

## **PREFACE**

Over the past two decades, the Japanese Government and the Inter-American Development Bank have collaborated toward a mutual objective of promoting economic development and social progress in the Latin American and Caribbean Region. The success of this partnership is reflected in the different and flexible instruments created by the Japanese Government to further enhance the impact and effectiveness of grant resources entrusted to the Bank in support of its loan program. The Japan Special Fund (JSF) is the largest active trust fund at the IDB and the single most significant source of flexible, untied, external funding for IDB technical cooperation activities.

Since its establishment in 1988, the Japan Special Fund has contributed to support the Bank's strategy to improve the infrastructure stock of the countries, protect the natural environment and promote the productive sectors. The Japanese Trust Fund for Consultancy Services (JCF) facilitates, established in 1995, is another strong window to achieve the application of Japanese know-how and development experience to the challenges facing the developing countries of the Americas.

During the 2005 Fiscal Year, the JSF team worked to promote the JSF Poverty Reduction Program (JPO) facility through an extensive consultation process with Bank's specialists, which resulted in the significant amount of project approval through two innovative windows: the Community Based Program (CBP) and the Loan Enhancement Program (LEP). The CBP empowers local governments, NGOs, and communities to ensure that they become the architects of their own development through the identification of solutions to pressing social needs. The objective of the LEP is to enhance the quality of IDB loans by extending the coverage of poverty targeted activities, thereby raising the development impact of the loan operation. Due to the continuous support to answer the strong demand to tackle poverty alleviation issues, the term of JPO was extended by the Japanese Government until the end of 2010.

The Japanese Funds are recognized and appreciated in the IDB for their relevance to the Bank's core of activities. To effectively allocate the fund resources to obtain optimal technical cooperation with a strong development impact and effectiveness, a rigorous and efficient management will be conducted. Through Japanese Trust Funds, the IDB and Japan have continuously shared a common goal and long-term vision of supporting social and economic progress in Latin America and the Caribbean.

Goro Mutsuura  
Coordinator Japanese Trust Funds  
Washington D.C., June 2006

## GLOSSARY

CBP	Community Based Program
GOJ	Government of Japan
IDB	Inter-American Development Bank
JCF	Japanese Trust Fund for Consultancy Services
JPO	JSF Poverty Reduction Program
JSF	Japan Special Fund
LAC	Latin America and the Caribbean
LEP	Loan Enhancement Program
NGO	Non-Governmental Organization
PRI	IDB Private Sector Department
TC	Technical Cooperation

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## 1. Overview 2005

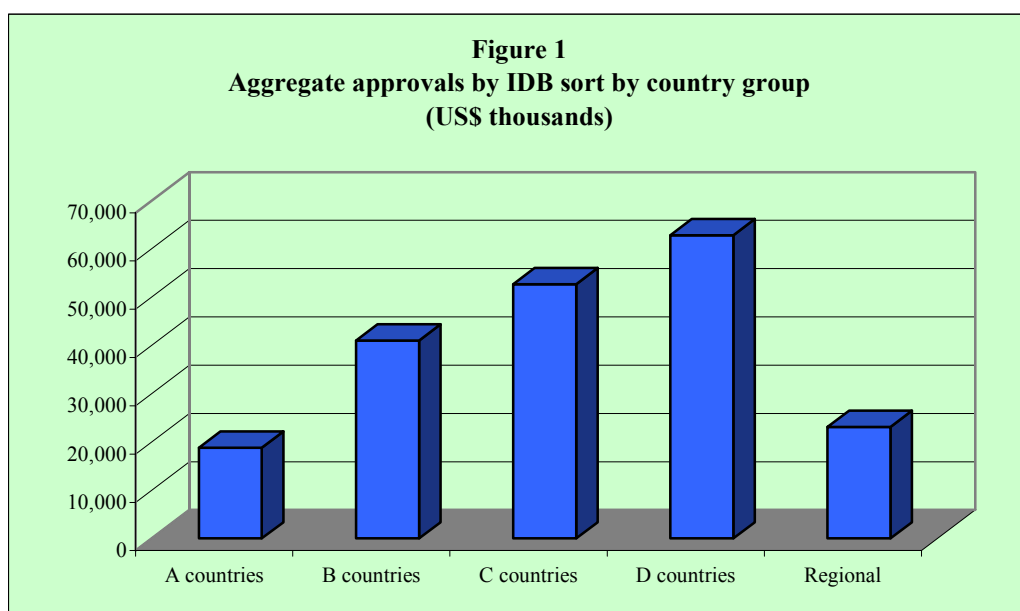
In 2005, the Bank approved 38 projects for a total of US\$12.0 million, financed by all subprograms of the Japanese Trust Funds (JSF, JCF and JPO), disaggregated as follows: 23 JSF-funded operations for a total of US\$8.3 million; 4 JCF-funded operations for a total of US\$0.9 million, and 11 JPO-funded operations for a total of US\$2.8 million.

### Country Distribution

In 2005, the majority of Japanese Trust Fund resources were allocated to C & D countries (54.7%), while A & B countries received 33.0% of the total financing. On the other hand, 12.2% of the funds financed regional projects. In terms of the regional distribution, resources of the Japanese Trust Funds were mostly allocated to South America with 48.4% of total funding, followed by the Central America and Mexico sub-region with 24.3%, and 15.0% to the Caribbean region.

Regarding country distribution, Peru was the beneficiary country that received the most from the Japanese Trust Funds in 2005, that is 12.0% of total approvals (US\$1.4 million). Following are Guatemala (US\$1.1 million, 8.8%) and Brazil (US\$1.0 million, 8.7%).

Since the establishment of the JSF in 1988, resources allocation for C & D countries have been larger than for A & B countries; the allocated cumulative volume of Japanese Trust Funds for D countries is the largest portion with 30.9% (see Figure 1).<sup>1</sup>



<sup>1</sup> A Countries: Argentina, Brazil, Mexico and Venezuela

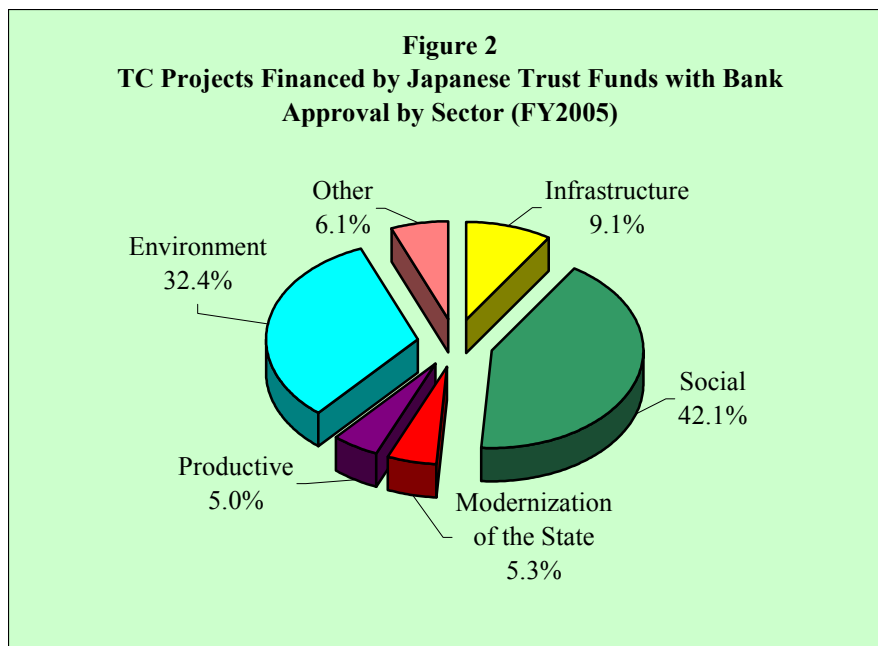
B Countries: Chile, Colombia and Peru

C Countries: Bahamas, Barbados, Costa Rica, Jamaica, Panama, Suriname, Trinidad & Tobago and Uruguay

D Countries: Belize, Bolivia, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Nicaragua and Paraguay

## Sector Distribution

In 2005, the Japanese Trust Funds supported the social sector the most, with funding amounting to US\$5.1 million (42.1% of total operations) in the following sub-sectors: social investment, education, health, indigenous groups support, and other sub-sectors. On the other hand, the Japanese Trust Funds supported the environment sector with funding amounting to US\$3.9 million (32.4% of total operations) distributed among the following sub-sectors: water supply, natural disasters, sustainable development, environmental protection, and solid waste management (see figure 2).



