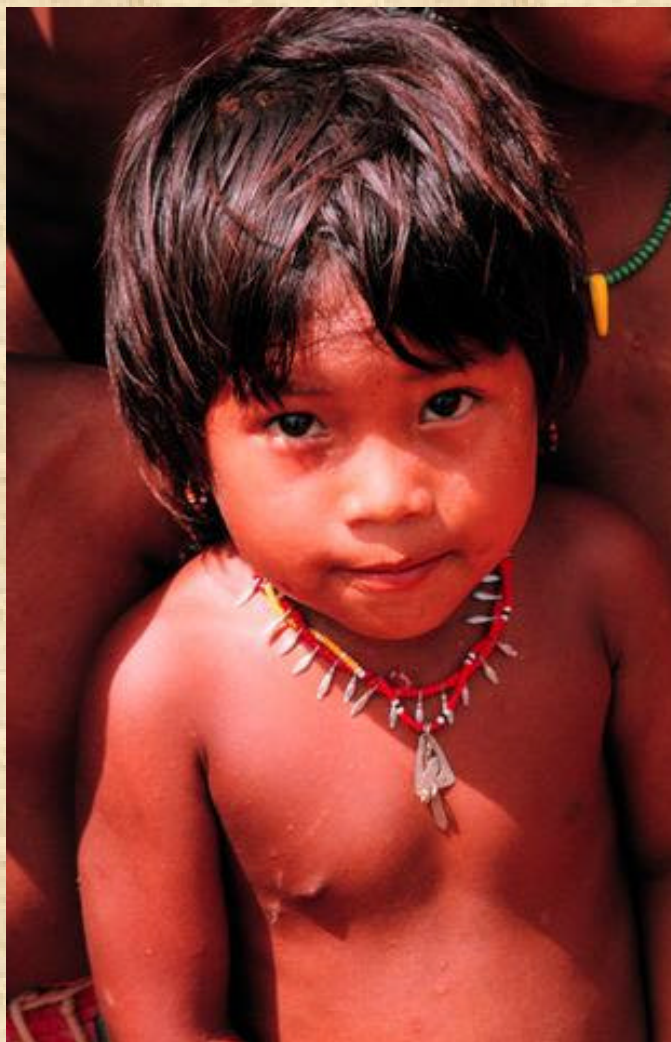


**JAPAN SPECIAL FUND
&
JAPANESE TRUST FUND FOR
CONSULTANCY SERVICES**



ANNUAL REPORT 2003

**Inter-American Development Bank
Regional Operations Department II
Financial Support Services Subdepartment**



Preface

Since its establishment, the Japan Special Fund (JSF) and the Japanese Trust Fund for Consultancy Services (JCF) have been important sources for supporting IDB's technical cooperation activities through financing a wide range of innovative solutions to the countries of Latin America and the Caribbean region.

Over the last fifteen years, the total contribution from the government of Japan for JSF and JCF reached US\$233.5 million which is approximately 50% of the total trust fund resources mobilized by the Bank during that period. In 2001, the Government of Japan established a new special window within JSF, the Poverty Reduction Program (JPO), in order to support efforts to alleviate poverty in the region.

The reason why there is strong demand for JSF is its flexibility in procurement and eligibility of sectors and activities for financing. JSF is a completely untied fund, which finances conventional technical assistance projects, capacity building and pilot projects. JCF is a semi-tied resource which establishes cooperation and knowledge sharing between Japanese and local experts through financing technical assistance projects. In 2003, the Japanese Funds together financed 25 projects for US\$12.1 million supporting various technical cooperation activities of the Bank such as preparation and implementation of loan projects, capacity building, and institutional strengthening.

Latin America and the Caribbean region are still facing many challenges in social and economic development. We look forward to continuous support from Japan through JSF and JCF, while we ensure the efficient and effective use of the facility to strengthen the long-term development vision.

Goro Mutsuura
Coordinator for Japanese Trust Funds
Washington D.C., July 2004

GLOSSARY

IDB	Inter-American Development Bank
TC	Technical Cooperation
JSF	Japan Special Fund
JCF	Japanese Trust Fund for Consultancy Services
JPO	JSF Poverty Reduction Program
GoJ	Government of Japan
A Countries	Argentina, Brazil, Mexico and Venezuela
B Countries	Chile, Colombia and Peru
C Countries	Bahamas, Barbados, Costa Rica, Jamaica, Panama, Suriname and Trinidad and Tobago
D Countries	Belize, Bolivia, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras and Nicaragua

TABLE OF CONTENTS

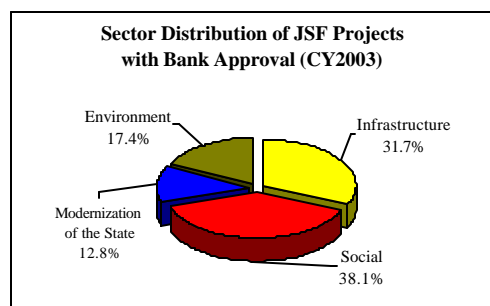
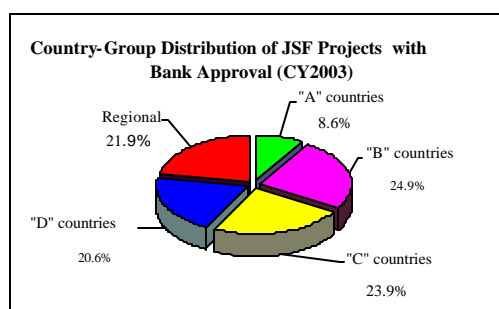
1. OVERVIEW OF 2003	1
2. RESOURCES	1
3. HIGHLIGHTS OF TC PROJECTS IN 2003	2
4. HIGHLIGHTS OF PROJECTS IN EXECUTION	14
5. OTHER ACTIVITIES IN 2003	18
6. REPORTING CURRENCY	19
7. MONITORING AND SUPERVISION	20

APPENDIX

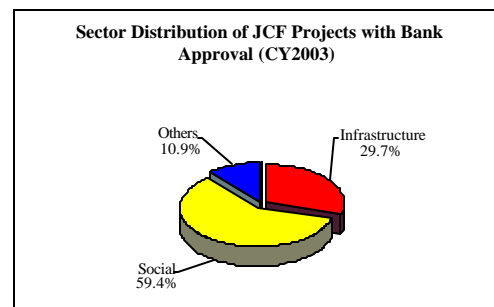
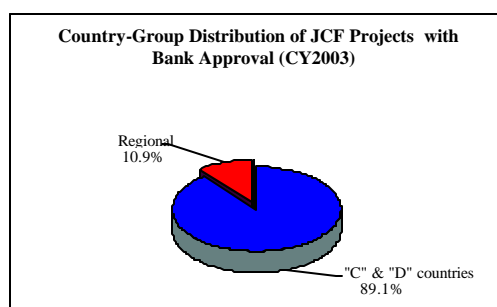
I. IDB'S PRESS RELEASES AND IDB AMERICA'S ARTICLES.....	i
II. JSF PROJECTS APPROVED BY THE BANK.....	vi
III. JPO PROJECTS APPROVED BY THE BANK.....	xv
IV. JCF PROJECTS APPROVED BY THE BANK.....	xvi
V. JSF PROJECTS WITH BANK APPROVAL BY COUNTRY.....	xviii
VI. JCF PROJECTS WITH BANK APPROVAL BY COUNTRY.....	xix
VII. JSF COUNTRY AND SECTOR DISTRIBUTION.....	xx
VIII. JCF COUNTRY AND SECTOR DISTRIBUTION.....	xxi
IX. JSF AUDITOR'S REPORT AND FINANCIAL STATEMENTS.....	xxii
X. JCF AUDITOR'S REPORT AND FINANCIAL STATEMENTS.....	xxxiii

1. Overview of 2003

In 2003, the Bank approved 18 projects for a total of US\$9.6 million financed by the Japan Special Fund (JSF). These included 5 projects for the JSF Poverty Reduction Program (JPO) amounting to US\$2.8 million. 38.1% of these operations supported the social sector; 31.7% focused on infrastructure projects; and 17.4% involved environment sector, respectively. C & D countries received 44.5% of the support while A & B countries received 33.5% of the total financing. Regional projects benefited from 21.9% of the funds. Costa Rica was the beneficiary country that received the most from the JSF/JPO in 2003, receiving 19.8% of the total JSF/JPO approvals (US\$1.9 million). It was followed by Columbia with 17.1% (US\$1.6 million) and Bolivia with 7.8% (US\$0.8 million).



For Japanese Trust Fund for Consultancy Services (JCF), the Bank approved 7 projects totaling US\$2.5 million in 2003. 89% of the total approval was attributed to D countries. Among all the approvals, 59% was dedicated to the social sector, followed by 30% to infrastructure.



The total approval to date for JSF amounts to US\$185.2 million and US\$23.2 million for JCF.

2. Resources

In 2003, the Government of Japan (GOJ) contributed JPY192.2 million (approximately US\$1.6 million) in new money to JSF bringing the total contribution to JPY25,300 million (approximately US\$205.6 million). The overall availability of JSF at the end of 2003 totaled JPY2,192 million (approximately US\$20.5 million).

million). GOJ replenished JCF by JPY211 million (approximately US\$1.8 million) and had an available balance of JPY854 million (approximately US\$8.0 million) by the end of year 2003. The total contribution amounted to JPY3,267.4 million (approximately US\$27.9 million).

3. Highlights of TC Projects Approved in 2003

3.1 Bolivia

Strategic Environmental Assessment of the Northern Corridor of Bolivia

Amount:	US\$750,000
Fund:	JSF
Sector:	Transportation
Executing Agency:	National Road Services, SNC

The Northern Corridor is a major axis of development for Bolivia. Some stretches along the area are open to traffic but most of the roads are not usable during the rainy seasons. A future road, financed by the Bank's loan BO-0200, will open the area to traffic year round. The area is characterized by extreme topographical conditions, with a great diversity in climate and ecosystems and the presence of numerous indigenous and ethnic minority communities. The strategic environmental assessment will identify fragile population and ecosystems to evaluate potential environmental and social impacts in order to minimize adverse potential impacts and maximize benefits of the opening of the Northern Corridor. Due to the diversity and complexity of this highway, the assessment can't be limited to the local level. It requires an analysis of the whole region, extensive knowledge of the area and interaction with people with deeply rooted cultures. This will be financed jointly with JSF and the Fund for Special Operations of the Bank.



Road Construction in Bolivia

Review and Modernization of the Drainage Master Plan for La Paz

Amount: US\$750,000
 Fund: JCF
 Sector: Water and Sanitation
 Beneficiary Agency: Municipality of La Paz

The city of La Paz extends itself along the banks of the Choqueyapu River, which serves as a collection of rainwater and sewerage. On February 19, 2002, the insufficient capacity of the drains and channels to handle a large volume of water resulted in major disasters for the city including a considerable loss of human life. The Bank supports two programs addressing this issue: Disaster Prevention Program (1121/SF-BO) and La Paz Urban Central Development Program (BO-0216). Both projects require a drainage master plan to address the flooding risk and the development of the drainage system in downtown La Paz. The TC will support to establish the Master Plan which will revise and modernize the current drainage system, focusing on the urban area of the city of La Paz.

3.2 Brazil

Support the Program of Culture and Citizenship for Social Inclusion

Amount: US\$450,080
 Fund: JSF
 Sector: Social Investment
 Executing Agency: Secretary of Culture of the State of São Paulo (SEC)

The Factories of Culture (PCCSI) promotes equal access to high quality cultural activities to at-risk children and adolescents from the most vulnerable districts of São Paulo's periphery, in order to contribute to their integral development and their integration in society. This TC supports the development of a SEC's socially oriented cultural policy that will be the driving force of PCCSI. The studies will identify the juxtapositions and gaps of the existing social interventions in the area; develop district diagnostics and plans that will serve to prepare and monitor social interventions; and develop the preliminary activities needed to set up the monitoring and evaluation systems of the Culture and Citizenship for Social Inclusion Program.



Cultural Center in Brazil

Support for a Social Rental Housing Program Pilot Project

Amount:	US\$465,000
Fund:	JSF
Sector:	Urban Development and Housing
Executing Agency:	Secretary of Culture of the State of São Paulo (SEC)

In the past decade, a large exodus from Downtown São Paulo has left an enormous number of vacant and underutilized buildings. The government has a program to rehabilitate the area (BR-0391) including a Social Renting Housing subcomponent that will build and remodel 1,600 housing units. The technical cooperation funding is essential to allow the Social Renting program to play a role in reversing the loss of central São Paulo's housing function addressing the needs of low-income families. The TC will design and appraise condominium management models, design a rental subsidy for low-income families and establish a management unit with the participation of the community.

Prefeitura de São Paulo recebe recursos do Fundo do Japão para implementar projeto

A Prefeitura Municipal de São Paulo irá receber US\$ 465 mil do Fundo Especial do Japão, administrado pelo Banco Interamericano de Desenvolvimento (BID). Os recursos, a fundo perdido, deverão ser utilizados para estudos e consultorias sobre gestão condominial em projetos de locação social. A cooperação técnica, assinada na última segunda-feira, terá o prazo de 36 meses.

Como contrapartida, a Prefeitura investirá US\$ 285 mil para desenvolver medidas que fortaleçam a gestão do programa Locação Social, desenvolvido pela Secretaria da Habitação e Desenvolvimento Urbano (Sehab), como a criação de um sistema informatizado de dados sobre o projeto. A verba também poderá ser revertida para subsidiar experiências internacionais de gestão de parques públicos de locação social, trabalho social, monitoramento e avaliação, bem como um sistema de subsídios do programa.

A política habitacional adotada pela Prefeitura de São



O secretário municipal da Habitação, Marcos Barreto, o cônsul do Japão, Hitoshi Ishida e a prefeita Marta Suplicy (da esq. p/ dir)

Paulo tem como destaque o programa Morar no Centro - do qual faz parte o Locação Social -, que visa a reabilitação da região central da cidade. Dirigida a famílias com renda mensal de até três salários mínimos e que não têm condições de assumir financiamento para a casa própria, a iniciativa pretende melhorar as condições de vida das pessoas que residem no Centro e atrair novos moradores de todas as classes sociais. "Esse programa irá possibilitar a fixação

das pessoas de baixa renda no centro da cidade"; afirma o cônsul do Japão, Hitoshi Ishida, que participou da assinatura do convênio.

Pelo programa, a Prefeitura constrói ou reforma imóveis para serem alugados à população com dificuldade financeira, que pagará um valor proporcional à renda e ao tamanho da família. "É um programa inovador. O Parque do Gato, por exemplo, além de moradia digna e parque com áreas verdes e de lazer, terá

capacitação profissional e alfabetização", explica a prefeita.

Segundo a Secretaria da Habitação e Desenvolvimento Urbano, serão disponibilizadas mais de 1.900 unidades habitacionais no centro. Entre elas, estão os empreendimentos da Rua das Olarias, com 137 unidades, e o Parque do Gato, com 485 apartamentos. Em junho, serão inauguradas as primeiras 270 unidades do Parque do Gato. De acordo com os dados do Censo IBGE (Instituto Brasileiro de Geografia e Estatística) 2000, 28% da população paulistana paga aluguel, porém, na região central, o percentual sobe para 50%.

A cerimônia de assinatura do termo contou com a presença da prefeita Marta Suplicy; do secretário municipal da Habitação, Marcos Barreto; da presidente da Cohab-SP, Suelly Muniz; da especialista em Desenvolvimento Urbano do BID em Washington, Ricardo Rienti e do especialista de Desenvolvimento Urbano do BID no Brasil, Aderbal Curvelo.

3.3 Colombia

Analysis of the Housing Market and Initial Development of Financial Mechanism for Low-Income Households

Amount: US\$390,574
 Fund: JSF
 Sector: Urban Development and Housing
 Executing Agency: National Planning Office

The housing deficit in Colombia is estimated at approximately 2.6 million units. Current housing policy includes direct subsidies and credit to low-income households to meet the demand for the acquisition, construction or improvement of their home. The purpose of this TC is to enhance the effectiveness of the “Government Housing Program” (CO0241) for low income urban households by clearly defining the demand and supply; developing new housing finance instruments for lower income households; and creating mechanisms for continuous monitoring and evaluation of government housing programs.



Colombian House

Integrity Indexes for Public Institutions

Amount: US\$600,000
 Fund: JSF
 Sector: Urban Development and Housing
 Executing Agency: National Planning Office (Dirección Nacional de Plantación)

The objective is to increase the country's knowledge of corruption and integrity issues in national, regional and local public institutions, by means of quantitative and qualitative measurement tools. The TC finances the validation of the national Integrity Index which will expand to a department and municipal level. These indexes are key benchmarks to determine the level of success and effectiveness of the loan “Program for the Renovation of the National Public Administration” (CO-0266) in which the improvement of public policy making and public service delivery is achieved in terms of their the efficiency, efficacy and accountability.

3.4 Costa Rica

Sustainable Development of the Huetar Atlantic Region

Amount:	US\$600,000
Fund:	JSF
Sector:	Environmental Protection
Executing Agency:	Ministry of Planning

The Huetar-Atlantic region has one of the highest poverty and unemployment rates in Costa Rica, and is recurrently being affected by floods that disrupt its productive capacity. Despite its current situation, the region is considered to have development potential due to its abundant natural resources including protected areas and forests as well as an area suitable for agriculture, with a road network for transportation to markets in the rest of the country and abroad through the Limón port.

This TC supports the design and preparation of a Sustainable Program for the Huetar Atlántica Region (CR-0157) to encourage sustainable economic growth through promoting competitiveness in key economic activities of the region, such as reducing the exposure to risk of the region’s population and infrastructure, and fostering a sustainable use of the natural resources. The TC will analyze the region’s institutional capacity, comparative advantages, environmental risk factors and the economic structure. Based on this analysis, the TC will prepare an action plan for sustainable development that will be implemented by the loan. The Government of Costa Rica has given the highest priority to the Program and the loan.



