year 2001. Projects include new border crossings, interconnection of electrical networks and petroleum pipelines, and cooperation in the areas of fisheries and education. The commission's report is being edited in collaboration with the IDB.

OAS golden anniversary

The Organization of American States celebrated its golden anniversary in April with a ceremony attended by delegates from its 34 member countries. Speakers urged strong action to reduce the region's social deficit and to take on new challenges: "There are no prohibited themes for multilateral action," declared OAS Secretary General César Gaviria. Speaking at the meeting, IDB President Enrique V. Iglesias emphasized the Bank's willingness to finance projects that will alleviate social problems and promote peace.

Farm sector remains strong

Despite rapid industrialization, continued migration from rural areas to the cities, and even the "lost decade of the 1980s," agriculture has remained a major source of economic strength for Latin America. According to a new report from the Economic Commission for Latin America and the Caribbean and the Inter-American Institute for Cooperation on Agriculture, the sector has grown an average of 3 percent annually in the past two decades.



Joining the financial mainstream: customers of BancoSol, a microlender in La Paz, Bolivia, review their accounts with a loan officer.

The next step for microenterprise

How to graduate from subsidies to profits

By PETER BATE, Mexico City

THE GOAL IS LOFTY AND IT BOASTS SUPPORT at the highest level: to ensure that millions of microenterprises and small and medium-sized businesses in the Americas gain access to formal financial services such as loans, checking accounts or insurance by the year 2000.

This aspiration was endorsed by the 34 heads of state who attended April's hemispheric summit in Santiago, Chile, as an indispensable tool to eradicate poverty. Their plan of action included sweeping pledges to scrap bureaucratic barriers that thwart small businesses and to promote institutions that help microentrepreneurs become better competitors by providing them with training or technological assistance.

Experts in the field of microenterprise were cheered by the inclusion of these commitments in the final documents of the Summit of the Americas.

"There seems to be a more sophisticated sense of how to use microenterprise as a tool for reducing poverty as [the final document] recognized the need to foster a whole range of services and not just access to credit," said Marguerite Berger, chief of the IDB's Microenterprise Unit.

Similar optimism was voiced in a conference held in March in Mexico City that brought together some of the region's most seasoned practitioners of microlending and providers of business support services. Participants at the Inter-American Forum on Microenterprise, which was co-hosted by the IDB, celebrated this once scorned sector as a legitimate source of livelihood for some of the region's poorest people.

More than 80 percent of the businesses in Latin America and the Caribbean fit in the micro category defined as units with 10 or fewer workers. These companies employ around 120 million people, making them by far the biggest source of jobs in the region.

However, experts warn that a great deal remains to be done before these tiny and financially frail businesses become dependable engines for growth and prosperity.

Only one in 20 microenterprises has access to institutional sources of credit, usually through programs managed by NGOs. Furthermore, countries still keep on the books many laws and regulations that hamstring small businesses. In one case, a government that has a cabinet-level secretariat for microenterprise also imposes punishing tax surcharges on loans extended to entrepreneurs in the informal sector.

A growing number of experts are proposing that these hurdles can only be overcome by a two-pronged strategy. First, the microfinance industry must graduate from the well-intentioned but limited level of charity and grants to full participation in the formal capital markets. Second, governments must create the right climate for this new class of financial institutions to flourish.

A key aspect of the first strategy is to encourage participation by commercial banks, finance companies and investment funds that have traditionally shied away from microlending. The cost of performing small-scale financial operations with clients with few or no assets to their name or even proper identification papers has usually proved too expensive for profit-driven institutions.

Nevertheless, there are signs of change. At the Mexico City forum, Citibank Assistant Vice-President Fawzia Naqvi said her

bank was looking into making microlending part of its global strategy. The Citicorp Foundation has supported microenterprise funds since 1990, and has even invested in a microfinance institution in Colombia. Now the New York-based financial colossus has decided to go beyond philanthropy.

"Over time, we believe Citibank will be able to build business relationships with the maturing microfinance field, including providing cash management products and services such as electronic collections and exploring the use of cards," she said.

Naqvi also called on the microfinance industry to standardize performance measures so that outside investors and partners can accurately determine the health of a microlender (see article this page). Although there are some spectacularly successful small institutions such as BancoSol in Bolivia or Financiera Calpiá in El Salvador, there are no industry standards to guide potential investors.

Shari Berenbach, executive director of the Calvert Social Investment Foundation, said microfinance institutions can begin attracting investments from formal capital markets by improving their managerial information systems and the quality of their loan portfolios and by building a good

Who are the hemisphere's five biggest microlenders? See page 13.

track record as lenders with strong earnings.

Later this year, the IDB plans to approve a \$10 million technical assistance program from its Multilateral Investment Fund (MIF) to strengthen NGOs involved in microlending with a view to addressing their management weaknesses and helping them turn into formal, regulated financial institutions.

"The IDB will continue to work with borrowing countries' governments to improve their tax regimes, licensing requirements, business and labor regulations and bolster their banking authorities' capacity to oversee microfinance institutions," said MIF General Manager Donald Terry.