## Resources

In 2005, the Government of Japan (GOJ) contributed JPY528 million (approximately US\$5.0 million) to the JSF, which represents a 98.7% increase in comparison to year 2004 contributions. Consequently, the overall contribution by the GOJ amounts is JPY26,101.7 million (approximately US\$216.1 million). Also, the GOJ replenished the JCF by JPY339.0 million (approximately 3.2 million) and the total contribution to the JCF amounts to JPY3,827.2 million (approximately US\$33.4 million).

## IDB-IIC Annual Meeting in Okinawa

The Forty-sixth Annual Meeting of the Board of Governors of the Inter-American Development Bank and Twentieth Annual Meeting of the Board of Governors of the Inter-American Investment Corporation were held in Okinawa, Japan, from April 10 to 12, 2005. With Nagoya having been the host city of the 1991 Annual Meeting of Governors, this is the second time that Japan hosted such an important event. This decision clearly reflected the acknowledgement by the IDB Group of the great contribution that Japan has been making for many years to advance the development mission of the Group in Latin America and the Caribbean. During the Annual Meeting, around 7,000 people participated in the meeting.

Before the Annual Meeting, some official seminars were held to discuss some areas of development in Latin America and Caribbean region. The JSF helped to finance two official seminars in Okinawa Annual Meeting. The first seminar was “Meeting the Millennium Development Goals: Sharing best practices between Asia and Latin America and the Caribbean” which was held on April 8, 2005, to review and highlight policies and strategies from Asia and LAC that should help countries in these regions better meet the MDGs. The second one was “Investment Opportunities in Central America and the Dominican Republic” which was held from April 9 to 10, 2005, in order to promote further knowledge of Central American and Dominican Republic competitive advantages and to establish networking spaces for the exchange of information among top regional businessmen, investment promotion agencies, governments and Japanese investors.



*The Seminar of "Investment Opportunities in Central America and the Dominican Republic" was held from April 9 to 10, 2005 in Okinawa Annual Meeting.*

## 1.1 Japan Special Fund (JSF)

In 1988, the Government of Japan established the Japan Special Fund (JSF) to foster social and economic growth in IDB's borrowing member countries. It is the largest active trust fund administered by the IDB and it is a fully untied trust fund. Since its establishment, the JSF has financed technical cooperation activities for US\$186.7 million.

### **JSF Projects Approved by the Bank in 2005**

COUNTRY	PROJECT NAME	AMOUNT
Brazil	Multi Issuer Subordinated Debt (Tier II Capital) Issuance	200,000
Brazil	Technical Cooperation for the Investment Program of ATE II Transmission Project	91,350
Colombia	Support the Antioquia Alliance for Equity	600,000
Costa Rica	Sustainable Development Program for the Central Pacific – Brunca Region	250,000
Dominican Republic	Design of a Solid Waste Disposal Solution for the Eastern Region	567,000
Ecuador	Guayaquil International Airport	125,000
Ecuador	Support for the preparation of the Water Supply Program for Medium Sized Cities	464,000
Guatemala	Support for a National Census of School Infrastructure and Equipment	750,000
Haiti	Preparation of Rural Water and Sanitation Feasibility Studies	488,000
Jamaica	Citizen Security and Justice – Focusing on Trafficking in Persons	120,000
Mexico	Development of Innovative Financing Instruments for Small and Medium-Sized Municipalities	384,000
Panama	Support for the preparation of the Citizen Security Program in Panama	250,194
Panama	Formulation of the Sustainable Development Program for the Province of Chiriquí	550,000
Peru	Development of the Rural Economy in the Sierra	600,000
Peru	Technical Cooperation for the Investment in the Red Vial 6 Toll Road Project	124,410
Peru	Peru Border crossing	610,000
Regional	Investment Opportunities in Central America and the Dominican Republic	250,000
Regional	Seminar “Meeting the MDGs: Sharing Best Practices Between Asia and LAC”	90,000
Regional	Bank Action Plan for Improving Disaster Risk Management	820,000
Regional	Central American Infrastructure Investment Fund	150,000
Trinidad & Tobago	Seamless Education System Beginning at Early Childhood Care	630,000
Uruguay	Technical Cooperation for the Investment Program at Carrasco International Airport in Montevideo	140,000
<b>TOTAL</b>		<b>8,253,954</b>



The JSF finances technical cooperation operations to support loan preparation, loan implementation, and other pilot activities that have a conceptual linkage to the Bank's future loan program. The JSF also supports programs based on the specific needs such as policy and strategy formulation or implementation activities, which represent high priorities for the IDB as established in its institutional strategy.

As essential resources for IDB's operations, the JSF provides the flexible financing for TCs in such various sectors as education, social development, rural development, water and sanitation, environmental protection, natural disaster prevention, transportation, energy, and capital market.

## **Brazil**

### **Multi Issuer Subordinated Debt (Tier II Capital) Issuance**

**Amount: US\$200,000**

**Sector: Private Sector Development/Capital Markets**

**Executing Agency: IDB (PRI)**

**IDB approval date: August 30, 2005**

The objective is to assist the Issuing Banks in developing, implementing, and monitoring an Environmental Management System (EMS), which is appropriate to their business and meets IDB requirements. IDB's participation will directly result in the Issuer Banks development of EMS that will help ensure that environmental, social, health and safety, and labor liabilities, risks, and impacts associated with their financed portfolio are adequately evaluated and managed. In addition, to the extend possible, the Bank will foster Issuer Banks to provide financing to environmental service companies (e.g. recycling, solid waste management, water treatment, energy efficiency, etc) which provide environmentally sustainable economic growth.

### **Technical Cooperation for the Investment Program of ATE II Transmission Project**

**Amount: US\$91,350**

**Sector: Private Sector Development/Energy Electric Transmission**

**Executing Agency: IDB (PRI)**

**IDB approval date: November 30, 2005**

This technical Cooperation project is designed to conduct the due diligence studies that will determine the viability and financial sustainability of the Project, aiming to provide reliability to Brazilian transmission system and attend the energy needs of the Northeastern Region of Brazil. IDB will proceed with the financing for this Project only if such studies are satisfactory in form and substance. As such, the results of these studies constitute the cornerstone in IDB's decision to proceed with the loan. The studies will encompass analysis and thorough review of the following aspects: a) environmental and social; b) developmental impact; c) technical (i.e. independent engineering review); d) insurance review; and e) legal and regulatory assessment. Such studies will determine how the major works will be executed in accordance with the Concession and under the Project's financing.

## Colombia

### Support the Antioquia Alliance for Equity

**Amount: US\$600,000**

**Sector: Social Investment**

**Executing Agency: Government of Antioquia**

**IDB approval date: December 2, 2005**

The general objective of the TC is to support the preparation of an IDB investment loan operation directed to support the Alliance for Equity in Antioquia (AAE) mission of reducing social inequity and enhancing human capital development in Antioquia. The specific objectives of the TC are: (i) to support the AAE in the identification of priority social investments agreed upon by key stakeholders; (ii) to support the design of new instruments and/or the enhancement of existing social programs aimed at improving social equity and human development in Antioquia; and (iii) to support the development of a comprehensive information system to monitor and evaluate the effectiveness of regional and national policies and interventions directed to improve social equity and human capital formation.



*The JSF supports poor and vulnerable population for mitigating social inequity in Antioquia Department of Colombia.*



*In September 2005, IDB specialists held a meeting with the government of Antioquia, Colombia. The Press covered this event that will support health, education, infrastructure and income generation projects.*

Una comisión técnica del Banco Interamericano de Desarrollo se encuentra en la ciudad, para concretar el apoyo técnico que brindará a la Gobernación de Antioquia para definir las estrategias y recursos necesarios para cumplir las metas de la Alianza por la Equidad en Antioquia.

A través del Banco Interamericano de Desarrollo, BID, el Fondo Japonés, informó Antonio Giuffrida, miembro de la comisión del BID.

En la Alianza por la Equidad en Antioquia se definirán siete mesas de trabajo que se plantarán objetivos específicos en busca de la equidad en el departamento. Las mesas de salud, educación, seguridad alimentaria, infraestructura y generación de ingresos, son algunas de las cuales hacen parte empresarios, universidades, ONG, y representantes de la sociedad antioqueña.

Una comisión de cuatro funcionarios del BID y un representante del Fondo Japonés se encuentran en la ciudad esta semana fijando las bases para la materialización del apoyo técnico que brindarán.

El monto de la cooperación es de 600 mil dólares y una coordinación de la Gobernación de Antioquia de 100 mil dólares, que aún no se ha definido si se hará en efectivo o en especie. Estamos estructurando, y definiendo el apoyo a los diferentes proyectos, para identificar el tipo de actividades, los estudios, y como se va a concretar y a

utilizar el dinero que aportó el Fondo Japonés", informó Antonio Giuffrida, miembro de la comisión del BID.