Costarican Landscape

National Strategy for Environmental Management

Amount:	US\$470,000
Fund:	JSF
Sector:	Environmental Protection
Executing Agency:	Ministry of Environment and Energy (MINAE)

The TC supports the formulation of a “Participatory National Environmental Management Strategy” that helps reduce, mitigate, and solve environmental problems while promoting sustainable development in the country through a participatory process which involves the various public and private stakeholders. The

Strategy will contain: defining regulatory principles and criteria for environmental policy; defining management priorities and realistic use and conservation goals in keeping up the country's needs; strengthening institutional capacities; and identifying and promoting plans, programs, projects, actions, and instruments aimed at addressing agreed-upon priorities. The Strategy will serve as a guide for designing the new structure of MINAE and supporting the preparation of an Environmental Management Program, which could be financed by the Bank.

Modernization of Expenditure and Taxation and Inv. Fund for Growth and Competitiveness

Amount: US\$325,000
 Fund: JSF
 Sector: Reform and Modernization of the State
 Executing Agency: Ministry of Finance

The Bank prepared a hybrid operation "Modernization of Expenditure and Taxation, and Investment Fund for Growth and Competitiveness Program" (CR-0140). One part of loan will be Policy Based, which will be disbursed in two installments to support deficit reduction measures. The other part is an investment fund to support activities in the fiscal area, customs administration, rural roads, small and medium enterprises and information technology among other activities. Resources of the loan will become available if the government meets the conditions for several expenditures and collection. This TC will analyze the tax and expenditure policy and procedures, define targets and benchmarks for measuring progress. In addition, the TC designs a program budget mechanism that can be used as a planning, management and evaluative tool.

Slum Upgrading Program

Amount: US\$500,000
 Fund: JSF
 Sector: Social Investment
 Executing Agency: Ministry of Housing

Over the past decade, Costa Rica's major cities have seen the accelerated spread of "poverty belts" where some 20,000 families live concentrated in 175 substandard settlements. To address this problem, the Government of Costa Rica requested a loan for US\$30 million to improve the living conditions of low-income groups in the Metropolitan Area of San José and the cities of Esparza, Limón and Punta Arenas. The program would finance a comprehensive set of interventions combining investments in infrastructure and basic services with social actions targeted to the most vulnerable groups. This TC designs the tools to ensure that the benefit of the Program are targeted to low-income families in urban areas and the cost of the interventions benefits the maximum possible number of eligible families.

3.5 Dominican Republic

Strengthening the Territorial Public Investment System

Amount:	US\$ 454,986
Fund:	JSF
Sector:	Social Investment
Executing Agency:	National Planning Office (ONAPLAN)

Decision making in the Dominican Republic is highly centralized and lacks input from local actors. This results in a chronic situation since the central government is the sole service provider in most sectors. Provincial level entities and municipal governments have neither the normative responsibilities nor the access to technical and financial resources required to plan and manage investment programs. The Dominican Government recognizes the limitations of this system and is undergoing a modernization process to become more efficient, accountable, and open to citizen participation. The National Public Investment System-NPIS (DR0153) will allow greater participation of local and regional levels in the management of social investment projects that target vulnerable populations. The TC will develop the technical norms, procedures, and mechanisms that will create the institutional framework to support the NPIS.

3.6 El Salvador

Support the Water Resources Management in El Salvador

Amount:	US\$600,000
Fund:	JCF
Sector:	Environmental Protection
Executing Agency:	National Water and Sewerage Administration, ANDA

Historically, the availability of water resources in El Salvador has been considered ample. This situation has changed due to the population increase, pollution and general and natural resource degradation in its major river basins and watersheds. Water allocation is becoming a major source of conflict among sectors and regions in the country. This situation prompted the government to foster the modernization of the water supply and sanitation sub sector, by supporting investments and processes that promote decentralized management of systems (1102/OC-ES). The Government of El Salvador recognizes that the decentralization of potable water and sanitation systems must be accompanied with integrated water resources management, particularly in the context of micro-watersheds where municipalities are located. This technical cooperation will foster the process of decentralization of water systems with appropriate information and management instruments to enhance water resources management activities at watershed

level, as well as to support the country in developing a national framework for integrated water resources management.

3.7 Honduras

Instruments & Methodologies for Targeting Children, Adolescents or Women who depend on the Streets for Survival

Amount:	US\$625,000
Fund:	JPO
Sector:	Women, Children and Youth
Executing Agency:	Family Assignment Program (PRAF)

Thousands of Honduran women, boys and girls depend their living on the streets or on garbage dumps. The data available for the situation is scarce and no comprehensive approach has been taken to address the problem. This TC seeks to fill out these data and policy gaps through a two-fold approach. First, it will provide comprehensive socio-economic data on the target population. Second, it will develop and test new sustainable methodologies to address the problem. The project will finance the assessment of the situation among women and children depending on the streets in San Pedro Sula and Tegucigalpa in order to understand the current situation and will design an action plan. It will further include an analysis of the situation of the garbage dump of Tegucigalpa to design an integral and more sustainable approach to the social and environmental issues and the risks involved. Finally, the project will finance a pilot case for children working as garbage recyclers to go to school.



Children from Honduras

3.8 Jamaica

National Energy Diversification Strategy

Amount:	US\$750,000
Fund:	JCF
Sector:	Energy
Executing Agency:	Ministry of Mining and Energy

Currently more than 90% of Jamaica's commercial energy needs are met from imported petroleum. The country's long-term development sustainability rests on its ability to achieve security and diversity in the sources of energy supply at stable prices.

The Government developed an energy sector policy intended to obtain energy supplies at the most economical cost through a combination of public and private sector participation, deregulation and liberalization of the energy sector and diversification of the primary energy mix. Preliminary evaluations indicate that natural gas in the form of liquefied natural gas (LNG) would be an ideal diversification fuel that could serve Jamaica's diversification objectives at a relatively cheaper price. A pre-feasibility study already identified 3 potential sites for project development. The purpose of this TC is to prepare the feasibility study for the introduction of LNG in Jamaica by the private sector. It includes a realistic evaluation of demand; a technological assessment; LNG terminal site selection; a model for ownership and operation; regulatory framework; LNG supply sources and options; transportation; socio-environmental assessment; costing and schedule of preliminary design; investment model; and advisory services to assist in structuring the project and in the negotiating strategy.

3.9 Mexico

Analysis of the Social Strategy

Amount:	US\$377,000
Fund:	JSF
Sector:	Social Investment
Executing Agency:	Secretariat of Social Development (SEDESOL)

The Mexican Government, in cooperation with the Bank, will invest US\$350 million to reduce urban poverty and to evaluate social programs (ME-0255). The project will cost approximately US\$25 million and will focus on a multiyear evaluation of the sustainable impact of SEDESOL's social programs. These evaluations will allow important improvements in social program design within a framework of a coherent social policy strategy and will offer important information to redirect resources towards interventions with the highest returns.

This TC will support all the preparation activities and provide the building blocks (validated evaluation methodology and design, data collection instruments) needed to develop the evaluations. The knowledge

sharing which will be achieved through this TC is very valuable for the Bank's activities in other countries of the Region, given its focus on improving the measurement of the effectiveness of poverty reduction efforts.

3.10 Nicaragua

Support for the Preparation of the Citizens Security Program

Amount:	US\$300,000
Fund:	JSF
Sector:	Social and Modernization of the State
Executing Agency:	Minister of the Interior (Ministerio de Gobernación)

The citizens' security and violence had become a priority issue for the Government given its high economic and social cost. One of the characteristics of the current violence situation in Nicaragua is the presence of gang groups called *pandillas*.

Despite the creation of the Secretariat of the Youth and new legislation for the integral development of the Youth and Children, the institutions involved with security and protection of children and youth do not have the structure, capacity nor the resources necessary to cope with the problem. In addition, the legal system is also inadequate to take preventive and control measures related to citizens' security.

To improve this situation, the Government with the support of the Bank is preparing a program to improve the conditions related to citizens' security and reduce criminality among youth (NI-0168). The program focuses on institutional strengthening of the entities involved in the attention to delinquent youth and the implementation of preventive programs. The objective of this TC is to design the interventions to be included in the loan.

3.11 Panama

Final Design of Panama City Treatment Plan

Amount:	US\$1,500,000
Fund:	JCF
Sector:	Water and Sanitation
Executing Agency:	Ministry Health

The metropolitan area of Panama City discharges a large amount of untreated liquid wastes into urban rivers or directly into the Panama Bay. The city residents' concern about the condition of the Panama bay has been increased because of the visible deterioration of its waters and the potential risks to public health. Acknowledging the problem, the Government established a new institutional and regulatory framework for the sector and, with help of the international community, developed a Master Plan. Based on this strategy, the estimated investment to expand the sewerage system and provide proper treatment and disposal is

US\$326 million. The government plans to implement the project in two stages over a period of at least 9 years with resources financed through the Bank and the Japan Bank for International Cooperation (JBIC).

In order to properly define the scope and components of the project, the following pre-investment studies are required: (i) final engineering designs for the expansion of the sewerage network, and (ii) a final design of an interception, treatment and wastewater disposal system.

The first set of studies will be financed by the Bank's loan (US\$3 million) and the other studies will be financed with resources of JCF. Both engineering design carried out in parallel and jointly will define the scope of the first construction phase.



Panama City

3.12 Regional

Caribbean Education Sector HIV/AIDS Response Capacity Building Program

Amount:	US\$ 565,000
Fund:	JSF
Sector:	Health and Education
Executing Agency:	Caribbean Community CARICOM

The HIV/AIDS per capita prevalence rate for the Caribbean region is the second highest globally, and AIDS is already the leading cause of death for the 15-44 age group in the Caribbean region. Although there is a general consensus that the epidemic is a national development challenge and not exclusively a public health issue, almost all technical assistance and funds from the different international and local partners continue to be channeled through the Ministry of Health.

The education sector has a key role to play in preventing HIV and mitigating the effects on individuals and communities. Some countries have education sector components of national HIV/AIDS strategic plans but most of these are weak and none are in a state of readiness for implementation. The purpose of this TC is to improve the response of the education sector to the HIV/AIDS epidemic, as a partner in the multi-sectoral strategy of the prevention and mitigation of AIDS in each Caribbean country. It will provide

practical and concrete models for the education sector to use in reducing HIV transmission rates among young people. These benefits will be generated first in Jamaica, Belize and Guyana. The lessons learned will then be disseminated throughout the Caribbean region and the operation will assist other countries in the region to develop their own education sector responses to the HIV/AIDS epidemic.

Mundo Maya Sustainable Tourism Program

Amount:	US\$750,000
Fund:	JSF
Sector:	Tourism
Executing Agency:	Mundo Maya Organization (OMM)

The Mundo Maya is a route that covers parts of Belize, El Salvador, Guatemala, Honduras and Mexico. It has enormous tourism potential due to its monumental archaeology sites, attractive natural surroundings and variety of ethno-groups. The Region's tourist attractions contrast with its poverty and a lack of basic services and job opportunities.

The Mundo Maya Sustainable Tourism Program (MMSTP) has been designed to offer opportunities for economic and social development for the region through the participation of local communities in sustainable tourism projects. With help from the international community and active participation of the local community, pre-feasibility studies were completed and preliminary financial requirements were estimated at US\$150 million. The outcome implies the restoration of archeological sites, access to the sites and basic infrastructure. This TC will support the preparation of funding applications which each country will submit to the Bank, other financial institutions and donors in order to implement the proposed MMSTP.



Mundo Maya Archeological Site

4. Highlights of Projects in Execution

4.1. Chile

Strengthening Civil Society Organizations Networks through Information Technology

Amount: US\$520,000

Fund: JPO

Sector: Social Development

Executing Agency: National Foundation for the Alleviation of Poverty

The operation finances the organization and management of 17 Information and Networking Centers (*Centros de Información y Vínculo, CIVs*). The Centers are used as the places for social gatherings directed by well-trained personnel, where community members have the opportunity to access educational, recreational and social activities. The Centers will also contribute to strengthen the work done by 25 civil society organizations networks and their institutional capacity. Members of the communities and civil society networks are able to learn innovative technologies, share experiences and lessons learned. They will also learn more about their rights and other information that can help alleviate poverty including the resources and social benefits available to low income groups. It will be quality and timely information in an easy to understand format. Another benefit to the community is the capability of obtaining official documents or processing paperwork via online instead of having to travel long distances to where government offices are located. The use of communication technologies also contributes to set the basis for citizen participation in the public policy. These activities contribute to reduce social inequalities increased by the digital gap and enable low-income communities to participate in the challenges and benefits that derive from having access to knowledge and information. The operation creates the conditions to help low-income communities groups share the benefits of growth. This methodology serves as a model to elaborate a national strategy to replicate this model in other low-income areas of the country.



Internet Center (CIV) in Chile

by Nybia La Guardia, Team Leader

4.2. Guatemala

Support to the Program for the Improvement of the Surveys and the Measurement of Living Conditions

Amount: US\$640,000
 Fund: JCF
 Sector: Social Investment
 Executing Agency: National Statistics Institute (INE)

The technical cooperation was aimed at improving the capacity of INE in the areas of data management and information technology, and was complimented with a studies fund to finance a research on living conditions. The first part of the project was successfully executed between April 2002 and July 2003 generating the following benefits to INE: (i) A common database based on MS SQL 2000 to manage data from administrative records and household surveys; (ii) Migration of historic information to modern database system; (ii) Improvement in the data entering technology promoting the use of Internet to shorten the process; (iii) Development of an internal network at INE to facilitate knowledge exchange within the institution; and (iv) Improvement of INE's Internet site.

The operation has successfully modernized the internal data management capacity of INE, providing it with better tools to improve the quality and opportunity of the data generated.

by Juan Antonio Mejia-Guerra, Team Leader

4.3. Nicaragua

Emergency attention to boys/girls and adolescents affected by hurricane Mitch in the city of Managua

Amount: US\$550,000
 Fund: JSF
 Sector: Social Development
 Executing Agency: Casa Alianza (International NGO)

Hurricane Mitch intensified the seriousness of the situation of children who live and/or work on the streets. The objective of this TC was to facilitate the immediate attention to children and adolescents in the city of Managua affected by the hurricane, offering appropriate health, education, lodging and training services. The executor, Casa Alianza, has broad experience in caring for this problem and its efficiency and integrity have been recognized internationally. The TC has been successfully executed with the following major outputs:

1) Health Services: During 3 years, the project provided medical attention to 1,548 children/babies, with an overall total of 19,616 receiving medical attention. The main focus was HIV-AIDS, severe malnutrition, parasites, injuries, sexually transmitted diseases and mental health care.

2) Program “Luna”: Street Children are more vulnerable for being exposed to sexually transmitted diseases. This program developed several actions to: (i) prevent and educate about sexually transmitted diseases; (ii) test; and (iii) treat infected children. The program provided 8,103 attentions to 525 kids.

3) Family Reintegration: The program supported the integration of 234 kids with their families through: (i) a minimum of two visits to the family before the child is taken back home; (ii) monitoring through visits at least every three months to the child and his/her family; and (iii) support children through a kind of scholarship that covers education, health, clothing, recreation, food and other expenses.

4) Emergency home for girls. This home accommodated girls between 13 and 18 years old with no family ties and who are very vulnerable and often have a history of drug usage. This program provided 156 girls with shelter and started the rehabilitation process. It is estimated that 80% of the girls were able to overcome their crisis. Another home for young mothers was established to provide appropriate prenatal care, emotional and physical stability and support for social integration. During the period of 3 years while the TC supported the center, 93 young mothers and 52 babies were supported.



Emergency home for girls in Managua, Nicaragua

4.4. Suriname

Basic Education Project Preparation

Amount:	US\$150,000
Fund:	JSF
Sector:	Education
Executing Agency:	Ministry of Education

This TC achieved its objective to support the preparation of the Basic Education Improvement Project in Suriname (SU-0023). The objective was to support the design, feasibility and analysis of the Program, as well as workshops and seminars. The consultancies contracted included the University of Twente and SLO, as well as international and local individual consultants and covered issues such as the upgrading of the basic education curriculum, textbooks and teaching materials, teacher education, renovation and rehabilitation of school infrastructure, and the strengthening of school management.

The reports presented by the different consultancies contributed greatly to the design of the Basic Education Improvement Project, approved by the Bank in December 2003. This US\$14 million loan is the second approval by the Bank in the education sector and will support the modernization and strengthening of Suriname's basic education system.

The TC resources will assist the Ministry of Education and Community Development (MOECD) in reorganizing the present primary and junior secondary education system into a single 10-year basic education cycle. To accomplish this task, the ministry adopted a new curriculum, redesigned textbooks, undertook new techniques of teacher training, reformed the existing examination system and acquired new teaching materials. As a part of the program, those primary and junior secondary schools now in poor condition were rehabilitated, as well as certain MOECD units and training facilities that needed renovations. Additionally, the program included activities to enhance the management capacity and autonomy of schools and to strengthen and equip the MOECD with the instruments and tools to conduct more effective ways to fulfill the responsibilities.



Suriname Teacher and Student of a Public School

By Jesus Duarte, Team Leader

5. Other Activities in 2003

Special Mission Trip to Japan – Business Seminar in Tokyo and Dialogue with Various Japanese Firms and Organizations

The JSF team took part in the Business Information Seminar in Tokyo, which was hosted by the Bank's Office in Japan. The seminar aimed at the dissemination of IDB strategy and policies in order for Japanese firms to be able to participate more actively in tenders and projects financed by the Bank. As a main speaker, the JSF team presented the information of JSF/JCF activities as well as the Bank's strategies to various participants such as consulting firms, research institutes, accounting firms, and trading companies. In addition to the trend by sector and country, the JSF team explained "How to access the IDB project", introducing the function of local representative office and current TC projects in pipeline, which resulted in encouraging the participants to be actively involved in the JSF/JCF program. There was a clear recognition among the Japanese firms that Japanese Funds, especially, the JCF program is attractive due to the larger size of recent projects and its flexible implementation. Finally, in order to strengthen the business linkage, videoconferences with wide range of business information are expected to be launched during the year of 2004. In addition to the participation of Business Seminar, the JSF team explored the opportunities of linkage with Japanese NGO groups to participate in the poverty reduction activities in Latin America region through JPO program.