Microlenders themselves reckon they must also adopt a more business-like approach towards controlling costs, particularly by trimming their administrative structures, said Claudio Higuera, general manager of Colombia's Emprender.

Emprender, a microfinance institution that has grown its capital base from an initial \$3,000 grant to more than \$3.5 million in seven years, has set itself a target of one employee for every million dollars in loans. It has also posted all its financial information on-line and even processes loan applications via the Internet.

"We must wipe the makeup off our financial statements and tell ourselves the truth," said Higuera. ■

Dearth of data hurts microlenders

ONE OF THE HURDLES THAT PREVENTS commercial banks and other investors from getting more involved in microlending is the lack of reliable data on microfinance institutions (MFI's). Without detailed and reliable information on how these small lenders do business, it is very difficult for large banks to gauge risks and commit resources.

One institution facing this constraint is the Calvert Social Investment Foundation, an organization that gives socially minded investors an opportunity to finance community development projects and microcredit programs. Shari Berenbach, the Maryland-based foundation's executive director, says that in the absence of adequate information, her budget is not large enough to pay for traveling and making the inquiries necessary to justify an investment in an overseas MFI.

"These are not grant resources, but funds provided by investors who expect to get their investment back, even if it is with a below-the-market return," says Berenbach. As a result, her fund frequently has to abstain from investing in promising microcredit institutions—simply because she lacks sufficient information about them.

In an effort to help overcome this obstacle, the IDB is working to develop performance benchmarks for MFIs. The goal is to give potential investors the tools they need to compare the track records of microfinance institutions, similar institutions and formal financial intermediaries. The benchmarks will also help the MFIs to improve their ability to use financial data for managing loan portfolios and planning strategies.

In the project, which the IDB's Microenterprise Unit launched last year, 18 MFIs in Latin America and the Caribbean that have shown potential for achieving sustainable growth are being analyzed. The resulting information will generate a set of industry standards and a wealth of examples other microlenders can emulate.

The project is being carried out in collaboration with Private Sector Initiatives

Corp, a Washington, D.C.-based consulting firm headed by Damian von Stauffenberg, formerly with the World Bank and its International Finance Corporation.

The project is evaluating MFIs involved in microlending by applying a methodology used to measure capital adequacy, asset quality, management strength, earnings and liquidity in regulated commercial banks.

Their initial investigations of eight institutions have shown, that contrary to popular wisdom, lending to very poor people can be a sound and profitable business. However, they have also found little consistency in financial and management practices among microlenders.

For instance, some microfinance institutions have up-to-date, on-line information on their financial position, while others are

sorely behind in their bookkeeping. While one MFI may qualify a loan as past due if a client falls behind on a payment by one day, for another lender the grace period may stretch up to one year. Likewise, there are wide disparities in the criteria followed for making provisions for loan losses.

Economies of scale were not evident when comparing the efficiency ratios of different MFIs; lenders with small loan portfolios seemed to perform just as well or even better than those with

substantially larger portfolios.

On the other hand, all the analyzed institutions had relatively low levels of leveraging. In von Stauffenberg's view, this is probably a good thing, given the relatively lax capital adequacy standards that prevail in the banking industry.

Looking further down the road, he sees a role for a rating agency that would evaluate the risk of lending to MFI's.

"In the future, the hunger for micro-financing will be almost insatiable," von Stauffenberg says. "Neither the local institutions nor the international financial institutions have enough resources to respond to that demand. Microlenders will have to turn to the capital markets, where information is fundamental." ■

—Peter Bate



It's all in the numbers.

DAVID MANCINI/IDB

Poverty by the numbers

JUST HOW MANY LATIN AMERICANS ARE POOR? One widely circulated statistic is that about one of every three people in the region lives on an income of less than two dollars a day.

While nobody can deny the pervasiveness of poverty in Latin America, inadequate data make it impossible to accurately assess the size of the problem throughout the region, according to economist Nora Lustig, chief of the IDB's new Poverty and Inequality Advisory Unit. For a start, estimates for the entire region are almost certain to be flawed because not every country conducts surveys to measure poverty.

Bad data makes bad policies

"In fact, some of the countries where the levels of poverty are probably among the highest—and this is no casual observation—do not have this information," she said in a presentation delivered at the Bank in May. "For example, we don't have information about Guatemala, we don't have information about Nicaragua and we don't have information about rural Bolivia."

While excluding those countries with relatively small populations may not affect the regional percentage, it is essential for policymakers to know how many people are living in poverty in a specific country, Lustig said.