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#### AGENDA

#### Metas concretas

Los funcionarios del Banco Interamericano de Desarrollo evaluaron ayer, la mesa de salud y educación y los sistemas de monitoreo y seguimiento que es uno de los requerimientos de la Alianza, "en cada una de las mesas se han definido alrededor de dos o tres temas de focalización, en el tema de educación se ha planteado la educación superior con énfasis en carreras técnicas y tecnológicas y el tema de cobertura universal con calidad para básica primaria y secundaria", señaló Claudia Restrepo, Gerente de Comunicación Pública y Vida de la Gobernación de Antioquia.

Con el apoyo de la comisión del BID, se espera definir durante esta semana una serie de metas concretas, de la Alianza al 2015, que serán presentadas el viernes a todo el Consejo Asesor de Equidad que preside el Gobernador Antón Gaviria Correa.

Antioquia. Esperamos que pueda servir para futuras colaboraciones entre el BID y la Gobernación", dijo Antonio Giuffrida, miembro de la comisión técnica.

Una de las tareas es definir con los funcionarios del BID bajo qué esquemas se desarrollarán los estudios y la mecánica de los mismos, temas que antes de seis meses tienen que ser resueltos porque la idea es

que en el mes de octubre se le presente a los antioqueños y antioqueñas los metas de la Alianza y que se inicie inmediatamente el proceso de intervención, sea por redes de solidaridad, por fondos de equidad y el monto de los recursos que requerimos para lograr las metas", señaló Claudia Restrepo, Gerente de Comunicación Pública y Vida de la Gobernación de Antioquia.

## Costa Rica

### **Sustainable Development Program for the Central Pacific – Brunca Region**

**Amount: US\$250,000**

**Sector: Environment**

**Executing Agency: Ministry of Planning (MIDEPLAN)**

**IDB approval date: June 23, 2005**

The Government of Costa Rica has requested the Bank for support in the preparation of a Development Program for the Puntarenas Province (CR-L1003), which is a part of its promotion of strengthening the management capacity at the regional level. The objective of this technical cooperation project is to prepare, in consultation with the Regional Development Councils, the sustainable development program for the Central Pacific-Brunca Region (CR-L1003) and the corresponding action and investment plan to put it into effect.

## Dominican Republic

### **Design of a Solid Waste Disposal Solution for the Eastern Region**

**Amount: US\$567,000**

**Sector: Environment/Solid Waste Management**

**Executing Agency: Asociación Dominicana de Municipios del Este (ADME)**

**IDB approval date: July 12, 2005**

The objective of this operation is to propose a sustainable and efficient system of solid waste disposal, through the provision of basic analysis and design of infrastructure and institutional investments, which could lead to an IDB loan request, that would contribute to the well-being and prosperity of the population in the Eastern Region of the country. The main benefit is to provide a better health condition for the population, and to enhance competitiveness of the international tourism in the long run.

*Deficiencies in solid waste disposal are causing severe environmental damage in the Eastern Region.*



## Ecuador

### **Guayaquil International Airport**

**Amount: US\$125,000**

**Sector: Transportation**

**Executing Agency: IDB (PRI)**

**IDB approval date: August 30, 2005**

With the objective of increasing passenger and cargo capacity in the airport, as well as rising the level of service, the Corporación América constituted Terminal Aeroportuaria de Guayaquil S.A. (TAGSA) has requested financing

from the Bank for a technical cooperation to cover the costs related to IDB's due diligence studies that will determine the environmental, social, and economic (developmental) impacts of the project. The JSF will carry out two specific tasks, environmental and social studies, and economic (developmental impact) analysis.

### **Support for the Preparation of the Water Supply Program for Medium Sized Cities**

**Amount: US\$464,000**

**Sector: Sanitation**

**Executing Agency: Ministry of Urban Development and Housing (MIDUVI)**

**IDB approval date: February 18, 2005**

This technical cooperation program aims to foster autonomy, financial viability, performance and accountability among water supply and sanitation utilities in the cities of Ibarra and Ambato, to extend this experience to other medium cities, and to promote a constructive dialogue with government officials at all levels, and with stakeholders and civil society to advance the required sector reforms.

## **Guatemala**

### **Support for a National Census of School Infrastructure and Equipment**

**Amount: US\$750,000**

**Sector: Education**

**Executing Agency: Ministry of Education (MINEDUC)**

**IDB approval date: September 9, 2005**

The objective of this Technical Cooperation is to design and to implement the second and third phases of the National Census of School Infrastructure and equipment –public schools: preschool, elementary, and middle levels of education, including diversified schools- in order to complete the collection of information on the characteristics and capacity of infrastructure and equipment in all of the educational establishments of the Guatemalan public school system. This information will provide the groundwork for the design and implementation of policies to improve and enhance the quality of educational services, with particular benefit to the poorest sectors of the country.

## **Haiti**

### **Preparation of rural water and sanitation feasibility studies**

**Amount: US\$488,000**

**Sector: Sanitation/Water Supply**

**Executing Agency: Ministry of Public Works, Transport and Communications (MTPTC)/Service National d'Eau Potable (SNEP) and Fund for Social and Economic Assistance (FAES)**

**IDB approval date: December 13, 2005**

The objective is to carry out pre-investment studies for rural water and sanitation investments to be financed by the Bank under a loan that is currently under preparation (HA-L1007). These studies will serve as a guide to size the loan component for investments and determine the



*JSF assists Haiti's population to improve access to drinking water.*

number of communities that will benefit from the Program. The pre-investment studies will ascertain the economic, technical, financial and environmental viability of the proposed works and will include new potable and sanitation systems and systems to be rehabilitated in rural communities.

## **Jamaica**

### **Citizen Security and Justice – Focusing on Trafficking in Persons**

**Amount: US\$120,000**

**Sector: Social Investment**

**Executing Agency: Office of the Prime Minister**

**IDB approval date: October 14, 2005**

Since the year 2001, there has been a striking increase in trafficking in persons in Jamaica. The main objective of this technical cooperation is to support the Government of Jamaica to expand the initial focus on domestic violence in the loan operation to include sexual exploitation and trafficking in persons. All activities to be financed under this technical cooperation will compliment and enhance activities currently underway as part of the Citizen Security and Justice Program (CSJP). Activities include the development and implementation of strategies to improve the enforcement of existing legislation such as the Child Care and Protection Act of 2003 and to promote the National Plan on Child Labor and the National Framework of Action for Children as well as the Protocol to prevent, suppress and punish trafficking in persons.

## **Mexico**

### **Development of Innovative Financing Instruments for Small and Medium-sized Municipalities**

**Amount: US\$384,000**

**Sector: Reform/Modernization of the State**

**Executing Agency: Banco Nacional de Obras y Servicios Publicos, S.N.A. (BANOBRAS)**

**IDB approval date: December 1, 2005**

This technical cooperation project aims to design, test, and implement a pooled financing instrument that will facilitate access to long-term financing on the part of small- and medium-sized municipalities (SMSP). A group of financial experts/firm will be contracted to develop a transaction to: a) provide administrative and organizational support for the pool of municipalities; b) design and implement the transaction in such that it is attractive to the market; c) establish the legal framework for the transaction; and d) place the transaction in the Mexican market.

## **Panama**

### **Support for the Preparation of the Citizen Security Program in Panama**

**Amount: US\$250,194**

**Sector: Modernization of the State/Citizen Security**

**Executing Agency: Ministry of Government and Justice**

**IDB approval date: July 28, 2005**



The Bank has been active in conceptualizing the theme and preparing citizen security programs in order to help countries in the region cope with the issue of violence. The proposed Citizens Security Program for Panama will be designed to enhance the level of governance and competitiveness of the country. This technical cooperation project will carry out the studies necessary for the preparation of the Citizens Security Program (PN-L1003). The outcome of this TC will provide information required to determine the institutional, legal and technical design of the program.

### **Preparation of the Sustainable Development Program for the Chiriquí Province.**

**Amount: US\$550,000**

**Sector: Environment/ Sustainable Development**

**Executing Agency: Ministerio de la Presidencia (MP), through the “Secretaría del Consejo Nacional de Desarrollo Sostenible (CONADES)”**

**IDB's Approval: June 23, 2005**

The annual average income in Chiriquí is US\$1,730 compared to US\$2,377 for Panama. The main objective is to support the Panamanian Government and the communities of the Chiriquí area, in the formulation and preparation of an Integral Program of Sustainable Development for the Chiriquí Province (PN-L1005) and a Plan of Action for its implementation. Local organizations and communities will have the opportunity to select organizations which are more suitable to their needs, and which contribute the most to the objectives of the proposed program, taking advantage of the potential of the area to benefit the local populations, via economic development, employment creation, and poverty reduction in the Chiriquí Province.