Coordination Meeting with Japan International Cooperation Agency (JICA) in Honduras

The JSF team participated in the coordination meeting between JICA and the Bank which has been held bi-annually in Honduras. The goal of the meeting was to develop a mutual understanding of the latest JICA and IDB operations and strategy in Honduras, and exchange project pipeline information. The JSF team joined the session to introduce the general outline of Japanese Fund including operation performance, eligibility and procedure. The presentation was focused to disseminate information about the JPO facility in order to seek the future financial collaboration with JICA.

Meeting with Embassy of Japan in Nicaragua and Honduras

The JSF team had a meeting with the Embassy of Japan to seek an opportunity of collaboration with its Grass Roots Cooperation Fund and Japanese Trust Fund, especially with JPO facility. Needs of technical cooperation in both countries were stressed, and it was concluded that the future collaboration would be sought more actively, utilizing the sufficient capacity to provide technical know-how for social development.

From IDB's Press Releases and IDB AMERICA's Articles

During 2003, the following JSF/JCF projects were mentioned in the IDB's Press Releases and IDB AMERICA's articles (see Appendix II):

IDB's News Release

1. Regional "Mundo Maya Sustainable Tourism Program" JSF US\$750,000
http://www.iadb.org/NEWS/DISPLAY/PRPrint.cfm?PR_Num=05/03&Language=English
2. Belize "Poverty Elimination Strategy Implementation" JPO US\$300,000
http://www.iadb.org/NEWS/Display/PRPrint.cfm?PR_Num=154_03&Language=English
3. Brazil "Support the Program of Culture and Citizenship for Social Inclusion" JSF US\$450,080
http://www.iadb.org/NEWS/Display/PRPrint.cfm?PR_Num=203_03&Language=English
4. Bolivia "Strategic Environmental Assessment of the Northern Corridor of Bolivia" JSF US\$750,000
http://www.iadb.org/NEWS/Display/PRPrint.cfm?PR_Num=239_03&Language=English

IDB AMERICA's articles

5. Ecuador "Social Indicators Integrated System (SIISE)" JSF US\$1,000,000
<http://www.iadb.org/idbamerica/index.cfm?thisid=1521>

6. Reporting Currency

For upgrading efficiency of the administration of Japanese Trust Funds, the donor agreed in December 2003 that the Bank would begin reporting the financial statements denominated in US Dollars as of January 2004, instead of reporting in Japanese Yen since the Fund's establishment. The transition of the reporting currency was completed successfully in January 2004 and the FY2004 financial statements will be reported in US Dollars.

7. Monitoring and Supervision

The JSF team conducted a monitoring mission to Chile and Uruguay in June 2003, to review and monitor the status of the on-going and completed TC projects from various aspects such as the operational, environmental, and social points of view.

7.1. Chile

Santiago-Valparaiso-Viña del Mar Toll Road Project

Amount:	\$554,590
Fund:	JSF
Sector:	Transportation
Executing Agency:	Private Sector Department (PRI) of IDB
Bank's Approval:	December, 2002

The technical cooperation was designed to support studies that are indispensable for the completion of a thorough analysis of the project by the Bank. The emphasis was placed specifically on the environmental and social analysis which includes an extensive due diligence review of the project as well as public consultation plans. It is essential for this TC to meet the Bank's environmental and social guidelines which are necessarily stringent as a Multilateral Development Bank.

The execution of the TC was successful in that the construction, contract and budget were in line with the original schedule. In addition, the TC had a positive impact to lower the cost of the bond issuance since the legal component was very complex. The TC supported the beneficiary to take an active role by sharing the risk of the project with various private investors such as pension funds. The regulatory framework for concessions was originally done by another IDB window, the Multilateral Investment Fund (MIF), which offers the major source of technical assistance grants for micro and small business development in the region. The guarantee scheme was successfully executed by Private Sector Department at the Bank (PRI) with a support of this TC. The success was resulted from the combined-working efforts of MIF, JSF and PRI, which demonstrated a significant effectiveness of inter-departmental technical cooperation to the region. This project has received 2 awards (the best project in Latin America and the best highway project in Latin America) in Chile, creating a demonstration-effect to follow as the best practice.

Plan for the Development of the Artisan Fishery Sector of the Vth Region of Chile

Amount:	US\$200,000
Fund:	JCF
Sector:	Fishery
Executing Agency:	IDB
Bank's Approval:	October, 2001

The objective of this technical cooperation was to conduct an economic and social evaluation of alternative sustainable development scenarios of the artisan fishery sector in the Vth Region of Chile, and to prepare a development and investment plan to implement the best alternative. This plan defined the framework for the actions of the different economic and social participants, both public and private, under a common objective for the development of this sector. The TC contained the following major activities: i) to prepare a diagnostic study describing and characterizing biological, technological, economical, environmental and social aspects of the sector; ii) to organize discussion seminars and technical workshops to validate the diagnosis; iii) to prepare a technical report presenting the alternative scenarios and characterizing the best one with analysis of its net benefits and probable distribution effects; and iv) to elaborate a sustainable development and investment plan to implement the best scenario for the artisan fishery sector in the Vth Region of Chile.

This TC achieved one of the main objectives to: a) upgrade the education of the fishing efforts and fishing stock methodology; b) alleviate the lack of proper infrastructure and equipments for post harvesting; and c) change the independent selling attitude of fishermen. More importantly, this innovative consultation was effectively conducted because the methodology was well explained and agreed between FEDEPESCA, special consultant and fishermen. The president of FEDEPESCA of Region V was satisfied with the result of TC and its success as a pilot project. Special attention was given regarding professional consulting service by Japanese consultants. It was confirmed that several workshops conducted by Japanese specialists were extremely productive to present a clear picture of methodology to fishermen. The program done by the TC will expand to the other regions, indicating that there is a possibility of a IDB loan after the effectiveness and sustainability of the TC is confirmed.



Development of Organizations of Older Adults

Amount:	US\$750,000
Fund:	JPO
Sector:	Social Development
Executing Agency:	Help Age International
Bank's Approval:	January, 2002

The project financed consulting services, training and public information activities directly benefiting low-income older adults. The objective of this operation was to contribute to poverty reduction, increased social equity and improvement of the quality of life of older persons by strengthening the participation of low-income older adults in community organizations, local, national and international networks. The main activities included the strengthening the older adults networks working with NGOs and facilitating the effective interaction and coordination mechanisms between government institutions and civil society organizations for social protection of the poorest elderly citizens.

The TC contributed to boosting the expansion of the communication in various levels of elderly people through the participation of the state and local communities. The connection of the regional network has been strengthened via computer technology such as e-mail and a website. A leader of Red Tiempo, stressed that the TC had a strong impact on various stakeholders since the networking activity has been appreciated in many countries, and the member of participants is growing not only in Latin America but also in the Asian region. The visibility of the project is very high through well designed in-house website, attracting various civil groups in different countries who have been facing aging issues.

RED LATINOAMERICANA Y DEL CARIBE
Tiempos
 Programas de Personas Mayores

HOME NEWS PROGRAMAS CONTACTO

MAPA DEL SITIO

6 de Mayo del 2003

EDITORIAL

Red Latinoamericana y Caribeña de Personas Mayores, TIEMPOS
"Construyendo una Sociedad con y para todas las edades"

Estas primeras líneas no pueden sino manifestar toda nuestra alegría. Nuestra satisfacción por esta construcción colectiva, por esta posibilidad de acercar y usar las nuevas tecnologías para presentar y presentarnos hacia el mundo; lo cierto es que hoy la Red TIEMPOS se instala en un nuevo escenario y deberá ser capaz de continuar construyéndose colectivamente desde diferentes rincones de la Región: desde el barrio, los pueblos jóvenes, las barriadas, las poblaciones "callampas", las zonas rurales, las caletas pesqueras, las comunidades indígenas, las zonas mineras, los barrios cívicos, etc. ahí donde cotidianamente nos encontramos con nuestros principales aliados estratégicos: **las personas mayores o adultos mayores**. Con quienes hemos diseñado y construido caminos conjuntos; de respeto, de compromiso, de acciones, de resultados, de solidaridad, de dignificación individual y colectiva, de reconocimiento interior y exterior.

Creo que esta ocasión es propicia para invitarlos a ser parte de este u otros caminos que se construyen en América Latina y El Caribe, nuestro propósito es sumar y juntos avanzar en los múltiples desafíos nacidos de la Segunda Asamblea Mundial sobre Envejecimiento (Madrid 2002) y sobre todo a partir de los próximos eventos internacionales ha realizarse en Santiago de Chile, a saber: la **Reunión Regional de Sociedad Civil sobre Envejecimiento** (18 al 20 de junio del 2003) y la Conferencia Intergubernamental (noviembre del 2003), ambos hitos regionales marcarán caminos y compromisos que tanto las personas mayores organizadas, los diferentes referentes de la sociedad civil y los propios gobiernos tendremos que ser capaces de desarrollar y velar por su cumplimiento.

Finalmente, nuestro reconocimiento y agradecimiento a quienes están haciendo posible este esfuerzo y muchos otros, por el apoyo recibido desde el [Banco Interamericano de Desarrollo BID](#) y el Fondo Especial Japonés a través del Programa de Apoyo a Organizaciones de Adultos Mayores, el cual es co-ejecutado entre [HelpAge International](#) y la Red TIEMPOS.

NOTICIAS DESTACADAS

[El reconocimiento para la enfermedad de Alzheimer](#)

[Una Investigación sobre la Incidencia y la Supervivencia a largo plazo de la Insuficiencia Cardíaca](#)

[Boletín Informativo de](#)

PARTNERS DESTACADOS

[El organismo Panamericano de la Salud \(OPS\) es un organismo internacional de salud pública con 100...](#)

Support for the Preparation of a Vulnerable Neighborhood Intervention Program

Amount:	US\$ 745,000
Fund:	JSF/JPO
Sector:	Social Investment
Executing Agency:	Ministry of Interior
Bank's Approval:	October, 2002

The objectives of the TC operation were (i) to support the design and implementation of a loan for the strengthening of a vulnerable neighborhood intervention model in Chile (CH-0178), and (ii) to implement a pilot intervention in three neighborhoods of Santiago. The operation was divided into the following components and activities: a) analysis of experiences and definition of target neighborhoods focusing on typology for identifying and selecting neighborhoods for the vulnerable neighborhood program universe, and identifying public and private information available on the social prevention and infrastructure dimensions of citizen security at the central, regional, and local level; b) design of intervention model; c) strengthening of the subsecretariat of the Interior; and d) pilot intervention including neighborhood organization training activities and investments in social prevention and infrastructure projects.

The execution of the TC was successfully conducted with various international experts, academic specialists, and NGO staff. The TC contributed to unite the local and general policy in order to establish a model and standard conducted by consultants, police officers and vulnerable residents. This new approach has an impact to Agenda Chile Security (New Government program) which focused on: a) synthesizing the capacity and capability of security program; and b) adapting a new security policy. The TC was supported by lots of stakeholders with strong visibility. On June 16 2003, the President of Chile held a meeting with Minister of Interior and Minister of Justice to stress the importance of the new security policy and specifically mentioned his appreciation for the Japanese Fund.

emol EL MERCURIO ONLINE

EMOL Móvil | Chat | Correo | Mensajero | ir d

Pasaporte EMOL | Ingresar | Registrarse

Clima | Restricción

NOTICIAS nacional
en línea

NOTICIAS > NACIONAL

BID donó US\$ 745 mil a Chile para erradicar la pobreza

Viernes 6 de Diciembre de 2002, 14:16

DPA

SANTIAGO.- El Banco Interamericano de Desarrollo (BID) donó hoy 745.000 dólares al Gobierno de Chile para ayudar a erradicar la pobreza, el narcotráfico y la violencia de poblaciones en alto riesgo social.

El aporte quedó sellado con la firma en Santiago de un convenio entre el representante en Chile del BID, Julio Ángel, el subsecretario del Interior, Jorge Correa, y la ministra subrogante de Hacienda, María Eugenia Wagner.

Con la donación -no reembolsable-, se financiará la contratación de servicios de consultoría con la finalidad de preparar un programa de intervención gubernamental en barrios vulnerables.

[Imprime este artículo](#)

[Envía este artículo a...](#)

El Mercurio (Local Newspaper)Article

7.2.Uruguay

Pilot Project for the Education Connectivity Program and Preparation of an Expansion Strategy

Amount:	\$748,200
Fund:	JCF
Sector:	Education
Executing Agency:	Educational Connectivity Committee integrated by the Secretary of the Presidency, the National Public Education Administration (ANEP) and the National Telecommunication Administration (ANTEL)
Bank's Approval:	December, 2001

The objective of the project was to develop a definition and strategy of the Educational Connectivity Program that provides access and training to students and teachers of the public education system, including primary, secondary and technical education. The specific scope of the project included: i) Preparation of the design and implementation of a program of pilot projects to introduce new information technologies to support initiatives that contribute towards enhancing the teaching and learning process. In addition, the program facilitated access to the new information technologies by students and professors of all educational levels (primary, secondary and technical); and ii) Development of a feasibility study for the implementation of a future expansion strategy for the Connectivity Program.

This TC had a strong impact to enhance the teaching resources in terms of educational methodology with many teachers creating their own software to be used during their lectures. Teachers started creating their own educational software to be used at their classes, which was a very efficient means for building teaching skills. The reaction of computer-based education among students was quite positive, encouraging them to participate in more innovative studies through the usage of computers.

Support for the Modernization Program of Secondary Education and Teaching Formulation

Amount:	\$597,000
Fund:	JSF
Sector:	Education
Executing Agency:	IDB with a coordination through Executing Unit of Educational Connectivity Committee Secondary Education and Teacher Training
Bank's Approval:	July, 2001

The project was part of the development of a high-priority policy established by the Government of Uruguay in the sector of information and communications technology of educational sector. Main activities included: i) Preparation of the design and implementation of a program of pilot projects to introduce new information technologies to support initiatives that contribute towards enhancing the teaching and learning processes; and ii) Carrying out the necessary studies for the design and preparation of the new loan

operation aimed at deepening the Reform process to include Upper Secondary Education as well as Teacher Training Institutions.

The project was designed to provide free access of Internet to about 100 school centers (primary and secondary schools, technical schools and training centers for professors) of the educational system throughout the country. The TC contributed significantly to the enhancement of capacity building of the National Public Education Administration (ANEP), which did not have an effective internal control system to review the efficiency of investment at school.



Secondary School in Tacuarembó, Uruguay

Comprehensive Project for at Risk Infants and Adolescents of the Uruguayan Family

Amount:	US\$500,000
Fund:	JSF
Sector:	Social investment-Family, Women and youth
Executing Agency:	Secretariat of the Presidency of the Republic of Uruguay
Bank's Approval:	December, 2001

This TC had as its main objective to support the design and start the implementation of the “Comprehensive Program for at Risk Infants and Adolescents of the Uruguayan Family”(UR-0134). Its purpose was to work towards the improvement of the social conditions and social participation of the high-risk children and adolescents, with the expressed inclusion of their families. The execution of this TC included the organization of three key workshops: i) addressing implementation problems and the design of the strategic plans, ensuring an integral policy which considered the International Convention on Children Rights; ii) advancing the Program design on the basis of the experiences and recommendations from studies and analysis up to that point in time, and iii) relevant actions for the initiation of the Program, ascertaining that these actions will contribute to the successful execution of the Program.

The project provided a significant improvement to serve low-income families to encourage the participation of social services by giving a systematic methodology of identification at the hospital. Due to the complexity of social issues, the execution sometimes faced difficulties to maintain the high quality service to infants. However, the strong support from various consultants and NGOs was provided to maximize the benefit. The activities are sustainable to expand the activities from the local to regional scale.



Center for Day Care, Uruguay

Appendix I
IDB's Press Releases and IDB AMERICA's Articles



Inter-American Development Bank

PRESS RELEASE

Banco Interamericano de Desarrollo

COMUNICADO DE PRENSA

[IDB Home](#) > [News](#) > [Press Releases](#)

[Español](#) | [Français](#) | [Português](#)

January 15, 2003

**IDB TO HOST LAUNCHING OF THE MUNDO MAYA SUSTAINABLE
TOURISM DEVELOPMENT PROGRAM AND STRATEGIC ALLIANCE
JAN. 16**

INFORMATION

**Plan will include regional integration, archaeological restoration, national parks,
tourism and social infrastructure, and microenterprise**

The **Inter-American Development Bank** will host the launching of the *Mundo Maya Sustainable Tourism Program* and the creation of the *Mundo Maya Alliance* at a meeting on January 16, 2003.

Meeting participants will include Mundo Maya Organization President Luis Felipe Miranda Trejo; IDB President Enrique V. Iglesias; and ministers of tourism of Central America. The opening session will begin at 9 a.m. at the Andres Bello Auditorium, 9th. Floor, at IDB headquarters, 1300 New York Ave., Room B300 A/B, Washington, D.C.

The Mundo Maya Program is designed to preserve and showcase the Mayan heritage in the five countries where some five million descendants of this ancient people live today. In this region, which includes 500,000 square kilometers in Belize, Guatemala, El Salvador, Honduras, and southern Mexico. Mayan languages are still spoken and Mayan artistic and social traditions are preserved.

The **IDB** financed the preparation of the Mundo Maya Program, which will be carried out by the **Mundo Maya Organization***. The program consists of a regional cultural, ecological, and adventure tourism route developed with the participation of local communities. Special efforts will be made to preserve the region's natural and cultural heritage to ensure regional sustainable development.

The IDB event will include the presentation of an **investment plan** that will include projects in the areas of planning and regional integration, archaeological restoration, development of national parks and protected areas management plans, tourism and social infrastructure, tourist microenterprises, training and streamlining border crossings.

IDB resources for the preparation of the program were provided by technical cooperations financed from the Fund for Special Operations, the Japanese Fund, the Swedish Fund, the Norwegian Fund, the Danish Fund, the Korean Fund, and the United Kingdom Fund. The Japanese Fund will provide new financing to implement the investment plan.