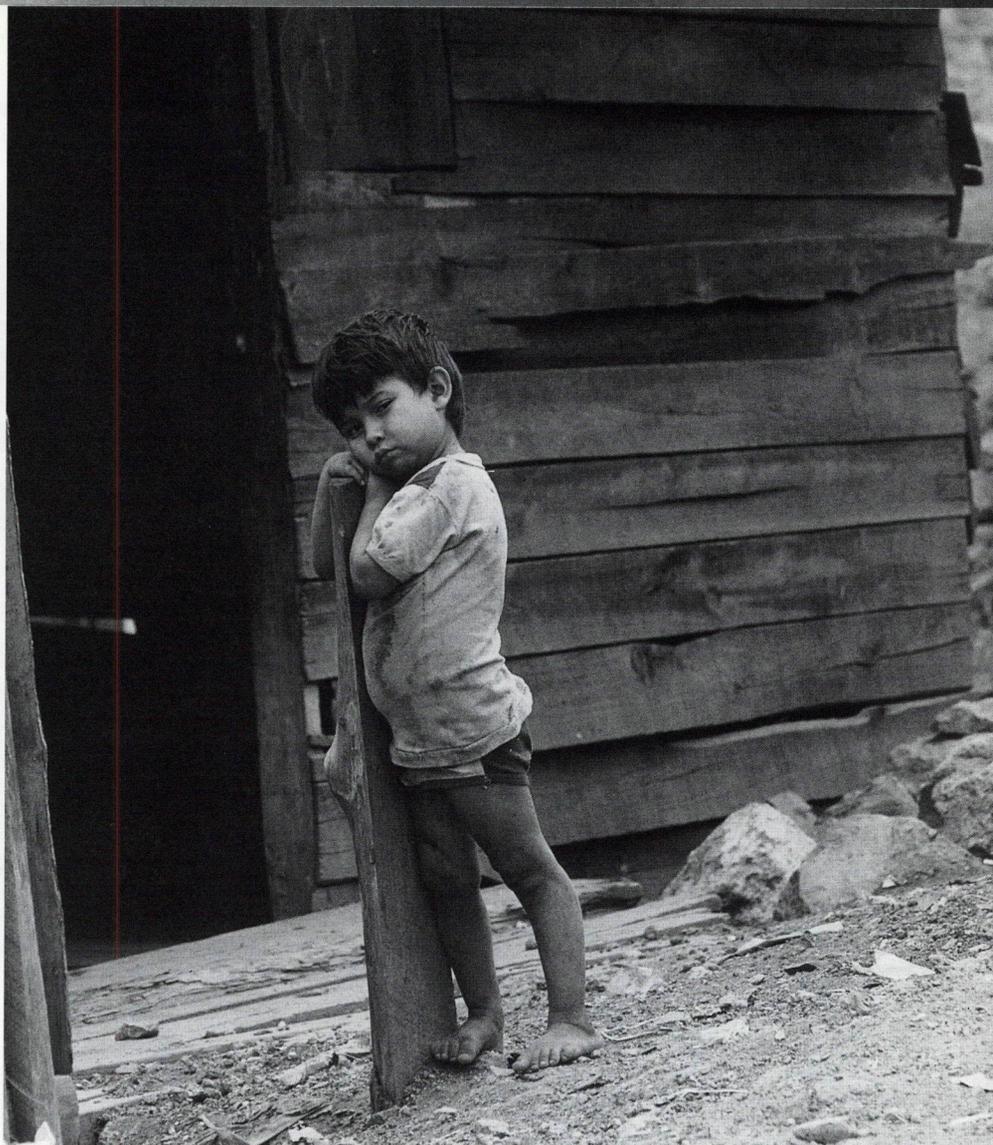
Calculations are also muddled by the fact that different analysts, government agencies and multilateral organizations use various methods to correct their data for the under-reporting of income or consumption. It is not unusual to find radically different estimates for a given country and year, even when the same poverty line is used. When this happens for Brazil, for example, it can add or subtract 10 to 15 million people to or from the ranks of the poor. Big numbers such as these have a substantial effect on totals for the region.

Far from being an academic quibble, the lack of good numbers hinders efforts to monitor whether poverty reduction programs are effective, or if they are being targeted to the right areas or the right population groups.

In order to overcome this obstacle, the IDB, the World Bank and the United Nations Economic Commission on Latin America and the Caribbean (are cooperating on a program to carry out poverty surveys in countries that do not have them and to improve existing surveys.

"Hopefully, 10 years from now, we will not have this problem any more," said Lustig.

—Peter Bate



It's one thing to identify poverty and describe it anecdotally, and quite another thing to pro-

Academics enter politics

ACADEMICS AND POLITICIANS IN MEXICO HAVE traditionally kept each other at arm's length. But this might be changing.

A network of some 70 sociologists, political scientists and economists from some of Mexico's most prestigious institutions of higher learning, research centers and nongovernmental organizations is currently working to bring the expertise of academia to bear on the issues of good governance at the municipal level.

"This is a rather daring move for academicians," said Tonatihu Guillén López, of the Tijuana-based Colegio de la Frontera Norte, one of a group of Mexican researchers speaking at a May 7 IDB seminar on democratization, decentralization and local government. Unlike their counterparts in the United States, Mexican think tanks rarely have much

of a working relationship with policymakers and the political arena.