## **Peru**

### **Development of the Rural Economy in the Sierra**

**Amount: US\$600,000**

**Sector: Environment/ Agriculture & Rural Development**

**Executing Agency: The Ministry of Economy & Finance (MEF)**

**IDB approval date: December 22, 2005**

The objective is to support the Government of Peru in the implementation of a strategy for rural poverty reduction. According to Escobal and Valdivia (2004), rural poverty in the Sierra has risen from 72.5% in 1997 to 78.5% in 2002. Poverty in the rural Selva over the same time period has grown from 55.7% to 71.8%. The project will develop a knowledge base for prioritizing public and private investments based on the characteristics of different micro regions in the rural Sierra as well as their economic potential and the bottlenecks that impede increases in production. With this information the project will develop regional rural development plans for three specific regions in the country. It will contribute to Government of Peru's efforts to reduce rural poverty by developing a “Peruvian regional tool box of solutions” for the different bottlenecks faced by the different “types” of microregions, which will be transferred to each of the regional and local governments, to be incorporated in their strategies for rural development.



*The JSF supports government's activities for alleviating poverty in mountain area of Peru.*

## Peru

### Technical Cooperation for the Investment in the Red Vial 6 Toll Road Project

**Amount:** US\$124,410

**Sector:** Transportation

**Executing Agency:** IDB (PRI)

**IDB approval date:** August 30, 2005

As a part of the efforts to the transfer of highway infrastructure services to the private sector by the government of Peru, *Ministerio de Transportes y Comunicaciones* (MTC) designed the Highway Development Plan for the period 1996-2006 which includes a series of eleven concession programs to improve the national road network. Systems such as Red Vial 6 (and the recently closed Red Vial 5) are being let under a fully private concession model with the private sector bearing the risks of construction, operation, financing, etc. The purpose of this program is to provide high quality due diligence support to determine the viability and financial sustainability of the Red Vial 6 project. The due diligence studies will provide key information that is crucial for IDB's decision to proceed with the financing of the Red Vial 6 project.



*The JSF supports to improve infrastructure of transportation for economic growth through private sector in Peru.*

### Peru Border Crossing

**Amount:** US\$610,000

**Sector:** Transportation

**Executing Agency:** Ministry of External Relations

**IDB approval date:** January 21, 2005

As a part of its implementation to strengthen the social and economic integration in the region, the country participates in the South American Regional Infrastructure Integration Initiative (IIRSA). IIRSA has agreed with the countries an action plan for the development of Integration Development Hubs (IDH), multinational areas that concentrate current and expected commercial flows, in which specific infrastructure projects have been identified, including specific Border Crossings (BC) projects, which constitute transnational nodes of major transport axis. Peru belongs to four of the nine IDH: Andean, Amazonian, Peru–Brazil–Bolivia and Inter-Oceanic. The objective of the TC consists in supporting and complementing the preparatory activities for the loan operation under preparation (PE-L1003) for three Border Crossings (BC) projects in the frontiers of Peru with Bolivia, Brazil and Chile. The BC project aims to promote the development of modern BC control centers aimed at facilitating the regional and bi-national commerce, and, as a complement, fulfilling communitarian agreements in the CAN influence area, and identifying complementary and logistic services that can be delivered by local communities thus contributing to develop local logistic and complementary services around the centers and improve employment conditions.

## Regional

### **Bank Action Plan for Improving Disaster Risk Management**

**Amount: US\$820,000**

**Sector: Environment/Natural Disasters**

**Executing Agency: IDB**

**IDB approval date: August 10, 2005**

The objective of the present program is to assist the Bank in managing disaster-related risk to development effectiveness of Bank interventions, by supporting the implementation of the Bank's Action Plan for Improving Disaster Risk Management. *The proposed Bank Action Plan for Improving Disaster Risk Management* is a set of immediate actions in three priority areas such (i) country programming and portfolio management, (ii) Bank's policy, procedures and financial products, and (iii) an organizational structure that focuses on ex-ante risk reduction services. In the first area, 3 priority countries will benefit from country-specific risk evaluations that are tailored to the needs of country programming with the Bank. In the second area, technical work will explore the appropriate role for the Bank in risk pooling and collective insurance instruments for countries' catastrophe risk in order to evaluate the Bank's financial services in this area. In the third area, a Japanese specialist will work with the Bank to facilitate an effective partnership, helping make possible close collaboration and resource mobilization.

#### **IDB's Initiative for Natural Disaster Prevention**

From the establishment of the fund, the JSF supported some TC projects in the area of natural disaster. In 1999, TC project of "Disaster Mitigation in Central America" was financed by the JSF (US\$1,110,000) to strengthen the technical and operational capacity of the national systems for disaster management and risk reduction in Central America.

The JSF also provided financing for "Information and Indicators Program for Disaster Risk Management" (US\$1,300,000) to develop a robust system of indicators that measure the potential impact of natural hazards in individual countries, key elements of their vulnerability as well as countries' capacity to manage risk. They provide policy-makers comparative parameters to help evaluate the effectiveness of their policies and investments in managing risk.

The vulnerability to natural disasters is becoming one of the greatest threats to the economic and social development of many countries in the region. Recent disasters have shown that, in addition to irreparable losses of life, countries can also mislay essential infrastructure and services. The macroeconomic stability of a country may be seriously impacted by the effects of a disaster, particularly in the absence of prevention to minimize losses.

In order to address prevention of national disaster, the IDB approved "the Action Plan for Improving Disaster Risk Management" in March 2005 to help Latin American and Caribbean countries reduce their exposure to human and economic losses caused by natural disasters. The Action Plan presented a set of actions to be undertaken over the next three years – related to country programming and portfolio management, policy and organizational strengthening – that would position the IDB to carry out the commitment to a more proactive stance to disaster risk management in the region and to consolidate disaster risk management in operations. The Government of Japan offered to finance the launching of the Action Plan through the Japan Special Fund (JSF) with resources of US\$820,000 to support the implementation of the IDB's initiative activities for natural disaster prevention in the region.



### **Central American Infrastructure Investment Fund**

**Amount: US\$150,000**

**Sector: Capital Market**

**Executing Agency: IDB (PRI)**

**IDB approval date: November 30, 2005**

The objective of this technical cooperation is to assist the Fund Manager in developing or upgrading, implementing and monitoring an Environmental Management System (EMS) in form and content to meet IDB standard requirements, assuring appropriate management and monitoring of environmental, social, labor and health and safety aspects of the targeted companies. Successful implementation of this EMS will have a demonstration and multiplication effect that can, over the longer term, elevate environmental and social standards in the targeted region.

## **Trinidad and Tobago**

### **Creation of a Seamless Education System**

**Amount: US\$630,000**

**Sector: Education**

**Executing Agency: Ministry of Education (MOE)**

**IDB approval date: October 4, 2005**

The purpose of this TC is to facilitate the preparation and start-up of the “Seamless Education System” program (TT-L1005), starting at the pre-school level (ages 3-4) and continuing through secondary by improving teacher education, conducting reviews of current curricula and assessment instruments and by the formulation of a curriculum framework that will ensure

“articulation” among the various levels. Thus, the proposed consultancies are required to provide IDB and MOE with the necessary diagnostic data necessary for the development of a feasible and realistic program. It will finance to conduct a comprehensive diagnostic of the early childhood sector, including institutional Strengthening of the Ministry and NGOs in the sector; as well as an analysis on the current governance system and financing mechanism for the development of alternatives.



*In Trinidad and Tobago, it is necessary to improve education system in primary and secondary sector.*

## **Uruguay**

### **Technical Cooperation for the Investment Program at Carrasco International Airport in Montevideo**

**Amount: US\$140,000**


**Sector: Transportation**

**Executing Agency: IDB (PRI)**

**IDB approval date: August 30, 2005**

The objective is to carry out due diligence studies that will determine the viability and financial sustainability of the Bank's investment program, in which approximately US\$128.1 million will be financed for the first 5 years of the Concession and its associated financing costs for the provision of good quality and efficient air transportation, an

area of priority for the Government of Uruguay. The results of these studies constitute the cornerstone in IDB's decision to proceed with the loan. JSF funding is requested for carrying out the developmental impact due diligence together with the environmental and social studies.



Inter-American Development Bank

Banco Interamericano de Desarrollo

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March 31, 2005

**IDB ANNOUNCES ACTION PLAN TO IMPROVE DISASTER RISK MANAGEMENT IN LATIN AMERICAN AND CARIBBEAN COUNTRIES**

**Japan Special Fund to provide resources to implement activities**

The Inter-American Development Bank today announced the approval of an action plan to help Latin American and Caribbean countries reduce their exposure to human and economic losses caused by natural disasters.