The Mundo Maya Alliance will be created with the signing of a memorandum of understanding by the ministers of tourism of the five countries involved, the presidents of Conservation International and Counterpart International, and the vice-president of the National Geographic Society. The objective of this memorandum is to manifest interest in the Mundo Maya Sustainable Tourism Program, and other similar programs in the Maya Region, to expedite technical and financial cooperation.

Also on January 16 a cocktail reception will take place from 6-8 p.m. at the National Geographic Society, Explorers Hall, 17th and M Streets, N.W., Washington, D.C. (free parking at NGS garage entrance on M Street between 16 and 17 Streets).

*The Mundo Maya Organization is a regional entity formed in 1992 by the ministries of tourism and the private sector of Belize, El Salvador, Guatemala, Honduras and Mexico. Its mission is to promote the sustainable tourism development of the Maya region, and help preserve its cultural heritage and environment for future generations.

For more information on the Mundo Maya Program please contact Tatiana Ramos of the Organización Mundo Maya at e-mail omm@tdicorporation.com or by phone to (202) 261-3525.

For information on the IDB activities to support this initiative please contact Juana Salazar at juanas@iadb.org

PHOTO



[Tikal, Guatemala](#)

Appendix I
IDB's Press Releases and IDB AMERICA's Articles



Inter-American Development Bank

PRESS RELEASE

Banco Interamericano de Desarrollo

COMUNICADO DE PRENSA

[IDB Home](#) > [News](#) > [Press Releases](#)

[Español](#) | [Français](#) | [Português](#)

August 12, 2003

**IDB PROVIDES SUPPORT TO BELIZE'S POVERTY REDUCTION
STRATEGY AND ACTION PLAN**

**PRESS
CONTACTS**

**Japanese Special Fund resources to assist Belizean efforts to meet Millennium
Development Goals**

Peter Bate
peterb@iadb.org
(202) 623-2609

The Inter-American Development Bank today announced the approval of a \$300,000 grant from the Japanese Special Fund to support a program of the Belizean government to update its strategy and action plan to combat poverty.

Christina MacCulloch
christinam@iadb.org
(202) 623-1718

These resources will help finance technical and institutional assistance to support Belize in its efforts to formulate the 2003-2008 National Poverty Elimination Strategy and Action Plan (NPESAP). This umbrella instrument will guide government policies and actions to boost economic growth, increase competitiveness and reduce poverty. The program will be executed by the Ministry of Economic Development.

"This program incorporates a result-oriented approach for the NPESAP, developing specific targets based on the U.N. Millennium Development Goals, particularly reducing extreme poverty by half by the year 2015," said the IDB's Representative in Belize, Hugo Souza.

IDB project team leader Marisil Naborre said: "The program will establish rigorous linkages between NPESAP goals and the programs and actions to be implemented within the strategy's framework." This effort is expected to yield important demonstration effects for the IDB and its member countries, as they seek to strengthen the development effectiveness of their actions and the measurement of results.

Poverty in Belize is chiefly rooted in economic factors such as unemployment, low productivity and low earnings. Other contributing factors are education levels, size of household, high dependency ratios and female-headed households.

Despite improvements in Belize's social and economic indicators, there still are segments of the population living in poverty and extreme poverty. Rural poverty is widespread in the southern part of the country, particularly in the Toledo district. Pockets of poverty and extreme poverty abound in the south side of Belize City.

Children, young people, the elderly, the disabled, female-headed households and indigenous groups are particularly vulnerable. The incidence of poverty among Maya populations is twice the national average. Poverty also affects the Garifuna and Creole peoples.

In preparing this program, the IDB solidified its partnership with other donor agencies active in Belize, including the United Nations Development Programme and the United Kingdom's Department for International Development. In light of Belize's commitment to reducing poverty, the United Kingdom has provided substantial debt relief through the Commonwealth Debt Initiative, freeing up resources to finance projects and initiatives under the 2003-2008 NPESAP.

Appendix I
IDB's Press Releases and IDB AMERICA's Articles



Inter-American Development Bank

PRESS RELEASE

Banco Interamericano de Desarrollo

COMUNICADO DE PRENSA

[IDB Home](#) > [News](#) > [Press Releases](#)

[Español](#) | [Français](#) | [Português](#)

October 29, 2003

**IDB APPROVES \$20 MILLION TO SUPPORT CULTURAL ACTIVITIES
IN LOW-INCOME AREAS OF METROPOLITAN SÃO PAULO**

INFORMATION

Program to promote social inclusion of disadvantaged children and youth into society

*[Secretaria de Estado da Cultura](#)

The Inter-American Development Bank today announced the approval of a **\$20 million loan** to finance **cultural** and artistic **activities** to promote **social inclusion** of at-risk children and youth living in nine districts of metropolitan **São Paulo**, Brazil.

Professional educators will offer courses in art, music, theater, sculpture, design, woodwork and multimedia in sites of both existing community-based organizations that offer social services to children and youth and in nine new cultural centers that will be built and operated in nine districts. The educators will also offer literary workshops and cross-cutting curricula for all artistic activities to **encourage reading**.

The program is based on studies showing that the artistic learning experience improves the overall academic performance of children and youth and has a positive effect on social inclusion, family unity and citizenship. The project reflects the IDB strategy for Brazil of **reducing social inequity**.

The districts to be served by the project have a target group of 200,000 disadvantaged children and youth now lacking opportunities to participate in cultural activities. Beneficiaries will also include members of the low-income communities who will have accession to art exhibits, concerts, theater, and other presentations that will take place in the cultural centers.

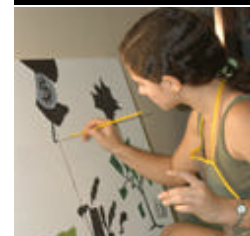
The program, which will be carried out by the São Paulo State Secretariat of Culture,* will apply a methodology to promote a high degree of **participation by the community** in the decision-making process of the project and a monitoring and evaluation component that will assess the results of the activities.

The Japanese Special Fund, administered by the IDB, is supporting activities to start up the project with a \$450,000 grant.

The IDB loan is for a 20-year term, with a six-year grace period, at a variable interest rate based on LIBOR.

Local counterpart funds total \$10 million.

PHOTO



[Cultural center in Brazil](#)

PRESS CONTACT

Daniel Drosdoff
danieldr@iadb.org
(202) 623-2407

Appendix I
IDB's Press Releases and IDB AMERICA's Articles



Inter-American Development Bank

PRESS RELEASE

Banco Interamericano de Desarrollo

COMUNICADO DE PRENSA

[IDB Home](#) > [News](#) > [Press Releases](#)

[Español](#) | [Français](#) | [Português](#)

November 26, 2003

IDB APPROVES \$1 MILLION GRANT FOR STRATEGIC ENVIRONMENTAL ASSESSMENT OF TRANSPORTATION CORRIDOR IN BOLIVIA

INFORMATION

[Servicio Nacional de Caminos](#)

Japan Special Fund contributes \$750,000 for study on impact of road

PRESS CONTACT

The Inter-American Development Bank today announced the approval of a \$1 million grant to Bolivia's *Servicio Nacional de Caminos* to develop a **Strategic Environmental Assessment of the area of influence of the Northern Corridor** road system.

Christina MacCulloch
christinam@iadb.org
(202) 623-1718

The Japan Special Fund, which is administered by the IDB, is contributing \$750,000 of the grant. The remaining \$250,000 will come from the IDB's Fund for Special Operations.

The study to be financed by this operation is a preliminary activity intended to evaluate and prevent problems in projects to be considered in the future.

The Northern Corridor is part of a long-term project being contemplated by the Bolivian government to upgrade and complete the Victor Paz Estenssoro Highway system, linking La Paz with two cities on the border with Brazil, Guayaramerín, on the Marmoré River, and Cobija, on the Acre River.

If execution of this project were eventually decided, the roads would cover more than 1,300 kilometers and have a major economic impact on the departments of La Paz, Beni and Pando, nearly 40 percent of the country's territory. At present, stretches of the Northern Corridor remain closed part the year during the rainy season. The upgraded roads would be open year-round and have major socioeconomic impacts.

The main purpose of the Strategic Environmental Assessment is to develop the basis for sustainable development of one of the least accessible and most promising regions in Bolivia, the departments of Beni and Pando, which have potential for large scale agriculture and managed forestry.

This potential can only be achieved with programs that will address issues such as land tenure and property rights, economic inclusion of rural and indigenous populations, preservation of ecologically sensitive areas, education programs, sustainable forestry, institutional capacity-building in local communities, and the promotion of competitive activities, among others.

The Strategic Environmental Assessment will develop in detail an adequate management framework to address all the identified direct, indirect and potential socioenvironmental impacts of the corridor and examine the sustainable development possibilities. Development of the assessment will involve all major stakeholders in the corridor, including the private sector and residents.

IDB AMÉRICA

*News about people
and ideas that are reshaping
Latin America and the Caribbean*

English | [Español](#) | [Português](#) | [Français](#)



Just the facts, please

How a database of social indicators changed the way public policies are designed and debated in Ecuador

By Daniel Drosdoff, Quito, Ecuador

How many people live below the poverty line? Where do they live? What schools do their children go to?

The answers to these and other basic questions are the starting point for all effective social policies. But in many Latin American countries, reliable answers are hard to come by. For years, a group of Ecuadorian social scientists, mathematicians, statisticians and computer experts warned the political establishment that the country's social statistics were woefully inadequate. These experts argued that governments were making decisions about poverty and economic and social policy without really knowing the facts.

In the mid-1990s, the IDB helped to finance a pilot project to produce the first comprehensive statistical database of Ecuadorian social indicators. Working within the government's Social Development Secretariat, a team made up of many of the experts who had drawn attention to the problem used a combination of original surveys and existing research from public agencies to assemble a statistical profile of Ecuador that included 450 indicators. The effort was funded by two IDB grants, one for \$500,000 in 1995, and a second four years later for \$1 million from the IDB-administered **Japan Special Fund**.

Posted January 2003

Appendix II
JSF Projects Approved by the Bank
(CY1988-2003)

JSF Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
Acquisition of Building Materials for Housing damaged by Hurricane Gilbert and Institutional Strengthening for Rehabilitation Efforts	Jamaica	Other	12/14/1988	5,000,000
TOTAL (CY1988)			1	5,000,000
Coastal Conservation Preinvestment Project	Barbados	Other	7/12/1989	1,100,000
Municipal, Departmental and Regional projects data bank	Colombia	Modernization of the State	8/16/1989	1,000,000
Management and Conservation of the Bao River Basin	Dominican Rep	Infrastructure	11/15/1989	772,000
Emergency Social Fund Program - Second Stage -	Bolivia	Other	11/29/1989	3,860,000
Decentralization and Regionalization of the Public Health Care System	Haiti	Social	12/13/1989	2,540,000
Agriculture Roads Program -TC-	Haiti	Infrastructure	12/20/1989	850,000
Preparation of Architectural Drawing for the New Pasteur Hospital	Uruguay	Social	12/20/1989	2,200,000
TOTAL (CY1989)			7	12,322,000
TC for the Financing of Basic Studies on the Environmental Impact of the Guerreto-Oaxaca Forestry Development Project	Mexico	Environment	4/25/1990	450,000
Marine Cargo Terminal at Clifton Point, New Province	Bahamas	Infrastructure	10/17/1990	2,000,000
Program to Improve Conditions for the Development of Trading Company in Latin America	Regional	Productive	10/31/1990	1,583,000
TOTAL (CY1990)			3	4,033,000
Feasibility Study and Designs for Health Sector Rationalization Program, Stage 1	Barbados	Social	1/9/1991	1,750,000
Georgetown Water and Sewerage Master Plan Study	Guyana	Environment	2/13/1991	1,800,000
Feasibility Study for the Health Sector Reform Program	T & T	Social	2/27/1991	2,200,000
Global Program of Portable Water and Sewerage	Bolivia	Environment	5/1/1991	5,072,117
Social Emergency Fund	Peru	Social	9/18/1991	4,000,000
Urban Rehabilitation Project Feasibility Study	Guyana	Infrastructure	10/9/1991	1,100,000
Feasibility and Final Design Studies for the Preparation of the Urban Sanitation Program	Costa Rica	Environment	10/9/1991	4,870,000
Preparation of a Long-Term Solid Waste Management Plan, Feasibility Studies and Final Design	Barbados	Environment	11/13/1991	1,555,000
TOTAL (CY1991)			8	22,347,117
Natural Resources Conservation	Costa Rica	Environment	2/19/1992	1,937,000
Road Rehabilitation and Improvement Program	Guyana	Infrastructure	3/18/1992	781,000
Preparation of the Port Antonio Sanitation Project : Feasibility and Designs	Jamaica	Environment	7/29/1992	1,700,000
Technical Cooperation for Agricultural Sector : Policies and Preparation	Nicaragua	Productive	8/5/1992	2,800,000
Strengthening of Economic Unit for Ministry of Finance	Bahamas	Modernization of the State	10/14/1992	351,375
TOTAL (CY1992)			5	7,569,375
Improvement of Revenue Collection Systems	Bahamas	Other	1/13/1993	1,500,000

Appendix II
JSF Projects Approved by the Bank
(CY1988-2003)

vii

JSF Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
Caribbean Pine Plantation and Resin Extraction Feasibility Study and Pilot Project	Colombia	Environment	2/24/1993	1,940,000
Institutional Strengthening of Tax Administration Service	Honduras	Other	3/17/1993	1,150,000
Environmental Planning Program	Ecuador	Social	5/12/1993	1,049,000
TC for the Organization of a Seminar on Environment Law and Policy in Latin America	Regional	Environment	5/12/1993	40,000
Over-The-Counter Securities Market Feasibility Study	Mexico	Modernization of the State	7/27/1993	148,500
Credit and Technical Cooperation for a Communal Banks Program to Benefit Rural Women Microentrepreneurs (TC)	Guatemala	Other	9/3/1993	150,000
Credit and Technical Cooperation for a Communal Banks Program to Benefit Rural Women Microentrepreneurs (Small Project)	Guatemala	Other	9/3/1993	500,000
Rehabilitation of Priority Project (Sanitation and Health Sector)	Peru	Environment	10/6/1993	1,000,000
Institutional Development of the Legislature	Peru	Modernization of the State	10/6/1993	2,700,000
Non-Traditional Export Promotion	Ecuador	Other	10/13/1993	800,000
National Network of Public Sector Investment Project Banks	Colombia	Modernization of the State	11/24/1993	1,100,000
Feasibility and Environmental Impact Studies for Export Corridors Project	Paraguay	Infrastructure	12/22/1993	989,000
TOTAL (CY1993)			13	13,066,500
Strengthening of Tax Administration	Guatemala	Modernization of the State	3/30/1994	977,000
Agricultural Diversification and Generation and Transfer of Technology	Paraguay	Productive	5/18/1994	1,500,000
Institutional Strengthening of the Ministry of Economic and Finance	Peru	Modernization of the State	5/24/1994	2,000,000
Preparation of a Feasibility Study for the Forestry Conservation and Management Project and Support for Pilot Agroforestry and Forest Protection Activities	Nicaragua	Environment	5/25/1994	745,000
Latin America Regional Conference on Issues in Public and Economic Development : The Experience of East Asia	Regional	Modernization of the State	6/1/1994	149,500
Strengthening of the General Administration - stage	Uruguay	Other	6/15/1994	1,100,000
Pacific Coast Sustainable Development Program	Colombia	Environment	7/14/1994	532,000
Credit and Technical Cooperation for Microentrepreneurs in Belize, to be executed by the National Development Foundation of BelizeBelize (TC)		Other	7/18/1994	150,000
Credit and Technical Cooperation for Microentrepreneurs in Belize, to be executed by the National Development Foundation of BelizeBelize (Small Project)		Other	7/18/1994	500,000
Investment, Credit and Technical Assistance Program for Small Agricultural Producers to be Executed by the Fundacion Integral Campesia (TC)	Costa Rica	Other	10/20/1994	105,000
Investment, Credit and Technical Assistance Program for Small Agricultural Producers to be Executed by the Fundacion Integral Campesia (Small Project)	Costa Rica	Other	10/20/1994	500,000

Appendix II
JSF Projects Approved by the Bank
(CY1988-2003)

JSF Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
Credit and Technical Assistance Program for Small Agricultural Producers and Rural Microentrepreneurs to be executed by the Asociacion Costarricense para Organizaciones de Desarrollo (TC)	Costa Rica	Other	10/20/1994	125,000
Credit and Technical Assistance Program for Small Agricultural Producers and Rural Microentrepreneurs to be executed by the Asociacion Costarricense para Organizaciones de Desarrollo (Small Project)	Costa Rica	Other	10/20/1994	500,000
Institutional Strengthening of the National Tax Administration (SUNAT)	Peru	Modernization of the State	11/9/1994	2,200,000
Feasibility Study for the Galapagos Environmental Management Program	Ecuador	Environment	11/11/1994	600,000
Feasibility Studies for Solid Waste Water Management	Bahamas	Environment	11/28/1994	600,000
TOTAL (CY1994)			16	12,283,500
Wayuu Irrigation and Economic Development Project	Colombia	Social	1/11/1995	285,000
Harnessing Asia Pacific Relationship for Strengthening the Civil Society in Latin America	Regional	Modernization of the State	3/14/1995	150,000
Credit and Technical Cooperation Program for Microentrepreneurs in Panama (TC)	Panama	Productive	5/4/1995	130,000
Credit and Technical Cooperation Program for Microentrepreneurs in Panama (Small Project)	Panama	Productive	5/4/1995	250,000
Project Chile, Phase 2	Chile	Infrastructure	5/18/1995	620,000
Technical Studies for the Northern Coastal Highway Improvement Project	Jamaica	Infrastructure	5/26/1995	500,000
Technical Cooperation for Subsector Irrigation Program	Peru	Productive	6/1/1995	750,000
National Rural Transportation Infrastructure Program	Peru	Infrastructure	6/27/1995	650,000
Community Based Marine Conservation Program in Brazil	Brazil	Environment	6/29/1995	550,000
Youth in Development	Regional	Other	7/12/1995	38,000
Studies for the Environment Program of the Guatemala Metropolitan Area-PAMG	Guatemala	Environment	8/24/1995	744,960
Technical Studies for Priority Trunk Road	T&T	Infrastructure	8/24/1995	680,000
Credit and Technical Assistance Program for Small Microentrepreneurs to be executed by " El Instituto de Promocion Uruguay Economico Social de Uruguay" (TC)		Productive	9/1/1995	100,000
Credit and Technical Assistance Program for Small Microentrepreneurs to be executed by " El Instituto de Promocion Uruguay Economico Social de Uruguay" (Small Project)		Productive	9/1/1995	500,000
Conference on "Policy Based Finance and Alternatives for Financial Market Development : Application of Lessons from East -Asia to Latin America"	Regional	Modernization of the State	9/28/1995	150,000
Preservation and Environment Protection of the National Park of Serra da Capivara	Brazil	Environment	10/4/1995	1,700,000
Technical Studies for the Electricity Sector Hybrid Program	Guyana	Infrastructure	11/6/1995	750,000
Technical Studies for the Preparation of a Program for the Economic and Social Improvement of Depressed Western Bolivia Mining Area	Bolivia	Social	12/19/1995	200,000
Family Island Infrastructure	Bahamas	Infrastructure	12/26/1995	600,000