The group of intellectuals, which has been functioning since 1994, has already approached Mexico's Congress with one of the fruits of its labor: an "Agenda for Municipal Reform," that compiles some 3,000 proposals for more efficient and equitable local government divided into 132 different topics ranging from relations with indigenous peoples to tax collection.

The ultimate success of their efforts is riding on a de facto decentralization process that has been unfolding in Mexico since the late 1980s, when the federal government started to pull back from its involvement in public works projects and state-owned enterprises at the local level.

A dramatic example of decentralization was last year's mayoral election in the Federal District, the most populous of Mexico's 2,418 municipalities. Until then, what was arguably one of the most powerful posts in the country had been reserved for presidential appointees.

But the seminar participants said that Mexico's municipalities still have a ways to go in adapting to an open and pluralistic

Making money from microcredit

Five leading microlenders show how



DAVID MANSURIAN—IDB

CAN LENDING SMALL AMOUNTS OF MONEY to micro-sized producers and service providers be a good business?

Until recently, most people would have said no. The cost of administering thousands of tiny loans was said to be too high relative to the presumed risk of nonpayment by microentrepreneurs.

But over the last five years, the emergence of for-profit lenders specializing in microcredit has given skeptics reason to reconsider. The five institutions profiled below are a case in point. Each of these microlenders evolved from a nongovernmental organization dependent on grants and subsidies to a fully regulated commercial institution. Each has found a profitable niche by offering small loans at market rates to individuals and businesses that could never obtain credit from typical commercial banks.

Proof of the latent demand for such services can be seen in the spectacular number of customers that these institutions have been able to attract in just a few years, and in the substantial size of the loan portfolios they have built up.

But from the detached perspective of a financial analyst, the most eloquent testament of success appears in the column on the far right, under "Return on Equity." This

measure of profitability, determined by dividing net income for the past 12 months by the value of stockholders' equity in the institution, puts these five microlenders on a par with some of the world's leading commercial banks.

Why are these fledgling microlenders succeeding against the odds? According to Marguerite Berger, chief of the IDB's Microenterprise Unit, the first reason is that Latin America's microentrepreneurs are much more likely to repay their debts than anyone ever imagined. At Bolivia's BancoSol, for example, past due loans amount to just 2.6 percent of the bank's portfolio—a level that many large commercial banks would envy. Other leading microlenders show comparable repayment records.

Smart management, effective marketing, and an ability to tap a wide variety of sources for capital—from private investors and commercial banks to social investment funds and multilateral investment banks—are also crucial to success, said Berger.

"These institutions are today's leaders in microfinance," she continued, "but a whole new crop of formal microlenders is entering the market this year, including Banco Ademi in the Dominican Republic, MiBanco in Peru, and BanGente in Venezuela." ■

numbers needed for setting policy.

model. Local political institutions are still cast in the old authoritarian mold, they said, and the relationship between the federal, state and municipal governments remains largely undefined.

In a bid to stoke a debate on municipal reform, the researchers plan to bring these issues before the public at the state and local levels during the next two years and are talking with universities around the country about the idea of establishing academic centers that could supply the intellectual ammunition for future legislative battles. Also being organized is a national meeting where lawmakers who specialize in municipal affairs will discuss how to foster stronger links between state legislatures.

In the meantime, the group is developing a database on municipal reform on the Internet. According to Leticia Santín, coordinator for local government affairs with the Center for Economics Research and Teaching (CIDE, after its initials in Spanish), the database will be up and running later this year.

—Peter Bate

CIDE's homepage can be found at <http://dis1.cide.mx>.

A microfinance all-star team

	Year operations began	Major Shareholders	Equity (\$ millions)	Loan portfolio	Numbers of clients	Average loan	Return on equity		
	Foundings NGO	Intl. NGOs & Develop. Agencies	Private Investors						
BancoSol (Bolivia)	1992	35%	25%	40%	\$10.15	\$63.08	76,216	\$828	30%
Financiera Familiar (Paraguay)	1992	-	-	100%	\$6.08	28.00	46,000	\$1,200	18.8%
Los Andes (Bolivia)	1995	27%	44%	19%	\$5.10	20.43	29,545	\$692	25%
Financiera Calpia (El Salvador)	1995	30%	69%	1%	\$4.8	18.86	21,291	\$766	32%
Banco Solidario (Ecuador)	1996	-	35%	65%	\$8.6	17.50	11,800	\$500	13%

Source: Microenterprise Development Review.

PROJECT UPDATES

HONDURAS

Ecotourist hotel opens its doors

THE FIRST "ECO-HOTEL" IN HONDURAS was inaugurated in March in La Tigra National Park.

The building, which formerly housed the hospital of the Rosario Mining Company, has room for 50 guests seeking comfortable but not luxurious accommodations as a base for exploring the 23,000-hectare reserve.

La Tigra became the country's first national park in 1980. In 1993 its administration was turned over to the private Friends of La Tigra Foundation. Speaking at the inaugural ceremony, foundation President Michel Casanova described his group's efforts to protect the reserve while carrying out research and ecotourism activities, which he said are increasing.