The three-year plan, which was endorsed by the Board of Executive Directors, includes a range of activities designed to focus the IDB's approach to the problem of natural disasters on a proactive stance towards disaster risk management.

Japan, which is due to host the annual meeting of the IDB Board of Governors in April, has offered to finance the launching of the action plan through the Japan Special Fund.

Natural disasters pose enormous challenges to Latin America and the Caribbean. According to the IDB's Office of Evaluation and Oversight, over the past three decades the region has lost an average of 5,000 lives and \$3.2 billion in damages every year due to disasters.

Catastrophes caused by hurricanes, earthquakes, landslides, volcanic eruptions, floods or tsunamis can wipe out years of investments and severely set back the process of development. The economic cost alone of these disasters is roughly equivalent to half the IDB's annual lending volume.

In order to mitigate the potential impact of disasters and avoid the diversion of resources from development programs to pay for recovery and reconstruction efforts, the IDB's new action plan emphasizes preventive measures in priority areas.

The IDB will work with high-risk Latin American and Caribbean countries to assess potential losses due to natural disasters; their national capacity to finance recovery and reconstruction; the vulnerability of specific geographic areas and critical infrastructure such as hospitals or water treatment plants; and governments' institutional capacity to manage risks.

In its dialogue with these borrowing member nations, the IDB will explicitly address the issue of disaster risk management in country strategy and programming documents. In the area of portfolio management, project performance and monitoring reports will consider the impact of disasters as a measure of effectiveness and sustainability.

Under a new policy in preparation, disaster risk management will become an integral part of projects involving infrastructure, housing, energy, agriculture and water and sanitation.

The IDB's Immediate Response Facility, which is available to borrowing member countries to address emergency reconstruction needs, will be adjusted to ensure its consistency with the new policy. In addition, a working group will analyze what role the IDB could play in expanding access to risk pooling and collective insurance instruments.

The action plan calls for strengthening of the IDB's decentralized approach to disaster risk management, which builds on the expertise of staffers who serve as focal points in their respective departments and country offices. This group of specialists will lead the institution on a more proactive course on disaster risk management.

In addition to the \$3.8 billion in financing approved over the past decade to support disaster-related programs, in recent years the IDB has worked on a number of initiatives to incorporate risk management in its operations. These include the development of disaster prevention loans, the establishment of a regional network of disaster and risk management policymakers and the design of a state of the art system of risk management indicators.

<http://www.iadb.org/NEWS/articledetail.cfm?Language=En&artType=PR&parid=2&artid=1488>

## 1.2 Japanese Trust Fund for Consultancy Services (JCF)

The Japanese Trust Fund for Consultancy Services (JCF) was established by the Government of Japan in 1995. The JCF provides financial assistance for non-reimbursable technical cooperation activities that promote knowledge transfer through Japanese technical expertise. The JCF supports technical cooperation projects in sectors where Japanese expertise is available. The JCF has become the largest of the funds established within the Technical Cooperation Funds Program managed by the IDB. Since 1995, the JCF has supported TC activities totaling US\$27.1 million.

The JCF resources are semi-tied. The fund finances consulting services of Japanese nationals or firms. Japanese consulting firms may engage the service of consulting firms and/or individual consultants that are nationals of the IDB's borrowing member countries to perform services under their supervision.

The JCF finances similar activities to those supported by the JSF, such as loan preparation, loan implementation, and policy and strategy formulation and/or implementation. Although all sectors are eligible for funding, JCF projects have successfully utilized Japanese expertise in the Environment, Water and Sanitation, Health, and Infrastructure areas.

*“The JCF facility has been an invaluable source of funding for pre-investment studies in RE2 countries. Without it, it would have been very difficult to prepare basic engineering analysis and designs. A recent experience has been the case of the sanitation of the Panama Bay, where a highly qualified Japanese firm has been preparing a US\$1.5 million study to produce engineering designs for a coastal interceptor and a wastewater treatment plant”.*

-Senior Infrastructure Specialist

### Brazil

#### **Support for the Amazon Protection System (SIPAM)**

**Amount: US\$750,000**

**Sector: Environment and Natural Disasters**

**Executing Agency: The Management and Operating Center of SIPAM (CENSIPAM)**

**IDB approval date: December 2, 2005**

The general objective of this TC is to equip the Amazon Protection System (SIPAM) program with a strategy to enhance and consolidate its financial sustainability, institutional and operational capacity, in order to improve the public management of Legal Amazon, with particular emphasis on environmental management. The TC is designed to: a) analyze and propose adjustments to the current organizational framework, with the aim of ensuring SIPAM's technical autonomy in terms of operation, maintenance, and monitoring of technological progress; b) analyze and propose adjustments to its operational and logistic capacity, taking into account the system's complexity, its spillover effect, and the territorial area it covers; and c) prepare a Business Plan that accelerates and develops economic-financial administration, so as to reduce dependence on the Brazilian Government's fiscal budget.

### 1.3 Japan Special Fund Poverty Reduction Program (JPO)

The Government of Japan established the JSF Poverty Reduction Program (JPO) in 2001 for the amount of US\$30 million. The JPO offers non-reimbursable resources to finance technical cooperation operations, which support poverty alleviation activities, with a direct impact on low-income and vulnerable populations in borrowing member countries.

In September 2004, the JPO introduced two new financing schemes: the Community Based Program (CBP) and the Loan Enhancement Program (LEP).

#### The Community Based Program (CBP)

The CBP finances community-based activities that have a direct impact on low-income and vulnerable groups. The projects are designed and implemented by non-governmental organizations (NGOs), civil society organizations or local governments, which provide services to low-income and vulnerable groups in IDB borrowing member countries. Eligible activities are: (1) the provision of basic social services, such as health (primary health care, reproductive health), nutrition, early childhood development, education (pre-school, primary and secondary education), water and sanitation, social programs for at risk children, adolescents and vulnerable groups, urban and rural development of marginalized areas; (2) support to productive activities, such as skill and technical training, micro enterprise activities, such as small-holder agriculture, fishery, livestock, and handicraft production, including market studies where these complement production studies as one component of a project, and (3) strengthening the capacity of community organizations, local NGOs and local governments whose mandate is to work towards improving the living standards of low-income communities.

*“The JPO facility is a very useful instrument to support poverty-reduction oriented projects in the Region. Through the Community Based window we have been able to provide support to innovative small-scale projects with potentials for scaling-up. On the other hand, the loan enhancement is an effective instrument to introduce novel components as part of loan operations. The promptness of the fund and the flexibility of the different windows allow the Bank to respond effectively to clients’ needs and to increase the effectiveness of IDB operations”.*

- Social Sector Specialist

#### The Loan Enhancement Program (LEP)

The LEP finances activities that are a complementary part of an IDB loan operation whose objective is to benefit low-income and vulnerable groups in IDB borrowing member countries, such as: (1) capacity building and training of local governments or organizations that provide social services to poor and vulnerable groups, and (2) poverty reduction activities which are similar in scope to the loan operation that the LEP is to complement.

### **JPO Projects Approved by the Bank in 2005**

COUNTRY	PROJECT NAME	AMOUNT
Chile	Promotion and Consolidation of Rights-based Sexual and Reproductive Health through Piloting Community and Local Participation Experiences	120,000
Chile	Junior Achievement Program to Low Income Youth in Santiago	130,928
Ecuador	Prevention and Assistance System for Domestic Violence, Gender and Child Abuse	149,500
El Salvador	Overcoming Barriers in Family Micro-Ranching	130,000
El Salvador	Program for Underprivileged Communities with Interactive Participation in the Municipality of Guatajiagua, Department of Morazán	144,208
Guatemala	Growing Well Program - Creciendo Bien	308,000
Guyana	Increasing Access to Primary Health Care for Amerindian Communities	750,000
Mexico	A Cervical Cancer Prevention Program for Extreme Poverty Areas in rural Michoacan	149,995
Peru	Support to Vulnerable Population through the Provision of Social Basic Services and Creation of Opportunities for Social and Economic Insertion	110,100
Suriname	Support the National Strategic Plan for HIV/AIDS	750,000
Venezuela	Training of Trainers on Indigenous Land Demarcation – Support to Indigenous Communities	90,000
<b>TOTAL</b>		<b>2,832,731</b>

#### **Chile**

**Promotion and Consolidation of Rights-based Sexual and Reproductive Health through Piloting Community and Local Participation Experiences**

**Amount: US\$120,000**

**Sector: Social Investment/Reproductive Health**

**Executing Agency: The National Service for Women (SERNAM)**

**IDB approval date: September 14, 2005**

The objective is to pilot a methodology for improving the access to, and use of, rights-based sexual and reproductive health services for women and their families. The project design addresses social needs in the area of sexual and reproductive health in highly vulnerable sectors in locations with high rates of poverty, where access to integrated health services is not guaranteed.