Appendix II
JSF Projects Approved by the Bank
(CY1988-2003)

ix

JSF Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
TOTAL (CY1995)			19	9,347,960
Environmental Institutional Strengthening	Peru	Environment	1/17/1996	1,800,000
Institutional Strengthening of the Multisector Investment Bank (BMI)	El Salvador	Other	1/19/1996	340,000
El Valle de Anton Geothermal Field in Panama	Panama	Infrastructure	2/7/1996	1,400,000
Development Program for Bahia de Asuncion	Paraguay	Infrastructure	2/23/1996	725,000
Youth from IDB member countries : Venezuela, in particular	Regional	Other	2/28/1996	58,337
Inter-American Institute for Social Development training program for opinion makers in Latin America and Caribbean	Regional	Social	4/10/1996	1,500,000
Technical Studies for First year Road & Bridge	Jamaica	Infrastructure	5/8/1996	750,000
Development of Economic and Trade Policies for Uruguay MERCOSUR Negotiations	Uruguay	Modernization of the State	5/21/1996	749,000
Establishment of a Network of Wildlife Sanctuaries	Brazil	Environment	5/30/1996	480,000
Training Agronomists in Sustainable Agriculture of the Humid Tropics	Regional	Social	6/12/1996	1,000,000
Conference on Development Thinking and Practice	Regional	Other	7/16/1996	400,000
Rimac River Watershed Management Program	Peru	Environment	8/1/1996	740,000
Preparation of the Alternative Development	Colombia	Social	8/5/1996	350,000
Bridge Rehabilitation and Replacement Program	Guyana	Infrastructure	8/28/1996	750,000
Forum on Modernization of the State and Strengthening of Civil Society	Regional	Modernization of the State	10/4/1996	150,000
Feasibility Study on Interoceanic Corridors	Regional	Infrastructure	10/17/1996	650,000
Designs of Berthing Facilities (Bridgetown Port Expansion Project)	Barbados	Infrastructure	10/23/1996	750,000
Decontamination of Critical Areas (ES-0074) : Design and feasibility studies	El Salvador	Social	11/6/1996	749,698
Studies on Waste Water Treatment Plants for Pereira	Colombia	Environment	12/4/1996	750,000
Solid Waste Management Project	Belize	Environment	12/20/1996	566,720
TOTAL (CY1996)			20	14,658,755
Technical Studies for the Rio Grande de Tarcoles Watershed Management Program	Costa Rica	Environment	7/7/1997	748,770
Water Supply to the Metropolitan Zone of the Valley of Mexico	Mexico	Environment	8/1/1997	282,000
The Privatization of Solid Waste Management Service in San Pedro de Sula	Honduras	Environment	12/5/1997	500,000
Los Vilos -La Serena Toll Road-	Chile	Infrastructure	12/16/1997	123,200
TOTAL (CY1997)			4	1,653,970
Tibitoc Water Treatment Facility	Colombia	Environment	1/14/1998	123,000
Miravalles 3 Geothermal Power Plant	Costa Rica	Infrastructure	1/14/1998	175,000
System of Inventory and Follow-up of Public Investment Projects Dominican Rep		Infrastructure	3/9/1998	750,000
Regional Biodiversity Strategy for the Tropical Andes	Regional	Environment	3/9/1998	740,000
Urban Infrastructure Program in States with Tourism Potential	Venezuela	Infrastructure	4/22/1998	750,000

Appendix II
JSF Projects Approved by the Bank
(CY1988-2003)

JSF Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
Wastewater treatment program for nine cities in the State of Chihuahua	Mexico	Environment	4/27/1998	746,641
Tegucigalpa Comprehensive Municipal Modernization Program	Honduras	Infrastructure	5/1/1998	742,500
San Pedro de Sula Comprehensive Municipal Modernization Program	Honduras	Infrastructure	5/1/1998	500,500
Water and Sanitation Program in Marginal Rural Areas	Mexico	Environment	5/8/1998	136,000
Secondary Education Program	T&T	Social	5/8/1998	750,000
Rosario - Victoria Bridge	Argentina	Infrastructure	5/11/1998	200,609
Program of Consolidation of Water and Sanitation Reform	Dominican Rep	Environment	5/13/1998	675,000
Lake Gatun Water Plant Project	Panama	Environment	6/3/1998	300,000
Air Transport Sector Reform	Guyana	Infrastructure	6/10/1998	300,000
Support Program for Civic Coexistence	Colombia	Modernization of the State	6/18/1998	700,000
Rodonorte Toll Road (Lot 5)	Brazil	Infrastructure	6/22/1998	100,000
Symposium on Financial and Business Cooperation between Latin America and Japan	Regional	Other	6/23/1998	740,000
Productive Infrastructure Development and Tenure Regularization in Rural Trinidad	T&T	Productive	6/29/1998	510,000
Design of the Safety and the Natural Resources Components of the Program to Reactivate the Productive Agrofood Sector of Guatemala	Guatemala	Productive	6/29/1998	100,000
Modernization and Reform for Primary Health Care: Province of Salta	Argentina	Social	6/29/1998	199,260
GIS-Based Planning Support System for Highway Planning and Management	Argentina	Infrastructure	7/9/1998	700,000
GIS-Based Decision Support System for Transportation Planning and Infrastructure Management	Bolivia	Infrastructure	7/9/1998	720,000
GIS-Based Decision Support System for Transportation Planning and Infrastructure Management	Chile	Infrastructure	7/9/1998	725,000
Rimichaca Riobamba Toll Road Project	Ecuador	Infrastructure	7/10/1998	100,000
Childcare Program for Children under Five Years Old through In-Home Nurseries -Wawa Wasi-	Peru	Social	7/14/1998	600,000
Sustainable Development Program of the Darian	Panama	Environment	7/29/1998	750,000
Bridge Rehabilitation Project Request for Additional Funding	Guyana	Infrastructure	7/31/1998	45,000
Socio-environmental pilot program in an area of extreme poverty	Colombia	Social	9/1/1998	350,000
Formulation of the National Environmental Strategy for Panama	Panama	Environment	9/14/1998	430,000
Modernization of the State-Owned Telecommunications Utility	Suriname	Infrastructure	9/17/1998	700,000
Caribbean Community	Regional	Modernization of the State	9/23/1998	975,000
Strategic Initiatives for Health Sector Reform	Nicaragua	Social	10/13/1998	481,400
Environmental Conservation in Tocantins	Brazil	Environment	10/14/1998	750,000
Eastern Development Program	Guatemala	Social	10/14/1998	1,000,000

Appendix II
JSF Projects Approved by the Bank
(CY1988-2003)

xi

JSF Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
Japanese Language Program	Regional	Other	10/16/1998	44,500
Support for Health Reform	Suriname	Social	11/4/1998	750,000
Support for Preparation of the Community Development Fund	Suriname	Social	12/10/1998	708,000
Instrument Development for Health System Reform in Panama	Panama	Social	12/18/1998	456,136
Castello -Raposo Toll Road Project	Brazil	Infrastructure	12/21/1998	65,849
Proposal on Maternal and Child Health Care for Indigenous Population in Mexico	Mexico	Social	12/22/1998	554,300
TOTAL (CY1998)			39	20,143,695
Social Indicators Integrated System (SIISE)	Ecuador	Social	1/20/1999	1,000,000
Studies in Support of Educational Reform in Nicaragua	Nicaragua	Social	1/21/1999	230,000
Social Infrastructure and Capacity Building Projects	Dominican Rep	Social	2/5/1999	749,500
Preparation of the Terms of Reference for the Azfural Geothermal Feasibility Study	Colombia	Infrastructure	2/12/1999	14,560
Street Children Awareness Campaign	Regional	Social	5/11/1999	77,000
Disaster Mitigation in Central America	Regional	Social	6/9/1999	1,110,000
Feasibility Study for the Prediction and Amelioration of Socioeconomic Impacts of El Nino Southern Oscillation (ENSO) in L.A. and Caribbean	Regional	Environment	7/14/1999	998,000
Development of Financial Sector Restructuring Strategy and Instruments	Ecuador	Modernization of the State	8/1/1999	575,000
Financial Sector Adjustment Program	Peru	Modernization of the State	8/2/1999	534,100
Comprehensive EA Review towards Improved Environmental Management Capacity (1)	Regional	Environment	8/13/1999	400,000
Comprehensive EA Review towards Improved Environmental Management Capacity (2)	Regional	Environment	8/13/1999	140,000
Education Reform Phase 2	Guatemala	Social	8/30/1999	500,000
Support for Development of Renewable Energy Markets in Brazil	Brazil	Infrastructure	9/1/1999	898,950
Emergency attention to boys/girls and adolescents affected by hurricane Mitch in the city of Managua	Nicaragua	Social	9/16/1999	550,000
Water Supply and Sanitation of Cuenca	Ecuador	Environment	9/23/1999	750,000
Energia Norte Power Project	Brazil	Infrastructure	9/29/1999	285,000
Evaluation and Design of the Mahaica-Rosignol Road	Guyana	Infrastructure	10/12/1999	525,300
Secondary Education Improvement and Expansion	Brazil	Social	10/18/1999	750,000
Primary Education Support Project : Project Preparation and Master Plan Development	Jamaica	Social	10/25/1999	750,000
Dona Francisca Hydroelectric Power Plant Project	Brazil	Infrastructure	11/11/1999	273,513
Support to Secondary Education (1)	Dominican Rep	Social	11/30/1999	423,800
Regional Tourism Program Preparation for the Mundo Maya Organization(OMM)	Regional	Social	12/1/1999	791,600
TOTAL (CY1999)			22	12,326,323
Japanese Language Program	Regional	Social	2/3/2000	39,690
Consolidation of the Institutional and Regulatory Framework for Sustainable Energy-Efficiency Services for the Industrial Sector	Peru	Infrastructure	2/22/2000	750,000

Appendix II
JSF Projects Approved by the Bank
(CY1988-2003)

JSF Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
La Chorrera Power Plant, Panama	Panama	Infrastructure	3/2/2000	340,075
Preparation of Municipal Infrastructure and Reform Program for Panama City	Panama	Infrastructure	3/30/2000	432,500
Sustainable Use of Tropical Forest in Acre	Brazil	Environment	5/17/2000	750,000
Program for the Reduction of Family Violence	Peru	Social	5/17/2000	400,000
Preparation of Investment Project in Basic Education in Suriname	Suriname	Social	5/24/2000	150,000
GIS Strengthening to Support Regional Transportation Studies and Highway Planning and Privatization	Peru	Infrastructure	5/26/2000	750,000
Education Innovations in the Independencia District	Peru	Social	6/19/2000	504,144
Procedures for Atraumatic Resrative Treatment (PRAT)	Regional	Social	6/28/2000	870,200
Education and Know-how in Panama	Panama	Infrastructure	7/20/2000	190,000
Design of Social Protection Program	Colombia	Social	7/20/2000	545,410
Integrated Water Resources Planning and Management in Paraiba	Brazil	Environment	7/21/2000	745,000
Local Government Training Program	Honduras	Social	7/26/2000	750,000
Sewerage Master Plan for Quetzaltenango	Guatemala	Environment	7/31/2000	595,000
Solid Waste Management and Disposal in the Coffee Belt Region of Colombia	Colombia	Environment	8/2/2000	740,000
Tools for AIDS Prevention and Disease Management/Treatment	Jamaica	Social	8/18/2000	338,325
EDE Sur and EDE Norte Project	Dominican Republic	Infrastructure	10/2/2000	450,000
Sustainable Development Strategy of the Panama Canal Watershed	Panama	Environment	11/1/2000	1,000,000
National Land Use Planning Strategy	Honduras	Environment	11/13/2000	652,000
Santiago - Valparaiso - Vina del Mar Toll Road Project	Chile	Infrastructure	12/19/2000	554,590
TOTAL (CY2000)			21	11,546,934
Capital Expenditures for Rural Electricity Distribution	Guatemala	Infrastructure	1/3/2001	750,000
Technical Assistance for the Launch of the Seguro Materno - Infantil - SMI	Peru	Social	1/24/2001	429,000
Rural Roads Rehabilitation and Maintenance Pilot Program	Ecuador	Infrastructure	1/31/2001	750,000
Implementation of National Public Investment System	Peru	Modernization of the State	3/2/2001	750,000
Integrated Management of the Patos Lagoon Estuary	Brazil	Environment	3/9/2001	750,000
Environmental Strategy	Nicaragua	Environment	3/14/2001	650,000
Sustainable Urban Transportation System in Parana	Brazil	Infrastructure	3/28/2001	750,000
Reforming Technical Education in Upper Primary and Secondary School	Honduras	Social	5/11/2001	448,400
Support to the Infrastructure Fund in Argentina	Argentina	Other	6/1/2001	750,000
Sustainable Cultivation and Harvesting of the Sempre-Vivas Flower Species in Brazil	Brazil	Productive	6/19/2001	149,000
Program to Support the modernization of Secondary Education and Teacher Training	Uruguay	Social	7/6/2001	597,000
Support for an Indigenous Bilingual and Intercultural Basic Education Pedagogy Bachelor's Program	Colombia	Social	7/20/2001	739,505

Appendix II
JSF Projects Approved by the Bank
(CY1988-2003)

xiii

JSF Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
Spatial Information System for National Infrastructure Management and Planing	Uruguay	Infrastructure	7/27/2001	750,000
Reform of Drug Treatment Center	Colombia	Social	8/1/2001	322,500
Design of a Sustainable Development program for the Lower Rio Lempa	El Salvador	Environment	8/20/2001	298,650
Model program for the Prevention, Detection and Treatment of Domestic Violence in the Health and Early Childhood Education Sectors	Colombia	Social	8/27/2001	748,000
Sustainable Development Strategy for Bocas del Toro Province	Panama	Environment	9/10/2001	450,000
Support to Housing Policy for Low-Income Population	Dominican Rep	Social	9/28/2001	746,820
Coastal Resource Management Program Phase II - Feasibility Studies -	Ecuador	Environment	10/30/2001	550,000
Support for the Implementation and Monitoring of the Reconstruction Program	El Salvador	Social	11/21/2001	750,000
Consultation and Project Design, Socioenvironmental Component of the Mesoamerican Biological Corridor	Regional	Environment	12/3/2001	745,000
Strengthening the Trinational System of the Program for Sustainable Development in the Upper Rio Lempa River	Regional	Environment	12/3/2001	700,000
Comprehensive Project for at Risk Infants and Adolescents of the Uruguayan Family	Uruguay	Social	12/17/2001	500,000
TOTAL (CY2001)			23	14,073,875
Support to the Preparation of Youth Development Program	Jamaica	Social	2/19/2002	403,000
Establishment of a Caribbean Regional Technical Assistance Center	Regional	Modernization of the State	2/28/2002	650,000
Urban Crime and Impunity in Colombia	Colombia	Modernization of the State	3/4/2002	350,400
San Pedro Sula Water and Sewerage Project	Honduras	Environment	3/15/2002	148,830
Institutional Development for Information Technology	Dominican Rep	Modernization of the State	5/8/2002	200,000
Mainstreaming Domestic and Social Violence Prevention into Primary Education Policy	Regional	Social	6/7/2002	750,000
Science and Technology Program : Program Preparation	Peru	Infrastructure	6/12/2002	620,000
Program to Combat Desertification in Brazil and Neighboring Countries	Regional	Environment	6/12/2002	1,000,000
Information and Indicators Program for Disaster Risk Management (1)	Regional	Environment	6/12/2002	795,000
Information and Indicators Program for Disaster Risk Management (2)	Regional	Environment	6/12/2002	505,000
Developing a National Sustainable Market for Clean Rural Energy Services	El Salvador	Infrastructure	6/24/2002	750,000
Girl's Education in Latin America	Regional	Social	7/15/2002	600,000
Corporate Restructuring of ISSSTE	Mexico	Social	8/12/2002	750,000
Design of Low-Income Housing Program	Nicaragua	Social	9/20/2002	327,550
Design and Formulation of the Country Environmental Strategy for Sustainable Development in ES	El Salvador	Environment	10/24/2002	348,700
Design and Implementation of the Strategic Plan for the National Program for Microenterprise Financing	Mexico	Productive	11/15/2002	600,000

Appendix II
JSF Projects Approved by the Bank
(CY1988-2003)