Also at the inauguration, the then director of the Honduran Tourism Institute, Ricardo Martínez, cited figures that 5 percent of world tourism is now ecotourism, which should strengthen arguments for preserving natural areas and biodiversity.

The IDB supported the Friends of La Tigra Foundation by financing three key studies: research on the value of the park's resources, particularly water; how to ensure long-term sustainability of water resources;

and an examination of the feasibility of imposing a conservation tariff on water consumers to generate funding for the park's programs.

"Our aim was to help the foundation achieve both ecological and financial sustainability in managing the park," says IDB environmental adviser Edwin Mateo Molina.

COSTA RICA

Tunnel completed for power project

CREWS FROM THE COSTA RICAN Electricity Institute (ICE) in April broke through the final rock barrier separating two construction fronts of a tunnel that will supply the water to drive Costa Rica's future La Angostura hydroelectric plant.

The event marked a major milestone in the project, with 85 percent of the works in the 7-km tunnel now completed. The 177mW-capacity plant is expected to go on stream in April 2000.

The project, whose \$296 million cost will be financed 79 percent by the IDB and 21 percent by ICE, also includes a dam on the Reventazón River near the city of Turrialba.

The tunnel is not only the country's biggest, but also one of the more difficult to build because of the presence of high pressure water seepage and geological faults.

NEW PROJECTS



A resource getting scarcer.

EL SALVADOR

First loan in new water strategy

THE IDB'S BOARD OF EXECUTIVE Directors in its May 27 meeting approved both a new strategy for Bank operations in the water sector and the first application of this strategy to a lending operation.

The \$45.2 million loan is designed to promote the more efficient use of water resources in El Salvador through a combination of institutional and regulatory changes and infrastructure investments. In the project, the government will establish a financially independent agency charged with allocating water resources to ensure their proper management and conservation. At the same time, a modern regulatory agency and framework will be established for sanitation and water supply services.

Financing will also be provided to rehabilitate potable water systems and to help carry out a plan to decentralize management and promote private sector participation. In addition, investments will be made in water and sanitation systems that will be managed by rural communities.

The new IDB strategy calls for including integrated water resources management principles in water-related Bank operations. In the future, the Bank will make investments in the water sector as part of a comprehensive management approach that takes into account the social, economic and environmental values of the resource. It also calls for the participation of affected communities in water management decisions.

The new financing comes at a critical time for El Salvador, the most densely populated country in the Americas. Nearly two-thirds of the water used for irrigation, electric power and household consumption comes from the Lempa River basin. Studies indicate that some 90 percent of the country's surface waters are contaminated and unsafe for human consumption without treatment. Despite shortages, El Salvador does not have an agency responsible for overall management of water resources.

Along with the new loan, the IDB-administered Multilateral Investment Fund has approved a \$2.4 million grant to spur the process of decentralization, private sector participation, management restructuring and the establishment of the new regulatory agency and framework.

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Visitors arrive at Ecoalbergue La Tigra in Honduras.

LATEST APPROVALS

Bolivia

A \$1.2 million MIF grant to the Superintendency of Banks and Financial Entities to improve the quality of supervision of financial entities serving microenterprises and small businesses.

Brazil

A \$2.9 million IDB grant in local currency to support a program designed to mobilize civil society resources and finance community projects in poor areas in the state of Minas Gerais.

A \$1.2 million MIF grant to help consolidate the regulatory framework and supervision of the private pension system.