*Women have difficulties developing their sexuality and reproductive health in a satisfactory manner in Chile.*

### **Executing Agency**

The National Service for Women (SERNAM) is the public entity created to advance equal opportunity between men and women in all aspects of life. Since 1991, the National Service for Women (SERNAM) has invested human and financial resources in work on sexuality. The work on this project will be coordinated with the Ministry of Health through Primary Care, Women's Program, Adolescent Program, the Chile Solidario System, and the Bridge Program of the Ministry of Planning and with civil society organizations.

<http://www.sernam.gov.cl>

### **Junior Achievement Program to Low Income Youth in Santiago**

**Amount: US\$ 130,928**

**Sector: Education, Microenterprise development**

**Executing Agency: Fundación Educación Empresa-Junior Achievement**

**IDB approval date: May 2, 2005**

The objective of this project is to give low-income youth, especially indigenous youth, of the poorest municipalities of the Metropolitan area, the necessary tools to insert themselves in the entrepreneurial world, while preserving their customs and beliefs. The ultimate objective is to support this groups own efforts to lift themselves out of poverty.

### **Executing Agency**

The executing agency of the TC is Fundación Educación Empresa, a non-profit organization founded in 1994 whose objective is to develop creativity, entrepreneurial spirits and respect for self-initiative among children and the youth through Junior Achievement Programs. As of last year, it served 15.500 elementary and high school students from both rural and urban areas. Every year Fundación Educación Empresa recruits more than 190 executive volunteers who work directly with the children transferring their experience in the business world.

<http://www.jachile.org/>

## **Ecuador**

### **Prevention and Assistance System for Domestic Violence, Gender and Child Abuse**

**Amount: US\$ 150,000**

**Sector: Social Investment**

**Executing Agency: Metropolitan Citizen Security Department a branch of the Municipality of Quito (MOQ)**

**IDB approval date: March 21, 2005**

The overall objective of the TC operation is to contribute to MOQ efforts to reduce domestic violence, gender and child abuse by supporting the establishment of the Metropolitan System for Attention and Prevention of Domestic

Violence, Gender and Child Abuse in Quitumbe, targeting the marginal and poorer neighborhoods. In Quitumbe, over 75% of the population is poor as demonstrated by poverty indexes both by income and unsatisfied basic needs (lack potable water, sewage systems, electricity, telephone services); also, the vast majority are unemployed or underpaid. Quitumbe is also considered to have the highest rates of violence related charges (736 per 100,000).

#### **Executing Agency**

The main executing agency for the Program will be the Metropolitan Citizen Security Department, a branch of the Municipality of Quito. The Department is well able to execute such project, as it has the experience in such matters. It has created the Domestic Family and Gender Communication System that has its precedent in a project “Women, Health and Education” financed by UNFPA and executed by the Citizen Security Department from 1995 to 1999.

## **El Salvador**

### **Overcoming Barriers in Family Micro-Ranching**

**Amount: US\$ 130,000**

**Sector: Social Investment**

**Executing Agency: Fundacion Nacional para el Desarrollo (FUNDE)**

**IDB approval date: August 18, 2005**

The objective of this project is to improve the income of poor families in the micro dairy cattle breeding sector in the micro-region of the Yamabal and Sensembra municipalities. This will be accomplished by strengthening their competitiveness and supporting the development of the whole production chain. The project’s approach is integral as it aims to strengthen the social fabric by linking the productive sector to other social actors.

#### **Executing Agency**

FUNDE was created in 1992 and has extensive experience as the executing agency of a series of similar community-based rural development projects that emphasize an entrepreneurial approach, including for example, the creation of an associative company of family-based coffee growers in western El Salvador, the formation of the Consortium of Coffee Growers of the Western Region of El Salvador. Throughout that experience, FUNDE has developed a close working relationship with the Ministry of Agriculture (MAG), the Ministry of the Environment, local governments, farmers’ associations, and specialized agricultural technical assistance outfits. Finally, FUNDE has the legal and administrative capacity to successfully execute a Bank project.

[www.funde.org](http://www.funde.org)

### **Program for Underprivileged Communities with Interactive Participation (COMPARTIR) in the Municipality of Guatajiagua, Department of Morazán**

**Amount: US\$144,208**

**Sector: Social Investment**

**Executing Agency: Salvadoran Foundation for Economic and Social Development (FUSADES)**

**IDB approval date: December 7, 2005**

The goal of this project is to strengthen the capacity of community members to rank projects by order of importance and manage projects for the development of their own communities, by means of training facilitators of



the various rural development organizations with the purpose of multiplying the participative methods in other communities.

### **Executing Agency**

The Salvadoran Foundation for Economic and Social Development (FUSADES) is an NGO founded in 1983 to promote the economic and social progress of Salvadorans by means of sustainable development. The careful design of the operation and FUSADES record and experience are necessary elements to ensure a successful execution and the achievement of development objectives. The Country Office in El Salvador has been involved in the design of the operation and closely following up execution progress. The project was inaugurated on January 23, 2005 with the Japanese Ambassador present.

<http://www.fusades.com.sv/>

## **Guatemala**

### **Support to the Growing Well Program (LEP)**

**Amount: US\$308,000**

**Sector: Social Investment/Health and Nutrition**

**Executing Agency: Secretaría de Obras Sociales de la Esposa del Presidente (SOSEP)**

**IDB approval date: November 7, 2005**

The objectives of this Technical Cooperation project is to support the implementation of the Growing Well Program, in the execution of integral interventions in rural communities exposed to greater social risks, with particular attention to families with malnourished children under 5 years of age.



*The JPO supports "Growing Well Program" in order to reduce poverty and offer social protection for rural communities in Guatemala.*

## **Guyana**

### **Increasing Access to Primary Health Care for Amerindian Communities (LEP)**

**Amount: US\$ 750,000**

**Sector: Health**

**Executing Agency: Ministry of Health**

**IDB approval date: June 13, 2005**

The proposed TC will enhance the Health Sector Program by improving quality and equity in access to primary health services in the interior (regions 1, 7, 8 and 9). The TC is important to enhance the loan since specific activities focused on Amerindian communities were not included in the original loan operation. The project design included components focused at the national level and hospitals. Moreover, the TC will improve access to primary health care services in poor rural areas especially for disadvantaged Amerindian communities.



## Mexico

### A Cervical Cancer Prevention Program for Extreme Poverty Areas in Rural Michoacán

**Amount:** US\$149,995

**Sector:** Health

**Executing Agency:** IMIFAP (Education, Health, and Life)

**IDB approval date:** July 26, 2005

The general objective of the project is to contribute to Mexico's national goal of reducing the cervical cancer prevalence among disadvantaged women by developing, implementing and evaluating a multi-strategic community based intervention, targeting low-income, rural and indigenous women, which can be widely disseminated throughout Mexico.



#### Executing Agency

IMIFAP –Educación, Salud y Vida- is committed to alleviating poverty through health education, life skills training and micro-enterprise development among rural and indigenous people. IMIFAP was founded in 1985 by professors at the National Autonomous University of Mexico (UNAM). Since 1997, IMIFAP has collaborated with health authorities at the national, state and local levels to achieve early detection and thus aid in the prevention of cervical cancer.

<http://www.imifap.org.mx/>

*The JPO supports the activities to reduce the cervical cancer prevalence among disadvantaged women in Mexico.*

## Peru

### Support to Vulnerable Population through the Provision of Social Basic Services and Creation of Opportunities for Social and Economic Insertion

**Amount\$** 110,100

**Sector:** Social Investment

**Executing Agency:** Hogar de Cristo (HC)

**IDB approval date:** October 3, 2005

The objective is to strengthen HC's social program, which aims at reducing extreme poverty through the provision of basic aid and opportunities for social and economic insertion of Lima's most vulnerable groups, such as abandoned children and adolescents, raped victims, elderly, drug addicts, and terminally ill.

#### Executing Agency

The "Hogar de Cristo (HC)" is a private non-profit organization created to help disadvantage people cover their basic needs and create opportunities to actively participate in society and economy. HC has 40 programs that serve more than 30,000 people with the following programs: community houses, preventive programs, educational programs and social aid.