JSF Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
Support for the preparation of the Integrated program for Citizens Security	Guatemala	Modernization of the State	11/19/2002	380,000
TOTAL (CY2002)			17	9,178,480
Support for Coordination between the Special Indigenous Judicial System and the National Judicial System	Colombia	Social	1/22/2003	650,000
Developing a Coordinated Water Action Plan for Latin America and the Caribbean	Regional	Environment	2/13/2003	600,000
Modernization of Expenditure and Taxation and Investment Fund for Growth and Competitiveness	Costa Rica	Modernization of the State	4/18/2003	325,000
National Strategy for Environmental Management	Costa Rica	Environment	4/21/2003	470,000
Slum Upgrading Program	Costa Rica	Social	5/29/2003	500,000
Support for the Program of Culture and Citizenship for Social Inclusion	Brazil	Social	6/5/2003	450,080
Support for the Preparation of Mundo Maya Program	Regional	Infrastructure	6/6/2003	750,000
Sustainable Development of the Huetar Atlantica Region	Costa Rica	Environment	7/7/2003	600,000
Analysis of the Social Strategy	Mexico	Social	8/7/2003	377,000
Analisis of Housing market and Initial Development of Financing Mechanisms for Low-income Households	Colombia	Infrastructure	10/1/2003	390,574
Integrity Indexes for Public Institutions	Colombia	Modernization of the State	11/7/2003	600,000
Strategic Environmental Assessment Evaluation of the Northern Corridor of Bolivia from La Paz to Guayaramerin	Bolivia	Infrastructure	11/26/2003	750,000
Support for the Preparation of the Citizens Security Program	Nicaragua	Modernization of the State	12/12/2003	300,000
TOTAL (CY2003)			13	6,762,654
TOTAL			231	176,314,138

Appendix III
JPO Projects Approved by the Bank
(CY2000-2003)

JPO Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
Social Indicators for the Monitoring of Poverty Alleviation	Mexico	Social	5/22/2001	569,000
National System for Monitoring Poverty Indicators (SINASIP)	Honduras	Social	7/5/2001	150,000
Support of a Social Reform Program	Colombia	Social	8/8/2001	227,575
Program to Elaborate a Poverty Reduction Strategy for the Dominican Republic	Dominican Rep	Social	9/4/2001	610,400
Preparation of the Poverty Reduction Strategy	Guatemala	Social	9/12/2001	750,000
Reorganization of Health Services Networks in Colombia	Colombia	Social	10/1/2001	209,000
TOTAL (CY2001)			6	2,515,975
Development of Organization of Older Adults	Regional	Social	1/28/2002	750,000
Support the Population of Active and Disabled Lobster Divers in the Honduran Moskitia	Honduras	Social	7/12/2002	350,000
Management of Environmental Risk in Low Income Human Resettlement in Central America's Urban Areas	Regional	Environment	8/19/2002	210,000
Support for the Preparation of a Vulnerable Neighborhood Intervention Program	Chile	Social	10/7/2002	745,000
Women in Rural Area	Mexico	Social	11/20/2002	749,000
Design of a Subsidy Program for the Water and Sanitation Sector	Colombia	Environment	12/18/2002	191,000
Strengthening Civil Society Organization Networks through Information Technology	Chile	Modernization of the State	12/20/2002	500,000
TOTAL (CY2002)			7	3,495,000
Support to the Design and Implementation of the Sector Program of Fiscal and Social Reform	Peru	Social	3/20/2003	748,000
Instruments and Methodologies for Targeting Children, Adolescents and Women who Depends on the Streets and Garbage Dumps for their Survival	Honduras	Social	7/10/2003	625,000
Support the Upgrading and Completion of the Poverty Elimination Strategy and Action Plan in Belize	Belize	Social	8/8/2003	300,000
Accelerating Rural Energy Coverage in Panama	Panama	Infrastructure	9/30/2003	400,000
Regional Ethno-Tourism Project Targeting Areas of Extreme Poverty in Central America	Regional	Infrastructure	12/16/2003	750,000
TOTAL (CY2003)			5	2,823,000
TOTAL			18	8,833,975

Appendix IV
JCF Projects Approved by the Bank
(CY1995-2003)

JCF Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
Support in the Preparation of a National GIS System Project	Bahamas	Environment	10/28/1996	40,000
TOTAL (CY1996)			1	40,000
Technical Cooperation for the Donor Coordination Unit	Bolivia	Other	4/14/1997	134,760
The Conference of the Challenge for the Industry of technological change and innovation	Regional	Other	4/18/1997	6,000
The Conference of the Development of Securities Markets in Emerging Markets: Obstacles and Reconditions for Success	Regional	Modernization of the State	9/30/1997	6,000
Development of National Geographical Information System	Bahamas	Other	11/5/1997	992,000
TOTAL (CY1997)			4	1,138,760
Ground Water Recharge Project for the Ecological Conservation Zone in Mexico City	Mexico	Environment	2/11/1998	960,000
Adolescent Reproductive Health Education	Bahamas	Social	7/22/1998	1,240,800
Hiring of Consulting Services to Support the MIF Program	Regional	Other	11/11/1998	90,000
Business Plan for the City of Knowledge in Panama	Panama	Infrastructure	11/20/1998	750,000
TOTAL (CY1998)			4	3,040,800
Support for Developing a Sustainable Public Transit System in a Pilot City, Cuenca	Ecuador	Infrastructure	1/6/1999	750,000
Training Reform Transition	Haiti	Social	5/5/1999	750,000
Sustainable Municipal Forestry Management	Guatemala	Environment	9/7/1999	149,000
Decentralization and Effective Citizen Participation : Lessons Learned	Regional	Modernization of the State	11/8/1999	605,000
Design of Maternal and Child Health Insurance in Peru	Peru	Social	12/23/1999	150,000
TOTAL (CY1999)			5	2,404,000
Environmental Management and Water Quality Improvements in Coal Mining Operations in Santa Catarina	Brazil	Environment	1/19/2000	750,000
Feasibility Study for a Portable and Wastewater Treatment Facility on Caye Caulker	Belize	Environment	1/19/2000	195,250
Feasibility Studies of the Azufral Geothermal Field -Phase 1-	Colombia	Infrastructure	3/1/2000	1,500,000
Feasibility Studies of an Expansion of the Electricity Transmission Network	Ecuador	Infrastructure	10/3/2000	750,000
Pre-feasibility Study for Hydrological Works on the Puyang-Tumbes River	Regional	Infrastructure	10/4/2000	687,000
Promotion of Stock Exchange Transaction and Capital Market in Central America, Panama & Dominican Republic (MIF)	Regional	Modernization of the State	10/20/2000	120,000
SME Development through Entrepreneurship Enhancement	Regional	Productive	10/27/2000	355,000
TOTAL (CY2000)			7	4,357,250
Program for the Improvement of Surveys and the Measurement of Living Conditions in Guatemala	Guatemala	Social	2/6/2001	640,000

Appendix IV
JCF Projects Approved by the Bank
(CY1995-2003)

JCF Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
Integration of INE and Cadastral Spatial Data Base to Support Rural Infrastructure Planning and Management	Uruguay	Infrastructure	10/4/2001	350,000
Developing a Sustainable Urban Transportation System for Arequipa	Peru	Infrastructure	10/17/2001	1,000,000
Plan for the Development of the Artisan Fishery Sector of the Vth Region of Chile	Chile	Productive	10/31/2001	200,000
Pilot Project for the Educational Connectivity Program and Preparation of an Expansion Strategy	Uruguay	Social	12/19/2001	748,200
TOTAL (CY2001)			5	2,938,200
Mathematical models for Billings and Barra Bonita Reservoirs and comprised Tiete River sketches within the state of Sao Paulo	Brazil	Environment	3/1/2002	750,000
Support to the Preparation of Information and Communication Technology Project	Guyana	Infrastructure	6/3/2002	400,000
Hydrologic Modeling and Pollution Control Study for the Cocepcion and San Vicente Bays	Chile	Environment	9/4/2002	1,200,000
Municipal Benchmarking System for Central America	Regional	Infrastructure	9/13/2002	640,000
Technical Assistance for the Preparation and Implementation of the Information and Communication Technology Loan Project	Jamaica	Infrastructure	11/11/2002	400,000
TOTAL (CY2002)			5	3,390,000
Urban Transportation Planning in La Paz	Bolivia	Infrastructure	1/13/2003	750,000
Policy Studies and Environmental Management for Groundwater in Asuncion Metropolitan Area	Paraguay	Environment	2/24/2003	750,000
Review and Modernization of the Drainage Master Plan for the Urban Area of La Paz	Bolivia	Environment	12/9/2003	750,000
TOTAL (CY2003)			3	2,250,000
TOTAL			34	19,559,010

Appendix V
JSF Projects Approved by Sectors
(CY1988-2003)

(Thousands of US Dollars)

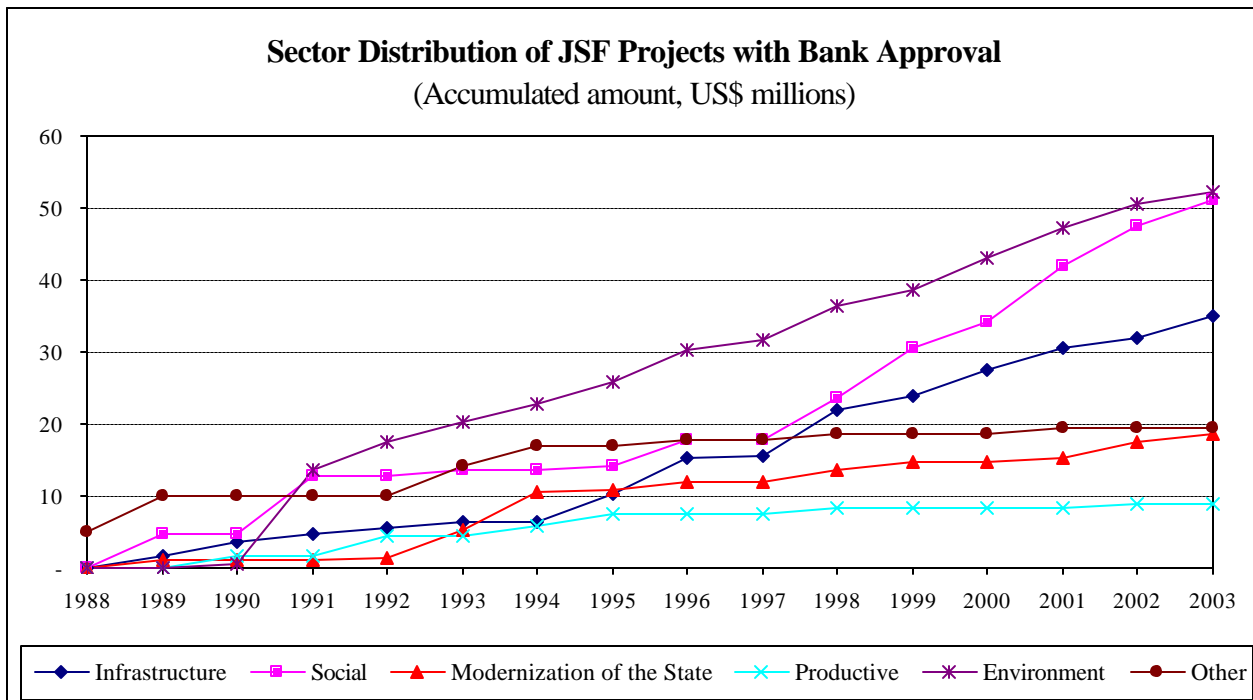
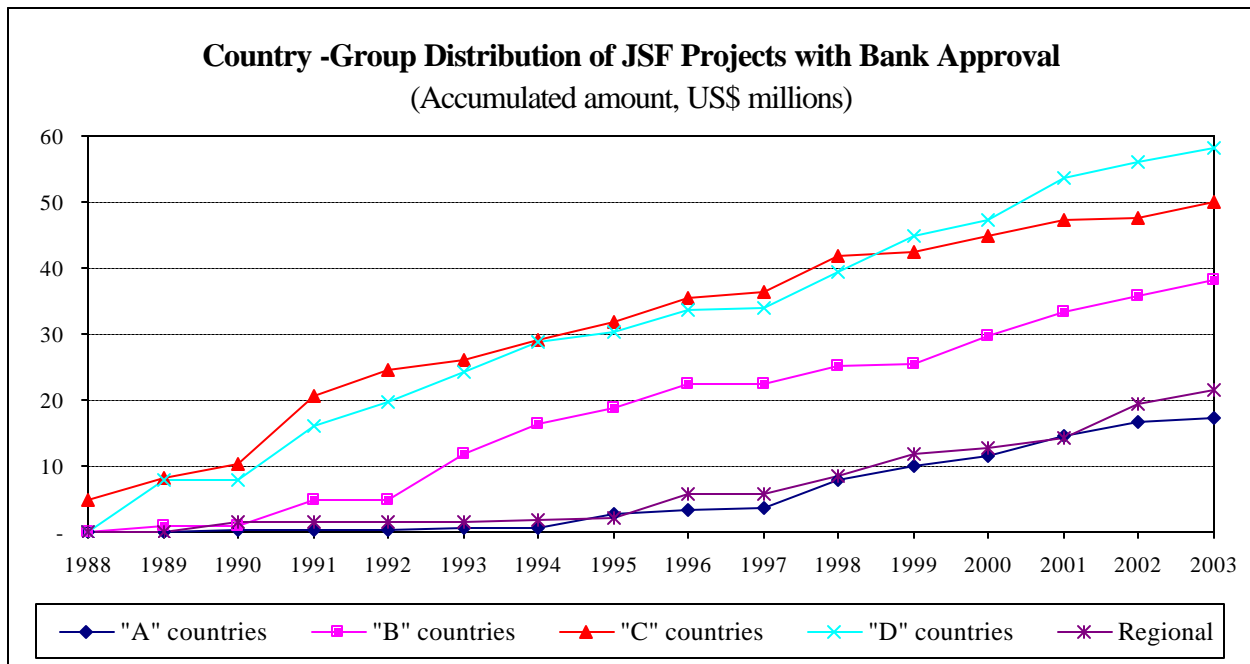
Country	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	Total	%
Group A	-	-	450	-	-	149	-	2,250	480	282	4,203	2,207	1,495	2,968	2,099	827	17,410	9.4
Argentina											1,100			750			1,850	1.0
Brazil								2,250	480		916	2,207	1,495	1,649		450	9,447	5.1
Mexico			450			149				282	1,437			569	2,099	377	5,363	2.9
Venezuela											750						750	0.4
Group B	-	1,000	-	4,000	-	6,740	4,732	2,305	3,640	123	2,498	549	4,244	3,426	2,406	2,389	38,052	20.6
Chile								620		123	725		555		1,245		3,268	1.8
Colombia		1,000				3,040	532	285	1,100		1,173	15	1,285	2,247	541	1,641	12,859	6.9
Peru				4,000		3,700	4,200	1,400	2,540		600	534	2,404	1,179	620	748	21,925	11.8
Group C	5,000	3,300	2,000	10,375	3,988	1,500	2,930	2,760	3,649	749	5,529	750	2,451	2,297	403	2,295	49,976	27.0
Bahamas			2,000		351	1,500	600	600									5,051	2.7
Barbados		1,100		3,305					750								5,155	2.8
Costa Rica				4,870	1,937		1,230			749	175					1,895	10,856	5.9
Jamaica	5,000				1,700			500	750			750	338		403		9,441	5.1
Panama								380	1,400		1,936		1,963	450		400	6,529	3.5
Suriname											2,158		150				2,308	1.2
T & T				2,200				680			1,260						4,140	2.2
Uruguay		2,200					1,100	600	749					1,847			6,496	3.5
Group D	-	8,022	-	7,972	3,581	4,638	4,472	1,695	3,132	500	5,414	5,303	2,447	6,454	2,506	1,975	58,111	31.4
Belize							650		567							300	1,517	0.8
Bolivia		3,860		5,072				200			720					750	10,602	5.7
Dom.Rep		772									1,425	1,173	450	1,357	200		5,377	2.9
Ecuador						1,849	600				100	2,325		1,300			6,174	3.3
El Salvador									1,090					1,049	1,099		3,238	1.7
Guatemala						650	977	745			1,100	500	595	1,500	380		6,447	3.5
Guyana				2,900	781			750	750		345	525					6,051	3.3
Haiti		3,390															3,390	1.8
Honduras						1,150				500	1,243		1,402	598	499	625	6,017	3.2
Nicaragua					2,800		745				481	780		650	328	300	6,084	3.3
Paraguay						989	1,500		725								3,214	1.7
Regional	-	-	1,583	-	-	40	150	338	3,758	-	2,500	3,517	910	1,445	5,260	2,100	21,601	11.7
Total	5,000	12,322	4,033	22,347	7,569	13,067	12,284	9,348	14,659	1,654	20,144	12,326	11,547	16,590	12,674	9,586	185,150	100.0

Appendix VI
JCF Projects Approved by Country
(CY1995-2003)