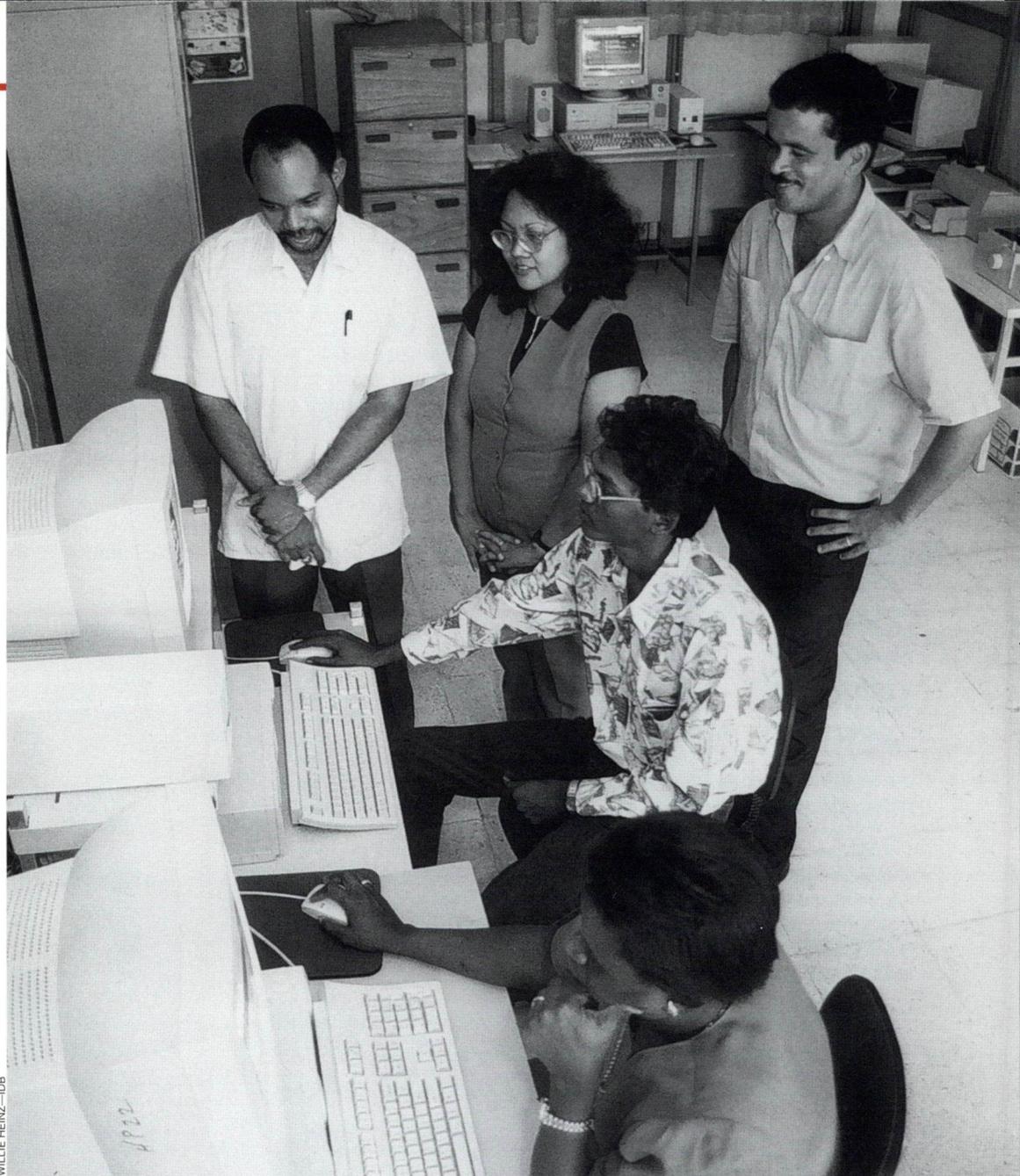
El Salvador

A \$43.7 million IDB loan and a \$1.5 million IDB grant to promote a more rational and efficient use of water resources and greater investment in services.

A \$2.4 million MIF grant for technical cooperation to assist decentralization, privatization, management restructuring, and the establishment of a new regulatory framework and a new regulatory agency for water and sanitation services.

Honduras

A \$36 million IDB soft loan from the Fund for Special Operations



WILLIE HEINZ—IDB

NEED DETAILS?

To read **press releases** on newly approved projects on the Internet, go to: www.iadb.org/exr/prensa/releases.htm. For related **project documents**, go to: www.iadb.org/exr/english/projects/projects.htm. IDB Projects, a monthly listing of planned projects and procurement opportunities, is on the home page under "Business Opportunities." For a sample printed copy, call (202) 623-1397, or fax (202) 623-1403. The Public Information Center can provide **further information** at 202-623-2096, or e-mail pic@iadb.org.

NUMBER CRUNCHERS. Iwan Sno, director of the Bureau of Statistics in Suriname's Ministry of Planning, discusses database software with his programming staff. As part of an institutional strengthening project financed with a \$1.6 million IDB loan in 1996, the Bureau of Statistics has been acquiring computers and training to improve the accuracy of information on national accounts, trade, consumer prices and household opinion surveys.

to help improve the health system by expanding the coverage and quality of services.

Mexico

An \$8 million IIC investment in a trust to be managed by Opticap, S.A. de C.V., a Mexican fund manager, to support expansion, diversification, reconversion, or restructuring of small and medium-sized companies.

Suriname

A \$1.38 million IDB grant to strengthen the initial operations

of the National Institute for Environment and Development.

Uruguay

A \$1,950,000 MIF grant to help make the retail industry and allied trades in Uruguay more competitive.

Venezuela

A \$1.8 million MIF grant to help the Chamber of Industry to strengthen the market for specialized consulting services for small and medium-sized businesses.

An \$8 million IDB loan to assist government modernization and decentralization at both the state and federal levels.

Regional

A \$2.5 million MIF investment in Acción Gateway Fund, L.L.C., which will in turn provide capital to about 14 microfinance institutions, and a \$200,000 MIF technical cooperation grant to assist informal institutions in making the transition to becoming formal, regulated financial institutions.

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guese, takes an in-depth look at the lat-
est developments in the Southern
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GAZETTE

IDB and Japan explore further cofinancing

THE IDB, THE EXPORT-IMPORT BANK
of Japan and the Overseas Eco-
nomic Cooperation Fund (OECF)
of Japan held a three-day joint
coordination meeting in Wash-
ington, D.C., in May to review
development projects and ex-
plore new cofinancing opera-
tions.