<http://www.hogardecristo.com/navegacion/home.asp>

## Suriname

### **Support the National Strategic Plan for HIV/AIDS (LEP)**

**Amount: US\$750,000**

**Sector: Health**

**Execution Agency: Ministry of Health**

**IDB approval date: December 15, 2005**

The general objective of the proposed TC is to contribute to the achievement of the goal of the 2004-2008 National Strategic Plan for HIV/AIDS: reduce the further spread of HIV/AIDS and mitigate its negative impact on the population of Suriname. The specific purpose of this project is to enhance the institutional capacity to coordinate an integrated response to HIV/AIDS, reduce stigma and discrimination through a modernization of the legislative framework and to scale up prevention efforts aimed at vulnerable populations.

## Venezuela

### **Training of Trainers on Indigenous Land Demarcation – Support to Indigenous Communities**

**Amount: US\$90,000**

**Sector: Social Investment**

**Execution Agency: Indigenous Foundation for Integral and Sustainable Development of Indigenous Peoples and Communities (FINDIS)**

**IDB approval date: April 4, 2004**

The main objective of this project is to develop training materials regarding the provisions of the Law on Demarcation, land use mapping and international comparative experiences with developing a map and submitting a claim and hold two “training of trainers” workshops for approximately 90 Indigenous leaders from across Venezuela. The purpose is to assist with the implementation of both Chapter VIII of the Venezuela Constitution and the Law on Demarcation. Building capacity among Indigenous leadership will also assist the National Commission on Demarcation in fulfilling its mandate and objectives under both the Constitution of Venezuela and the Law on Demarcation.

#### **Executing Agency**

The project will be executed by the *Fundación Indígena para el Desarrollo Integral y Sustentable de los Pueblos y Comunidades Indígenas* (FINDIS) in collaboration with the Permanent Commission on Indigenous People of the National Assembly of Venezuela.

## 2. Projects in Action

Since Japanese Trust Funds supports large numbers of TC projects, there are around 70 portfolios of TC projects which are under implementation as of the end of 2005. The resources of Japanese Trust Funds are utilized effectively through technical cooperation activities in broad area. The following descriptions of five outstanding TCs financed by the Japanese Trust Funds illustrate the various development activities and present good practices in Latin America and the Caribbean.

### Chile

#### **Strengthening Civil Society Organizations through Information Technology**

**Amount:US\$520,000**

**Fund: JPO**

**Sector: Information and Communication Technology (ICT)**

**Executing agency: Facultad Latino Americana de Ciencias Sociales (FLACSO)**

**IDB's Approval: December 20, 2002**

The general objective of the Program is to enable low-income communities to participate in the challenges and benefits that derive from having access to knowledge and information. The objectives are achieved through: a) strengthening the institutional capacity of 17 local civil society organizations through the use of Information Technology; b) providing access to information to poor sectors of society, especially those who live in the isolated communities where most of the telecenters are located. The operation is a pilot project whose methodology will serve as a model to elaborate a national strategy which will replicate this model in other low-income areas of the country.

#### **Outcome**

There are 17 community telecenters operating in 17 poor communities in 5 different Regions in Chile. It is the only initiative in Chile that entrusts local social organizations with the administration of the Telecenters. Fifteen of the Telecenters are located in isolated communities in rural areas. 33% of the telecenters are financially sustainable and the income they generate allows them to make improvements in the infrastructure and equipment. They charge for the services, but prices for the services are decided by the communities. If someone can not afford to pay, he/she can pay for the use of the Telecenter with volunteer work, cleaning the telecenter, donating a book, or some other way agreed with management.

The telecenters are improving the living conditions of the users through different alternatives, such as, guiding and helping users access government services through e-government as well as accessing information to access funds ("fondos concursables"). Other examples worth mentioning is that they provide access to students to prepare for exams and for college entrance. Also, they supported one Mapuche community to upload their line of merchandise in the Internet and they are now receiving and delivering orders of "ponchos" from the United States. They have also made it possible for some people to become micro entrepreneurs.

It is also worth mentioning that there is one Center located in Santiago that is managed by blind people that acquired the technology for the blind so that they too are able to use the Internet. The blind operator that manages this Telecenter was also selected as the image of the digital literacy campaign carried out by the government. The

centers have also contributed to the government's digital literacy campaign training 5,000 people in the use of word processing, spreadsheets, email, and Internet navigation.

This project has received international recognition as one of the experiences that stand out in showing how Internet can contribute to produce changes in the communities.

[www.telecentrocomunitarios.cl](http://www.telecentrocomunitarios.cl)



### Quienes Somos

Redes es un programa desarrollado por la Facultad Latinoamericana de Ciencias Sociales (FLACSO), el cual es financiado por el Banco Interamericano de Desarrollo (BID) con recursos provenientes del **Fondo Especial de Japón**.

Además recibe aportes del Fondo de Solidaridad e Inversión Social (FOSIS) y de la Fundación para la Superación de la Pobreza y cuenta también con el apoyo de los profesionales del Programa Servicio País.

Las organizaciones administradoras de telecentros son las siguientes:

- Junta de Vecinos Nuevos Campos Rural N°3 (Graneros)
- Cooperativa Agrícola Las Lomas de Colchagua (Palmilla)
- Agrupación de Mujeres Líderes (Los Álamos)
- Agrupación de Discapacitados (Contulmo)
- El Karro (San Rosendo)
- Grupo de Protección al Adulto Mayor (Collipulli)
- Asociación Kom Keyuhaim (Villarrica)
- Comunidad Mapuche Mallín del Treile (Lonquimay)
- Asociación Mapuche Folil Koyam (Melipeuco)
- Club de Amigos de la Biblioteca de Chol Chol (Chol Chol)
- Radio Estrella del Mar (Ancud)
- Agrupación Unión Cultural (Máfil)
- Ayuntún Rayen (Puqueldón)



*Web site of the Redes Program, financed by the JSF Poverty Reduction Program (JPO).*

## El Salvador

### Developing National Sustainable Market for Clean Rural Energy Services

Amount: US\$750,000

Fund: JSF

Sector: Energy

Executing Agency: Ministry of Economy (MINEC)

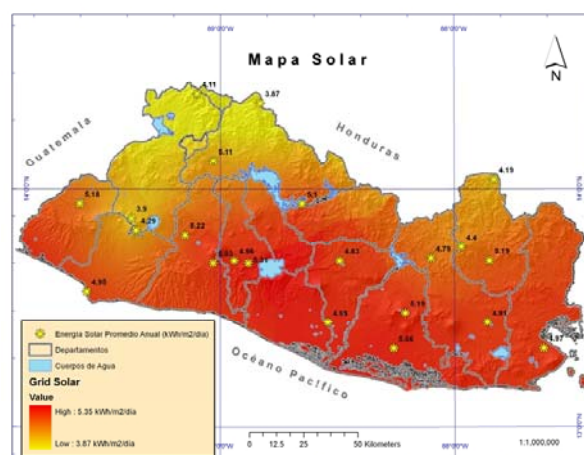
IDB's Approval: June 24, 2002

The objective of the TC is to help the government to develop and promote an appropriate strategic framework allowing for market-oriented and sustainable enterprises dedicated to implementation and operation of rural energy projects in a sustainable way. This TC also implements and tests a new approach for catalyzing sustainable markets for privately operated rural energy services in smaller economies.

### Outcome

The TC was designed to introduce cost-effective model of energy distribution in rural area rather than large-scale and expensive way such as on-grid energy distribution. A two third of population consumes less than 100 kW of electricity, mostly in rural area and they need cost-effective and simple solutions of energy generation. The off-grid scheme of energy such as solar energy has potential to become significant tool for rural communities while on-grid energy needs high investment cost for installation.

Two Pilot tests are implemented in rural communities of (1) Cerro Alto and Las Flores in Sonsonate with 70 families; and, (2) La Barra in Metapán with 24 families. In the study of this TC, solar home system was selected as most potential instrument for rural electrification rather than wind (low potential in El Salvador), mini-hydro (expensive), and geothermal (expensive and not suitable for small-scale scheme) in two pilot projects of rural renewable energy. According to the experiences and outcomes of the pilot tests, business models for energy providers of photovoltaic solar solutions are developed with combination of some cases categorized by client's numbers and facility type (individual installation, installation of a large solar facility with network).



Map of solar energy potential in El Salvador



This solar pilot project funded by JSF was introduced in a local newspaper.

This TC support introduces good tools of self-sufficient scheme by small community for electrification in rural area. Although initial cost for installation of solar facilities (solar board, charge regulator, battery, and effective lights, etc.) is needed, the small-scale solar system is very cost-effective and maintenance is very simple and easy, just need to change battery and lights (once per four years). In the pilot projects, beneficiary families incurred installation cost



around 5% (\$70 per family) and municipalities and the TC paid remaining cost. And beneficiaries incur monthly fee of \$5 including \$3 battery replacement funds so that this business model becomes sustainable and they don't need to pay the cost of battery replacement. In the next stage in other communities, the government will incur about 90% of initial installation cost and beneficiaries will pay less than 10% of the cost. In addition, administrative companies were established in the communities, as to say self-management of the facilities. To secure the sustainability, the TC prepared manuals and provided training of administration and maintenance the facility for the community members.