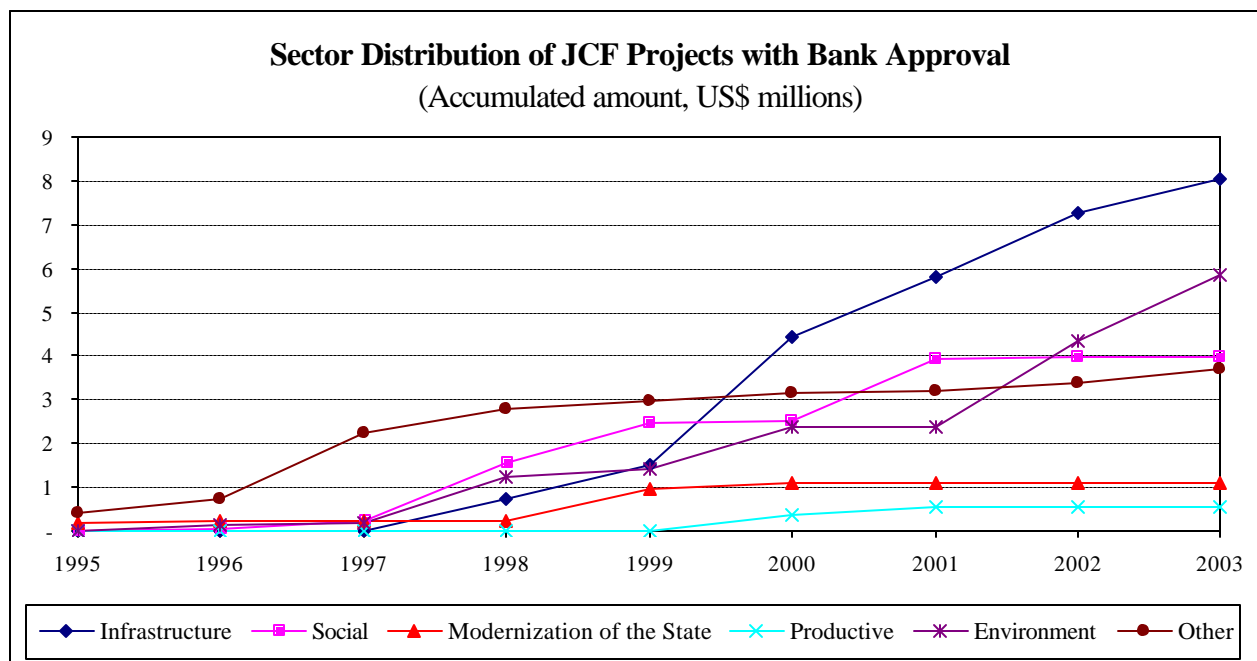
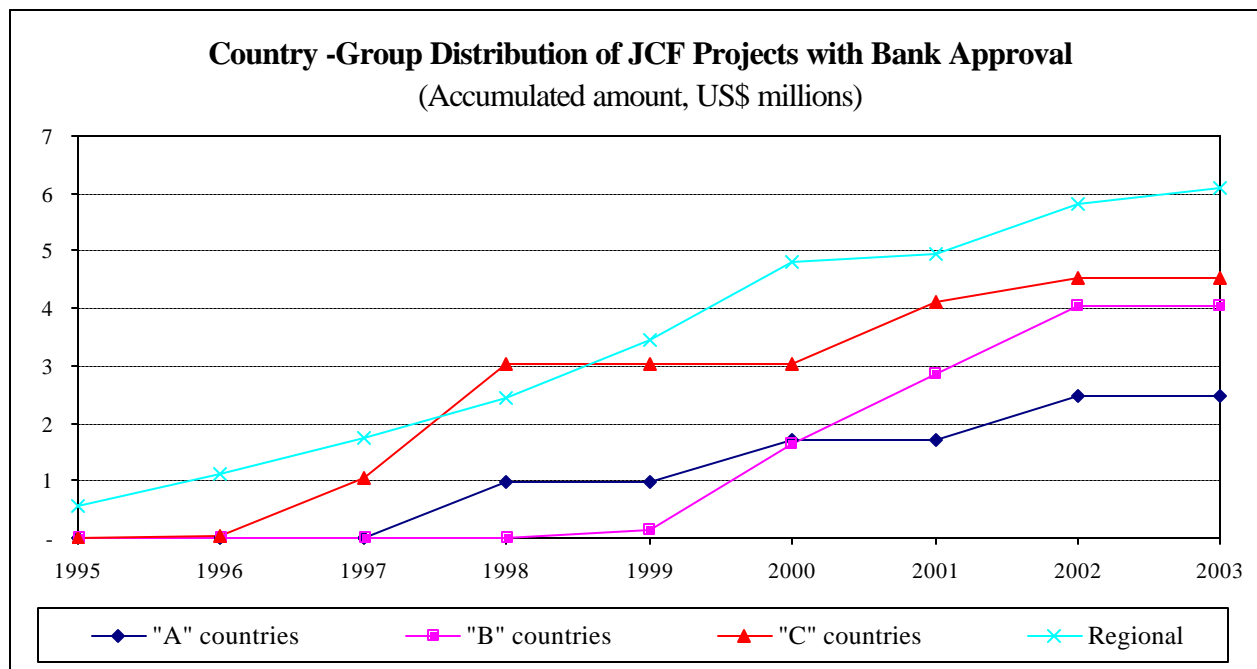
(Unit : US\$ thousands)

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	Total	%
Group A				960		750		750		2,460	10.6
Argentina											
Brazil						750		750		1,500	6.5
Mexico				960						960	4.1
Venezuela											
Group B					150	1,500	1,200	1,200		4,050	17.5
Chile							200	1,200		1,400	6.0
Colombia						1,500				1,500	6.5
Peru					150		1,000			1,150	5.0
Group C		40	992	1,991			1,098	400		4,521	19.5
Bahamas		40	992	1,241						2,273	9.8
Barbados											
Costa Rica											
Jamaica								400		400	1.7
Panama				750						750	3.2
Suriname											
T & T											
Uruguay							1,098			1,098	4.7
Group D			135		1,649	945	640	400	2,250	6,019	26.0
Belize						195				195	0.8
Bolivia			135						1,500	1,635	7.1
Dom.Rep											
Ecuador					750	750				1,500	6.5
El Salvador											
Guatemala					149		640			789	3.4
Guyana								400		400	1.7
Haiti					750					750	3.2
Honduras											
Nicaragua											
Paraguay									750	750	3.2
Regional	569	530	633	714	992	1,385	106	901	276	6,106	26.4
Total	569	570	1,760	3,665	2,791	4,580	3,044	3,651	2,526	23,156	100.0

Appendix VII JSF Country and Sector Distribution



Appendix VIII JCF Country and Sector Distribution



Appendix IX
JSF Auditor's Report and Financial Statements



Ernst & Young LLP
8484 Westpark Drive
McLean, VA 22102

Phone: (703) 747-1000
www.ey.com

REPORT OF INDEPENDENT AUDITORS

To the Inter-American Development Bank,
Administrator of the Japan Special Fund
Established by the Government of Japan:

We have audited the accompanying balance sheet of the Japan Special Fund Established by the Government of Japan (the Fund), administered by the Inter-American Development Bank (the Bank), as of December 31, 2003 and 2002, and the related statements of changes in fund balance and cash flows for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Bank's management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Supplementary Balance Sheet by Program, Supplementary Statement of Changes in Fund Balance by Program, and the Supplementary Statement of Cash Flows by Program are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of December 31, 2003 and 2002, and the changes in its fund balance and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Washington, D.C.
March 24, 2004

Appendix IX
JSF Auditor's Report and Financial Statements

JAPAN SPECIAL FUND
ESTABLISHED BY THE GOVERNMENT OF JAPAN
(Administered by the Inter-American Development Bank)

BALANCE SHEET

(Expressed in thousands of Japanese yen)

	December 31,	
	2003	2002
ASSETS		
Cash	159,914	241,657
Investments	10,504,180	13,040,473
Total assets	10,664,094	13,282,130
 LIABILITIES AND FUND BALANCE		
Due to Administrator	43,722	147,582
Undisbursed grants	3,524,930	4,294,109
Fund balance	7,095,442	8,840,439
Total liabilities and fund balance	10,664,094	13,282,130

STATEMENT OF CHANGES IN FUND BALANCE

(Expressed in thousands of Japanese yen)

	Years ended December 31,	
	2003	2002
ADDITIONS		
Contribution from Government of Japan	192,150	474,010
Income on cash and investments	164,014	253,150
Total additions	356,164	727,160
 DEDUCTIONS		
Grants, net	1,192,560	1,716,124
Direct and indirect expenses	19,429	12,491
Administrative commissions	3,363	8,295
Total deductions	1,215,352	1,736,910
 Net decrease before translation adjustments	(859,188)	(1,009,750)
Translation adjustments	(885,809)	(851,751)
Net decrease after translation adjustments	(1,744,997)	(1,861,501)
Fund balance, beginning of year	8,840,439	10,701,940
Fund balance, end of year	7,095,442	8,840,439

The accompanying notes are an integral part of these financial statements.

Appendix IX
JSF Auditor's Report and Financial Statements

JAPAN SPECIAL FUND
ESTABLISHED BY THE GOVERNMENT OF JAPAN
(Administered by the Inter-American Development Bank)

STATEMENT OF CASH FLOWS
(Expressed in thousands of Japanese yen)

	<u>Years ended December 31,</u>	
	<u>2003</u>	<u>2002</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in fund balance, before translation adjustments	(859,188)	(1,009,750)
Difference between amounts accrued and amounts paid or collected for:		
Net unrealized gains on investments	(116,561)	(234,827)
Undisbursed grants	(326,126)	(283,321)
Due to Administrator	(95,485)	73,645
Net cash used in operating activities	<u>(1,397,360)</u>	<u>(1,454,253)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net decrease in investments	<u>1,328,303</u>	<u>179,143</u>
Net cash provided by investing activities	<u>1,328,303</u>	<u>179,143</u>
Effect of exchange rate fluctuations on cash	<u>(12,686)</u>	<u>(16,211)</u>
Net decrease in cash	(81,743)	(1,291,321)
Cash, beginning of year	<u>241,657</u>	<u>1,532,978</u>
Cash, end of year	<u><u>159,914</u></u>	<u><u>241,657</u></u>
Supplemental disclosure of noncash activities		
Decrease resulting from exchange rate fluctuations:		
Investments	(1,324,553)	(1,267,584)
Undisbursed grants	(443,054)	(418,407)
Due to Administrator	(8,376)	(13,637)

The accompanying notes are an integral part of these financial statements.

Appendix IX
JSF Auditor's Report and Financial Statements

JAPAN SPECIAL FUND
ESTABLISHED BY THE GOVERNMENT OF JAPAN
(Administered by the Inter-American Development Bank)

NOTES TO FINANCIAL STATEMENTS

December 31, 2003 and 2002

NOTE A - NATURE OF THE FUND

On April 26, 1988, the Government of Japan (the Government) and the Inter-American Development Bank (the Bank) signed an agreement (the Agreement) to establish the Japan Special Fund (the Fund), which is funded by the Government and administered by the Bank.

The purpose of the Fund is to provide grants to help developing member countries of the Bank accelerate the process of economic and social development.

Resources contributed to the Fund by the Government are as follows (in thousands of Japanese yen (¥ or JPY)):

Year	Amount
prior to 2002	24,634,075
2002	474,010
2003	192,150

In accordance with a procedure established in August 1994, the cost of each new operation financed by the Fund is approved and disbursed in United States dollars (USD). Accordingly, up until November 2002, the Fund converted resources held in JPY into the amount approved in USD at the time of approval. In compliance with an agreement reached with the Government during 2002, effective November 15, 2002, all resources held by the Fund in JPY were converted into USD to fund future operations, thus eliminating the need to make partial currency conversions.

In 1998, the Bank approved the establishment of the Japan Program. The objectives of the Japan Program are to create opportunities for providing expertise, knowledge, and best practices of Asia to the countries of Latin America and the Caribbean and vice-versa, and to the Bank in the formulation of economic and social development strategies, priorities, and policies. The Japan Program also promotes partnerships and supports comparative studies between entities interested and involved in economic and social development in Latin America, the Caribbean and those in Japan and the rest of Asia, such as public agencies, universities, non-governmental organizations, and research institutes.

Appendix IX
JSF Auditor's Report and Financial Statements

The Japan Program serves as an umbrella for activities funded in accordance with the above-mentioned objectives. In order to finance the Japan Program, a special window of the Fund was established in 1999, for which the amount of USD 29.7 million was transferred from the Japan Special Main Account to cover approximately USD 2.0 million per year in non-reimbursable grants.

In February 2001, the Government approved the establishment of the Japan Poverty Reduction Program (JPO Program). On April 5, 2001, the Fund converted the JPY equivalent of USD 30,000,000 and deposited this amount in a new account denominated in US dollars, to establish the JPO Program under the framework of the Fund. The JPO Program was established in order to increase the focus of the Fund towards the financing of poverty reduction initiatives to support the Bank's initiatives in this respect. It is expected that it would provide funding for grants approved over the period from 2001 to 2005.

The specific objectives of the JPO Program are to: (a) support well-targeted poverty reduction and social development activities that would have a direct impact on the population affected by poverty and those vulnerable groups that are socially and/or economically disadvantaged, (b) stimulate the capacity of the poor to help themselves; (c) stimulate widespread stakeholder participation at the community level, and (d) provide a systematic impact on operations and programs in the Bank's borrowing member countries towards sustainable poverty reduction.

The accompanying Appendix I, II and III present separately the operations of the Japan Program and the JPO Program from the remaining operations of the Fund, which are reflected in the Japan Special Main Account.

Pursuant to the Agreement, as amended in 1991, the Bank is authorized to charge an administrative commission of 1.75% of funds contributed by the Government during each year. During 2003 and 2002, administrative commissions were charged to the Fund in the amount of ¥3,363,000 and ¥8,295,000, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fund are prepared in conformity with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions to and deductions from the fund balance during the reporting period. Actual results could differ from these estimates.

Investments

Investments are carried and reported at fair value. Realized and unrealized gains and losses are included in income on cash and investments in the Statement of Changes in Fund Balance.

Effective in 2003, the net change in investments is presented as a component of cash flows from investing activities in the Statement of Cash Flows. Prior to 2003, this amount was included in the Statement of Cash Flows as cash equivalents. Prior year amounts have been reclassified to reflect this change.

Appendix IX
JSF Auditor's Report and Financial Statements

Grants

Technical cooperation grants are recorded as deductions from the fund balance when approved. Cancellations of the undisbursed portion of grants approved are recorded as an offset to grants in the period in which they occur.

Translation of currencies

The United States dollar is the functional currency of the Fund. However, the financial statements are expressed in Japanese yen, which is the reporting currency of the Fund. Assets and liabilities that are denominated in United States dollars are translated at market rates of exchange prevailing at the dates of the financial statements. Additions to and deductions from the fund balance are translated at market rates of exchange prevailing during each month. The adjustments resulting from the translation of assets and liabilities into Japanese yen are shown in the Statement of Changes in Fund Balance as translation adjustments.

Fair values of financial instruments

The following methods and assumptions were used in estimating the fair value of financial instruments:

Cash: The carrying amount reported in the Balance Sheet for cash approximates fair values.

Investments: Fair values for investments are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

NOTE C – CASH

Cash includes overnight bank deposits in the amount of ¥156,703,000, as of December 31, 2003 (2002 - ¥238,101,000).

NOTE D - INVESTMENTS

The Bank invests the Fund's resources in the same type of securities in which it invests its own funds under its investment authority. The Fund's resources are invested in high quality securities through an investment pool managed by the Bank. Investments may include government, agency, bank and corporate obligations, time deposits and asset- and mortgage-backed securities with credit quality equivalent to ratings ranging from A+ to AAA.

The Bank limits the Fund's activities of investing in securities to a list of authorized dealers and counterparties. Strict credit limits have been established for each counterparty and the Bank, as the Administrator of the Fund, does not anticipate non-performance by any of its counterparties.

Net unrealized gains on investments, held at December 31, 2003, in the amount of ¥116,560,000, (2002- ¥234,827,000) were included in income on cash and investments. The average return on investments and overnight bank deposits, including realized and unrealized gains and losses, during 2003 and 2002 was 1.33% and 1.77%, respectively.

Appendix IX
JSF Auditor's Report and Financial Statements

NOTE E - UNDISBURSED GRANTS

The following is a summary of changes in undisbursed grants for the years ended December 31, 2003 and 2002 (in thousands of JPY):

	<u>2003</u>	<u>2002</u>
Undisbursed grants as of January 1,	4,294,109	4,995,837
Grants approved.	1,433,597	1,933,240
Cancellations.	(241,037)	(217,116)
Grants, net.	1,192,560	1,716,124
Disbursements.	(1,518,684)	(1,999,445)
Translation adjustments.	(443,055)	(418,407)
Undisbursed grants as of December 31,	<u>3,524,930</u>	<u>4,294,109</u>

NOTE F – TRANSLATION ADJUSTMENTS

As indicated in Note B, adjustments resulting from the translation of assets and liabilities into Japanese yen are shown as translation adjustments in the Statement of Changes in Fund Balance. Such adjustments consist of the following for the years ended December 31, 2003 and 2002 (in thousands of JPY):

	<u>2003</u>	<u>2002</u>
Cumulative adjustments, beginning of year.	(249,963)	601,788
Translation adjustments.	(885,809)	(851,751)
Cumulative adjustments, end of year.	<u>(1,135,772)</u>	<u>(249,963)</u>

NOTE G – THE JAPAN PROGRAM AND THE JPO PROGRAM

All of the operations of the Japan Program and the JPO Program are conducted in United States dollars. The following is a summary of the operations of these programs for the years ended December 31, 2003 and 2002, as applicable (in thousands):

Appendix IX
JSF Auditor's Report and Financial Statements

Japan Program:

	2003		2002	
	USD	JPY Equiv.	USD	JPY Equiv.
Available resources as of January 1,.....	24,653	2,955,607	26,399	3,479,357
Income on cash and investments.....	379	44,171	562	70,368
Grants, net.....	(2,130)	(241,020)	(2,308)	(292,798)
Translation adjustments.....	-	(307,301)	-	(301,320)
Available resources as of December 31,	<u>22,902</u>	<u>2,451,457</u>	<u>24,653</u>	<u>2,955,607</u>

JPO Program:

	2003		2002	
	USD	JPY Equiv.	USD	JPY Equiv.
Available resources as of January 1,.....	25,509	3,058,594	28,244	3,722,653
Income on cash and investments.....	388	45,204	569	71,220
Grants, net.....	(2,996)	(345,724)	(3,304)	(405,788)
Translation adjustments.....	-	(306,512)	-	(329,491)
Available resources as of December 31,	<u>22,901</u>	<u>2,451,562</u>	<u>25,509</u>	<u>3,058,594</u>

NOTE H – CONCENTRATION OF CREDIT RISK

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted. At December 31, 2003 and 2002, the Fund had cash, overnight bank deposits and time deposits in a Japanese financial institution with operations in Japan and in the United States of ¥159,914,000 and ¥241,657,000, respectively. The Bank, as the Administrator of the Fund, does not anticipate nonperformance by any of its counterparties. The amount of credit risk shown, therefore, does not represent expected losses.