The export-import bank and
OECF are already the two main

sources of cofinancing for Bank
projects, but this was the first
time in which senior IDB officials
met with representatives of both
entities at the same time. For
more than 20 years, the meetings
have been held with each orga-
nization separately.

Participants reviewed a total
of 61 IDB projects that offer
cofinancing possibilities. The
projects are in the areas of trans-
portation, small and medium-
sized enterprises, health, envi-
ronmental protection, sanitation
and waste management, rural
development, energy, and emer-
gency relief for countries af-
fected by El Niño.



DISTINGUISHED GUESTS: Congresswomen Nita Lowey, (D-New York) and Nancy Pelosi (D-Calif.), both from the U.S. House of Representatives, visit with children at Coope Brisas R. L., an agricultural cooperative near Zarcero, Costa Rica, that has received IDB funding for organic farming and other projects.

IDB expands on-line access to databases

THE IDB IS OFFERING MORE STATIS-
tical information to the general
public through its Internet home
page (www.iadb.org).

The searchable databases are
available under the "Research
and Statistics" button on the
home page. The Economic and
Social Database, which includes
annual time series on important
variables starting in 1980, is up-
dated daily. The Hemispheric
External Trade Database con-
tains international trade data for
exports and imports by partner
for regional countries, catego-
rized by several standard inter-
national classifications.

The Bank has also expanded
on-line access to statistical tables
and reports. These include the
Statistical Appendix of the IDB's
annual report *Economic and So-
cial Progress in Latin America*,
which covers topics such as
population, government fi-
nances, balance of payments,
national accounts, external debt,
inflation and credit.

Also available are external
trade profiles for each regional
country and statistical time series
data for individual countries and
regional integration groups.

Finally, the Internet users can
now access the Bank's basic
socio-economic data reports,
which include executive summa-
ries on each country's social and
economic situation and single-
page, 10-year time series of key
economic indicators.

CLARIFICATION

An article on Peru's Aguaytía
power project in the March is-
sue of IDB América neglected to
mention the role of Transportes
Cesaro Hnos. S.A., a Lima-based
contractor.

Transportes Cesaro was re-
sponsible for carrying out all
ground and river transport of
43,000 tons of heavy equipment
required for the Aguaytía
project. This involved complex
construction and logistics opera-
tions in extremely difficult ter-
rain and was crucial to the
success of the project.



Actors at the experimental theater festival perform "A Puertas Cerradas."

PHOTOS BY MARCELO SCOTTI

Not for primadonnas

Argentine festival brings experimental theater down to earth

By CHRISTINA MACCULLOCH

THERE ARE MANY WAYS TO LEARN ABOUT theater, but few as instructive as watching two different companies perform the same play.

That was one of the conclusions of the First National Experimental Theater Festival held in the coastal city of La Plata, Argentina, last November. Gustavo Vallejos, a theater director who organized the festival with financial support from the IDB Cultural Center, invited seven regional companies to stage plays. Two of them, it turned out, decided to perform "En Alta Mar," a work for three actors by Slavomir Mroceck.

The coincidences ended right there.

Cajamarca, a theater troupe from Argentina's Mendoza province, staged the play with three male actors inside a large metal cage. Devenir, a company based in La Plata, cast three women for the same parts, and placed them on a drifting raft.

"It was a strange and wonderful experience," Vallejos said. "We were able to see that similar texts do not lead to the same images. For the actors, it was very enriching to see and enjoy things in the other company's production that would never have occurred to them."

The juxtaposition of styles and interpretation was also illuminating for the audience, which was dominated by students and local young people who, according to Vallejos,

■ 'We saw many youths who never go to the theater' ■

don't typically patronize theater, particularly the experimental kind.

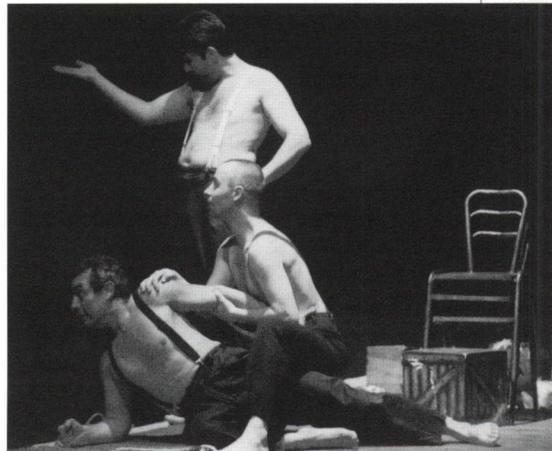
"The festival far surpassed our hopes of demystifying experimental theater and showing that contrary to popular perceptions, it is accessible to anyone," Vallejos said. "We opened the doors to the community and ended up seeing many youths who never go to the theater."

Part of the attraction for the uninitiated was the unpretentious and participatory nature of the event. In addition to performances, the festival included several outdoor acting workshops where dramatic situations or concepts were spontaneously proposed, fleshed-out and performed.

"We were able to show that when it comes to creating theater, it is possible to work with a broad range of skills and techniques and still come up with a cohesive result," said Bettina Giorno, an assistant to the Devenir company. "There were no primadonnas. Even the directors and actors of the participating companies wanted to take part in the workshops alongside students, actors, dancers and other colleagues."

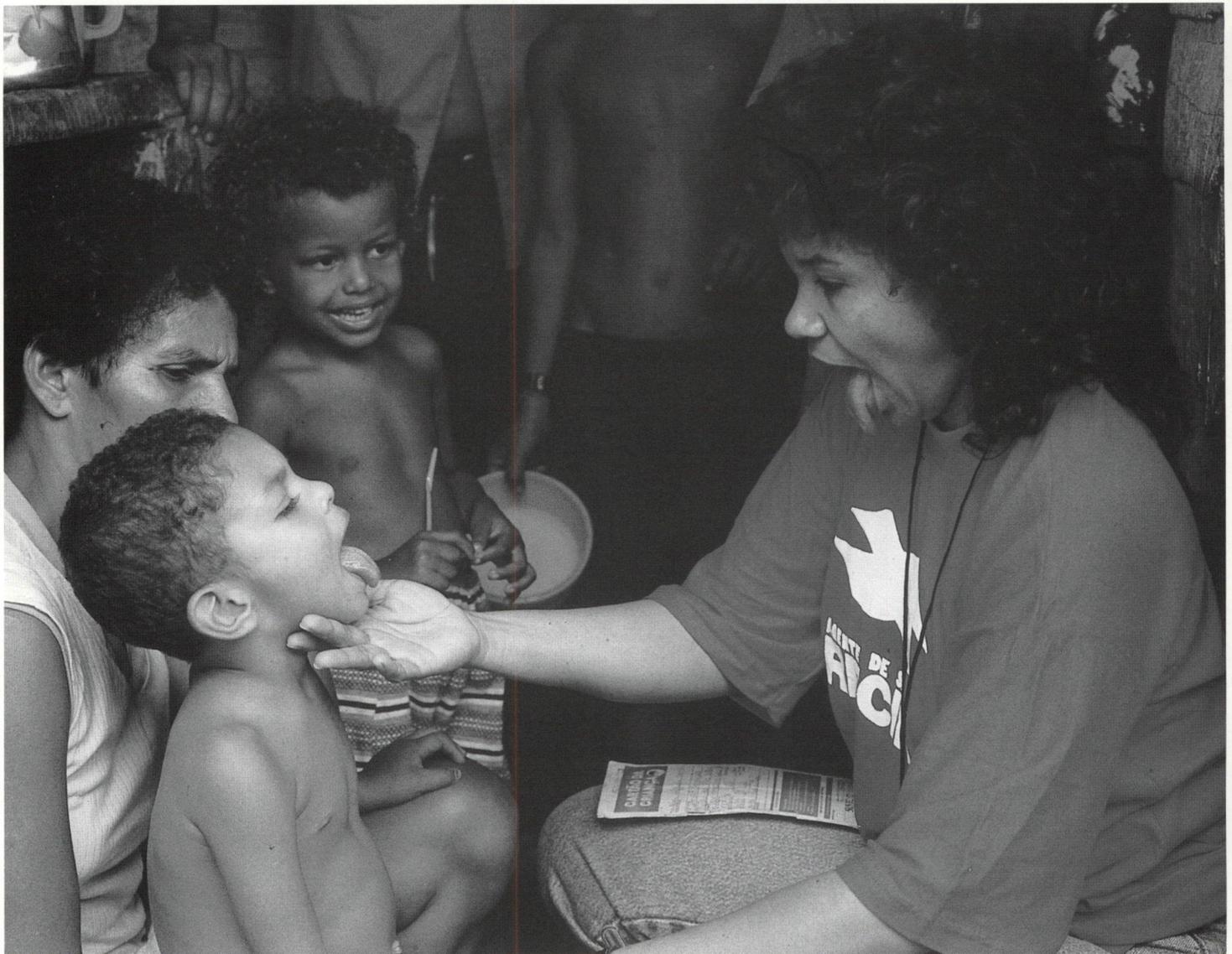
In addition to knocking down walls between audiences and artists, Vallejos had hoped the festival would encourage cooperation among the far-flung, under-recognized and under-funded companies that pursue experimental theater. He was not disappointed. The seven participating companies are now planning to co-produce and co-finance plays and mentor recently formed theater groups in their home provinces. They have also agreed to hold a second experimental theater festival in two years. This time, two companies will be specifically asked to pick the same play.

"Theater work is hard, and many creative, motivated people fall by the wayside," said Vallejos. "This festival proved that experimental theater is a valid alternative." ■



One of two performances of "En Alta Mar."

FINAL FRAME



OPEN WIDE! A health worker from the Instituto Materno-Infantil in Pernambuco, Brazil, conducts in-home check-ups of children in poor neighborhoods. The institute has expanded its services with the help of a \$1.2 million IDB grant.

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