Appendix IX
JSF Auditor's Report and Financial Statements

JAPAN SPECIAL FUND
ESTABLISHED BY THE GOVERNMENT OF JAPAN
(Administered by the Inter-American Development Bank)

SUPPLEMENTARY BALANCE SHEET BY PROGRAM
(Expressed in thousands of Japanese yen)

	December 31,						
	2003		2002				
	Japan Special Main Account	Japan Program	Poverty Reduction Program	Japan Special Main Account	Japan Program	Poverty Reduction Program	Total
ASSETS							
Cash	51,053	51,841	57,020	151,621	72,392	17,644	241,657
Investments	4,631,745	2,888,121	2,984,314	6,003,722	3,464,465	3,572,286	13,040,473
Total assets	<u>4,682,798</u>	<u>2,939,962</u>	<u>3,041,334</u>	<u>6,155,343</u>	<u>3,536,857</u>	<u>3,589,930</u>	<u>13,282,130</u>
LIABILITIES AND FUND BALANCE							
Liabilities							
Due to Administrator	16,154	18,957	8,611	99,848	29,462	18,272	147,582
Undisbursed grants	2,474,221	469,548	581,161	3,229,257	551,788	513,064	4,294,109
	2,490,375	488,505	589,772	3,329,105	581,250	531,336	4,441,691
Fund balance	2,192,423	2,451,457	2,451,562	2,826,238	2,955,607	3,058,594	8,840,439
Total liabilities and fund balance	<u>4,682,798</u>	<u>2,939,962</u>	<u>3,041,334</u>	<u>6,155,343</u>	<u>3,536,857</u>	<u>3,589,930</u>	<u>13,282,130</u>

Appendix I

Appendix IX
JSF Auditor's Report and Financial Statements

JAPAN SPECIAL FUND
ESTABLISHED BY THE GOVERNMENT OF JAPAN
(Administered by the Inter-American Development Bank)

SUPPLEMENTARY STATEMENT OF CHANGES IN FUND BALANCE BY PROGRAM
(Expressed in thousands of Japanese yen)

	Years ended December 31,					
	2003			2002		
	Japan Special Main Account	Japan Program	Poverty Reduction Program	Japan Special Main Account	Japan Program	Poverty Reduction Program
ADDITIONS						
Contributions from Government of Japan	192,150	-	-	474,010	-	-
Income on cash and investments	74,639	44,171	45,204	111,562	70,368	71,220
Total additions	<u>266,789</u>	<u>44,171</u>	<u>45,204</u>	<u>585,572</u>	<u>70,368</u>	<u>71,220</u>
DEDUCTIONS						
Grants, net	605,816	241,020	345,724	1,017,538	292,798	405,788
Direct and indirect expenses	19,429	-	-	12,491	-	-
Administrative commissions	3,363	-	-	8,295	-	-
Total deductions	<u>628,608</u>	<u>241,020</u>	<u>345,724</u>	<u>1,038,324</u>	<u>292,798</u>	<u>405,788</u>
Net decrease before translation adjustments	<u>(361,819)</u>	<u>(196,849)</u>	<u>(300,520)</u>	<u>(457,752)</u>	<u>(222,430)</u>	<u>(334,568)</u>
Translation adjustments	<u>(271,996)</u>	<u>(307,301)</u>	<u>(306,512)</u>	<u>(220,940)</u>	<u>(301,320)</u>	<u>(329,491)</u>
Net decrease after translation adjustments	<u>(633,815)</u>	<u>(504,150)</u>	<u>(607,032)</u>	<u>(673,692)</u>	<u>(523,750)</u>	<u>(664,059)</u>
Fund balance, beginning of year	<u>2,826,238</u>	<u>2,955,607</u>	<u>3,058,594</u>	<u>3,499,930</u>	<u>3,479,357</u>	<u>3,722,653</u>
Fund balance, end of year	<u>2,192,423</u>	<u>2,451,457</u>	<u>2,451,562</u>	<u>2,826,238</u>	<u>2,955,607</u>	<u>3,058,594</u>
	<u>192,150</u>	<u>192,150</u>	<u>192,150</u>	<u>474,010</u>	<u>474,010</u>	<u>474,010</u>
	<u>164,014</u>	<u>164,014</u>	<u>164,014</u>	<u>253,150</u>	<u>253,150</u>	<u>253,150</u>
	<u>356,164</u>	<u>356,164</u>	<u>356,164</u>	<u>727,160</u>	<u>727,160</u>	<u>727,160</u>
	<u>1,192,560</u>	<u>1,192,560</u>	<u>1,192,560</u>	<u>1,716,124</u>	<u>1,716,124</u>	<u>1,716,124</u>
	<u>19,429</u>	<u>19,429</u>	<u>19,429</u>	<u>12,491</u>	<u>12,491</u>	<u>12,491</u>
	<u>3,363</u>	<u>3,363</u>	<u>3,363</u>	<u>8,295</u>	<u>8,295</u>	<u>8,295</u>
	<u>1,215,352</u>	<u>1,215,352</u>	<u>1,215,352</u>	<u>1,736,910</u>	<u>1,736,910</u>	<u>1,736,910</u>
	<u>(859,188)</u>	<u>(859,188)</u>	<u>(859,188)</u>	<u>(1,009,750)</u>	<u>(1,009,750)</u>	<u>(1,009,750)</u>
	<u>(885,809)</u>	<u>(885,809)</u>	<u>(885,809)</u>	<u>(851,751)</u>	<u>(851,751)</u>	<u>(851,751)</u>
	<u>(1,744,997)</u>	<u>(1,744,997)</u>	<u>(1,744,997)</u>	<u>(1,861,501)</u>	<u>(1,861,501)</u>	<u>(1,861,501)</u>
	<u>8,840,439</u>	<u>8,840,439</u>	<u>8,840,439</u>	<u>10,701,940</u>	<u>10,701,940</u>	<u>10,701,940</u>
	<u>7,095,442</u>	<u>7,095,442</u>	<u>7,095,442</u>	<u>8,840,439</u>	<u>8,840,439</u>	<u>8,840,439</u>

Appendix II

Appendix IX
JSF Auditor's Report and Financial Statements

JAPAN SPECIAL FUND
ESTABLISHED BY THE GOVERNMENT OF JAPAN
(Administered by the Inter-American Development Bank)

SUPPLEMENTARY STATEMENT OF CASH FLOWS BY PROGRAM
(Expressed in thousands of Japanese yen)

	Years ended December 31							
	2003		2002					
	Japan Special Main Account	Japan Program	Poverty Reduction Program	Total	Japan Special Main Account	Japan Program	Poverty Reduction Program	Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Change in fund balance, before translation adjustments	(361,819)	(196,849)	(300,520)	(859,188)	(452,752)	(222,430)	(334,568)	(1,009,750)
Difference between amounts accrued and amounts paid or collected for:								
Net unrealized gains on investments	(52,006)	(31,451)	(33,104)	(116,561)	(105,623)	(62,352)	(66,852)	(234,827)
Undisbursed grants	(430,013)	(31,016)	(326,126)	(787,155)	(588,152)	52,668	252,163	(283,321)
Due to Administrator	(79,165)	(7,833)	(8,487)	(95,485)	44,799	21,252	7,594	73,645
Net cash used in operating activities	(933,003)	(207,149)	(207,208)	(1,347,360)	(1,101,228)	(210,863)	(141,663)	(1,453,754)
CASH FLOWS FROM INVESTING ACTIVITIES								
Net decrease (increase) in investments	\$26,589	250,406	251,308	1,328,303	(164,325)	231,646	111,822	179,143
Net cash provided by (used in) investing activities	\$26,589	250,406	251,308	1,328,303	(164,325)	231,646	111,822	179,143
Effect of exchange rate fluctuations on cash	(4,154)	(3,808)	(4,724)	(12,686)	(4,712)	(3,170)	(8,129)	(16,211)
Net (decrease) increase in cash	(100,568)	(20,551)	39,376	(81,743)	(1,270,765)	17,414	(37,970)	(1,291,321)
Cash, beginning of year	151,621	72,392	17,644	241,657	1,423,386	54,978	55,614	1,532,978
Cash, end of year	51,053	51,841	57,020	159,914	151,621	72,392	17,644	241,657
Supplemental disclosure of noncash activities:								
Decrease resulting from exchange rate fluctuations:								
Investments	(507,394)	(357,389)	(369,770)	(1,234,553)	(553,677)	(356,575)	(357,332)	(1,267,584)
Undisbursed grants	(325,623)	(51,224)	(66,807)	(443,654)	(331,290)	(55,426)	(31,731)	(418,407)
Due to Administrator	(4,529)	(2,672)	(1,174)	(8,376)	(6,199)	(3,200)	(4,238)	(13,637)

Appendix III

Appendix X
JCF Auditors Report and Financial Statements



Ernst & Young LLP
8484 Westpark Drive
McLean, VA 22102

Phone: (703) 747-1000
www.ey.com

REPORT OF INDEPENDENT AUDITORS

To the Inter-American Development Bank,
Administrator of the Japanese Consultants Fund
Established by the Government of Japan:

We have audited the accompanying balance sheet of the Japanese Consultants Fund Established by the Government of Japan (the Fund), administered by the Inter-American Development Bank (the Bank), as of December 31, 2003 and 2002, and the related statements of changes in fund balance and cash flows for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Bank's management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of December 31, 2003 and 2002, and the changes in its fund balance and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Washington, D.C.
March 24, 2004

Appendix X
JCF Auditors Report and Financial Statements

JAPANESE CONSULTANTS FUND
ESTABLISHED BY THE GOVERNMENT OF JAPAN
(Administered by the Inter-American Development Bank)

BALANCE SHEET
(Expressed in thousands of Japanese yen)

	<u>December 31,</u>	
	<u>2003</u>	<u>2002</u>
ASSETS		
Cash	31,940	309,015
Investments	1,550,260	1,620,529
Total assets	<u>1,582,200</u>	<u>1,929,544</u>
LIABILITIES AND FUND BALANCE		
Due to Administrator	2,633	4,926
Undisbursed grants	725,372	1,082,436
Fund balance	854,195	842,182
Total liabilities and fund balance	<u>1,582,200</u>	<u>1,929,544</u>

STATEMENT OF CHANGES IN FUND BALANCE
(Expressed in thousands of Japanese yen)

	<u>Years ended December 31,</u>	
	<u>2003</u>	<u>2002</u>
ADDITIONS		
Contribution from Japanese Government	211,030	209,907
Income on cash and investments	23,583	32,006
Total additions	<u>234,613</u>	<u>241,913</u>
DEDUCTIONS		
Grants, net	106,808	453,775
Administrative commissions	4,221	4,198
Accountant fees	1,090	1,081
Total deductions	<u>112,119</u>	<u>459,054</u>
Net increase (decrease) before translation adjustments	122,494	(217,141)
Translation adjustments	(110,481)	(76,426)
Net increase (decrease) after translation adjustments	12,013	(293,567)
Fund balance, beginning of year	<u>842,182</u>	<u>1,135,749</u>
Fund balance, end of year	<u>854,195</u>	<u>842,182</u>

The accompanying notes are an integral part of these financial statements.

Appendix X
JCF Auditors Report and Financial Statements

JAPANESE CONSULTANTS FUND
ESTABLISHED BY THE GOVERNMENT OF JAPAN
(Administered by the Inter-American Development Bank)

STATEMENT OF CASH FLOWS
(Expressed in thousands of Japanese yen)

	<u>Years ended December 31,</u>	
	<u>2003</u>	<u>2002</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in fund balance, before translation adjustments	122,494	(217,141)
Difference between amounts accrued and amounts paid or collected for:		
Net unrealized gains on investments	(16,752)	(29,710)
Undisbursed grants	(259,849)	219,904
Due to Administrator	(1,553)	829
Net cash used in operating activities	<u>(155,660)</u>	<u>(26,118)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Net increase in investments	<u>(113,396)</u>	<u>(116,433)</u>
Net cash used in investing activities	<u>(113,396)</u>	<u>(116,433)</u>
 Effect of exchange rate fluctuations on cash	<u>(8,019)</u>	<u>(21,318)</u>
 Net decrease in cash	(277,075)	(163,869)
Cash, beginning of year	<u>309,015</u>	<u>472,884</u>
Cash, end of year	<u>31,940</u>	<u>309,015</u>
 Supplemental disclosure of noncash activities		
Decrease resulting from exchange rate fluctuations:		
Investments	(200,417)	(148,658)
Undisbursed grants	(97,215)	(93,041)
Due to Administrator	(740)	(509)

The accompanying notes are an integral part of these financial statements.

Appendix X
JCF Auditors Report and Financial Statements

JAPANESE CONSULTANTS FUND
ESTABLISHED BY THE GOVERNMENT OF JAPAN
(Administered by the Inter-American Development Bank)

NOTES TO FINANCIAL STATEMENTS
December 31, 2003 and 2002

NOTE A - NATURE OF THE FUND

On February 15, 1995, the Government of Japan (the Government) and the Inter-American Development Bank (the Bank) signed an agreement (the Agreement) to establish the Japanese Consultants Fund (the Fund), which is funded by the Government and administered by the Bank.

The purpose of the Fund is to finance: (i) the fees and related travel expenses of individual Japanese consultants performing medium-term assignments (up to one year, with a possibility of further extension) in support of the Bank's activities; and (ii) the professional fees and related travel expenses for short-term consulting services performed at Bank headquarters or in the Bank's borrowing member countries by Japanese nationals, acting as individual consultants, or on behalf of specialized institutions and consulting firms (all such consulting services referred to collectively as the Consultancy Services).

Resources contributed to the Fund by the Government are as follows in thousands of Japanese yen (¥ or JPY):

<u>Year</u>	<u>Amount</u>
Prior to 2002	2,846,486
2002	209,907
2003	211,030

Since 1995, the Fund approves and disburses all the operations financed by the Fund in United States dollars. Accordingly, before 2003 the Fund used to convert resources held in Japanese yen into the amount approved in United States dollars at the time of approval. During late 2002, the Government approved the conversion of all resources held by the Fund in Japanese yen into United States dollars to fund future operations, thus eliminating the need to make partial currency conversions. The currency conversion of all Japanese yen resources into United States dollars was carried out in April of 2003.

Appendix X
JCF Auditors Report and Financial Statements

2

Pursuant to the Agreement, the Bank is authorized to charge an administrative commission of 2% of funds contributed by the Government during each year. During 2003, administrative commissions were charged to the Fund in the amount of ¥4,220,600 (2002 - ¥4,198,140).

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fund are prepared in conformity with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions to and deductions from the fund balance during the reporting period. Actual results could differ from these estimates.

Investments

Investments are carried and reported at fair value. Realized and unrealized gains and losses are included in income on cash and investments in the Statement of Changes in Fund Balance.

Effective in 2003, the net change in investments is presented as a component of cash flows from investing activities in the Statement of Cash Flows. Prior to 2003, this amount was included in the Statement of Cash Flows as cash equivalents. Prior year amounts have been reclassified to reflect this change.

Grants

Technical cooperation grants are recorded as deductions from the fund balance when approved. Cancellations of the undisbursed portion of grants approved are recorded as an offset to grants in the period in which they occur.

Translation of currencies

The United States dollar is the functional currency of the Fund. However, the financial statements are expressed in Japanese yen, which is the reporting currency of the Fund. Assets and liabilities that are denominated in United States dollars are translated at market rates of exchange prevailing at the dates of the financial statements. Additions to and deductions from the fund balance are translated at market rates of exchange prevailing during each month. The adjustments resulting from the translation of assets and liabilities into Japanese yen are shown in the Statement of Changes in Fund Balance as translation adjustments.

Appendix X
JCF Auditors Report and Financial Statements

3

Fair values of financial instruments

The following methods and assumptions were used in estimating the fair value of financial instruments:

Cash: The carrying amount reported in the Balance Sheet for cash approximates fair value.

Investments: Fair values for investments are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments.

NOTE C – CASH

Cash includes overnight bank deposits in the amount of ¥30,870,000, as of December 31, 2003 (2002 - ¥122,241,000).

NOTE D – INVESTMENTS

The Bank invests the Fund's resources in the same type of securities in which it invests its own funds under its investment authority. The Fund's resources are invested in high quality securities through an investment pool managed by the Bank. Investments may include government, agency, bank and corporate obligations, time deposits and asset- and mortgage-backed securities with credit quality equivalent to ratings ranging from A+ to AAA.

The Bank limits the Fund's activities of investing to a list of authorized dealers and counterparties. Strict credit limits have been established for each counterparty and the Bank, as Administrator of the Fund, does not anticipate non-performance by any of its counterparties.

Net unrealized gains on investments, held at December 31, 2003, in the amount of ¥16,752,000 (2002 - ¥29,710,000) were included in income on cash and investments. The average return on investments and overnight bank deposits, including realized and unrealized gains and losses, during 2003 and 2002 was 1.31% and 1.66%, respectively.

Appendix X
JCF Auditors Report and Financial Statements

4

NOTE E - UNDISBURSED GRANTS

The following is a summary of changes in undisbursed grants for the years ended December 31, 2003 and 2002 (in thousands of JPY):

	<u>2003</u>	<u>2002</u>
Undisbursed grants as of January 1,	1,082,436	955,573
Grants approved.	292,237	455,314
Cancellations.	<u>(185,429)</u>	<u>(1,539)</u>
Grants, net.	106,808	453,775
Translation adjustments.	(97,215)	(93,041)
Disbursements.	<u>(366,657)</u>	<u>(233,871)</u>
Undisbursed grants as of December 31,	<u>725,372</u>	<u>1,082,436</u>

NOTE F - TRANSLATION ADJUSTMENTS

As indicated in Note B, adjustments resulting from the translation of assets and liabilities into Japanese yen are shown as translation adjustments in the Statement of Changes in Fund Balance. Such adjustments consist of the following for the years ended December 31, 2003 and 2002 (in thousands of JPY):

	<u>2003</u>	<u>2002</u>
Cumulative adjustments, beginning of year.	41,530	117,956
Translation adjustments.	<u>(110,481)</u>	<u>(76,426)</u>
Cumulative adjustments, end of year.	<u>(68,951)</u>	<u>41,530</u>

NOTE G - CONCENTRATION OF CREDIT RISK

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted. At December 31, 2003 and 2002, the Fund had cash and overnight bank deposits in a Japanese financial institution with operations in Japan and in the United States of ¥31,940,538 and ¥309,014,540, respectively. The Bank, as the Administrator of the Fund, does not anticipate nonperformance by any of its counterparties. The amount of credit risk shown, therefore, does not represent expected losses.