Visibility of the TC activities is very high. The pilot projects' activities of solar system were introduced in local newspaper. In addition, the government is planning to hold a workshop in this November to present the business models of rural clean energy prepared by the JSF-supported TC and members of rural communities and some government officials of Central America will be invited.

## Honduras

### Support Local Development among Miskito Coastal Communities

**Amount: US\$350,000**

**Fund: JPO**

**Sector: Social Investment**

**Executing Agency: Association for Indigenous Socio-Economic Development (BAYAN)**

**IDB's Approval: July 12, 2002**

The objective of this program is to identify and implement interventions that promote local economic development among Miskito coastal communities - home to active and disabled lobster divers - alleviate their condition of poverty and socioeconomic exclusion, and reduce the extent of disability. For this, the generation of key information is necessary to analyze the nature and characteristics of the complex problems faced by this group, and support dialogue initiatives to outline future interventions.

### Outcome

Because of lack of knowledge for proper diving skills and severe working conditions, lobster divers in Puerto Lempira in the Department of Gracias a Dios had accident and became disable. The lobster divers in the communities don't have facilities to go fishing by themselves. Normally, owners of fishing boat come from the other areas and pick them up without any formal contract. Medical doctors suggest that the divers may consume 4 cylinders of oxygen in a day. However, they usually submerge around 12 times a day and continuously go down and up quickly. Fishing areas are getting deeper and deeper to keep large numbers of lobster catches since they are exploited by boat owners with low price selling of lobsters. As the result of the severe conditions, lungs, nerves, and other organs of lobster divers are affected by the decompression



*Disable lobster divers in the community of Puerto Lempira in the Department of Gracias a Dios.*

syndrome. It is estimated that there are more than 1,000 disabled divers in the Department of Gracias a Dios and target beneficiaries are exactly poor and vulnerable population to whom JPO mainly supports.

The involvement of local stakeholders is so important to implement this type of TC such as community-driven on activities. In this case, the executing agency, the Association of Socio-Economic Development for Indigenous Group (BAYAN), took the key role to coordinate the diagnostic studies and any other activities among the stakeholders. The Association of Honduran Miskitos of Disabled Divers, beneficiary institution, is also main institution for the TC execution to access to the lobster divers and to provide the information for the diagnosis. In addition, the consultants conducting the diagnostic studies received useful input and advice from other local NGO which has implemented some of the supportive activities for Miskito communities and prepared the guide of safe diving in 1990s.

The diagnostic studies identify in detail the current severe condition of lobster divers' families of Miskito communities in terms of health, education, alternative sources of income, and local capacity. These studies are very comprehensive and informative about the status of the lobster divers in the communities. On the basis of the result of the diagnosis, the local development plan for the Moskitia coastal zone has been prepared. The plan is comprised of around 40 recommended proposals in terms of: (i) Economic alternatives to the activity of lobster divers, including the recommendation of promoting agricultural activities (ii) Health of the communities and the divers, such as improvement of health care centers and training and mobilization of health care staffs, (iii) Formal and informal education, and (iv) Governability, social capital and management, like capacity building of local stakeholders for the management of Miskitia region. The plan is expected to be incorporated in the development plan of the Department of Gracias a Dios.

In addition, the TC activities are leading and supporting the IDB operations for Honduran indigenous communities. The Bank and the government of Honduras will implement the project of poverty reduction for indigenous communities (1689/SF-HO, approved in November 2005), which targets Garifuna communities and other indigenous groups as well as Miskito communities. The result of the diagnosis and the local development plan will provide significant inputs and be utilized in preparation and design of the IDB loan and the TC will support the continuous activities to assist the poor and vulnerable groups.



*The hospital in the community of Puerto Lempira in the Department of Gracias a Dios.*

The dissemination activities of the TC result was also conducted. The target area is very remote from the cities and it's important to share the information of the current problems in Miskitia region among the stakeholders. The project team of the IDB country office and executing agency make efforts to disseminate the current condition and the importance of the support for Miskito coastal communities through the publication such as brochures and CD-ROMs which comprise the study reports and the development action plan. The visibility of Japanese contribution was recognized through the publication among the stakeholders.

## Mexico

### Opportunities for Low Income Women in Rural Areas

**Amount:** US\$749,000

**Fund:** JPO

**Sector:** Social Investment

**Executing Agency:** Secretariat of Social Development (SEDESOL)

**IDB's Approval:** November 20, 2002

The general objective of the TC is to formulate a national strategy for women in rural areas that will enhance their economic productivity, reduce poverty and thus contribute to gender equity. The specific objectives of the TC are: (i) strengthen capacity of the government of Mexico to develop, implement, and evaluate social policies and construct a strategic framework that will help target scarce program resources more effectively, and streamline social investments geared to poverty reduction particularly for women in rural areas; (ii) design and implement a pilot project that tests new ways to link institutional mechanisms, financial resources and vital know-how to increase the productive capacity and economic opportunities of poor rural women.

### Outcome

The pilot model of this TC is that the executing agency selects several NGOs which play roles as intermediate organizations to implement training activities and advisory supports to establish and strengthen the women's organizations in rural area. Women's organizations take roles to promote community-driven activities for rural women such as traditional project e.g. agricultural business, non-traditional project such as small business, and training for leadership in the communities.

Before the execution of pilot test, the study of Mexican social policies and programs addressed to rural and indigenous women from 1950 to 2000 was implemented.

After the study, the first phase of pilot project for strengthening the women's capacity in rural communities was implemented from April 2004 to December 2004. In this stage, 13 NGOs were selected from 64 NGO candidates as intermediate organizations and pilot projects were implemented by 13 NGOs in nine states which many poor indigenous women live in. The second phase of pilot project is being implemented by 18 NGOs and the pilot will be completed in this year.

RENAMUR, a NGO participant in this pilot project established a women's organization, CAVIMUR in Puebla and provides training and advisory support to CAVIMUR to strengthen the organization as promoter of community-driven activities. CAVIMUR takes promoting activities of women's community-driven projects in six communities. CAVIMUR provides advisory services for rural women to identify their problems and prepare their projects. Women of communities obtained the capacity to apply for the financial support of community business from the local government and they finally received the support from the local government.



*RENAMUR established a women's organization, CAVIMUR and indigenous women could start business of selling traditional textiles.*



In this pilot projects, one community is doing a productive business of tomato production in greenhouse. Tomato is one of the cooking ingredients which are usually necessary for Mexican food and it is easy to access to the market. They harvested 1.5 tons of tomato in this spring and it seems successful. Others take business of making traditional textiles with color from natural materials such as plants and insects. They organize the business and divide their responsibilities of weaving textile and making natural dye for efficiency. The pilot activities supported by JPO provide directly impact for poverty alleviation to low-income women in rural communities.



The pilot activities of the TC involve local NGOs and civil society organizations. They know the situation of women in rural communities well and can take significant roles as intermediate organizations and promoters of rural community business for women. The involvement of local organizations such as NGOs and civil society organizations is necessary for the government to provide social services effectively to low-income women in rural area for poverty alleviation. Given that the TC provides technical assistance of organizational formulation in the communities through NGOs and this institutionalization enhances the governmental social



*Indigenous women are doing a productive business of tomato production in greenhouse by JPO support.*

program in terms of efficacy of resource allocation, this type of TC support will be a good practice of Japanese Trust Funds' activities. However, capacity of NGOs is key issue for better execution of the project. To mitigate this problem, INDESOL (the institution under the SEDESOL, in charge of execution of the program to support vulnerable groups, especially women, by building the alliance with NGOs and civil society organizations) made training to NGOs participated for three weeks to strengthen the capacity of implementation of the pilot projects.

The TC triggers to raise awareness of women's empowerment in rural communities. Indigenous women are vulnerable in aspects of economically as well as social status in the communities. Women could build their confidence by contributing to family income and by organizing and administrating productive businesses supported by this TC. On the other hand, the understanding of their husbands is needed for women to devote their time to the productive activities. In order to achieve the understanding of women's activities, the TC provided the activities and workshop for men in the communities to change their behavior and to raise awareness for women's empowerment. The TC activities provide directly impact to poor communities and support rural low-income women to improve living condition in the communities.

### 3. Performance Review on JPO Completed Projects

In 2005, after five years of operations, the JSF team of the IDB reviewed the overall performance of the JPO activities, in order to assess the operation of the Facility and to prepare the future action plans to mobilize the Facility more effectively and efficiently for poverty reduction and social development in response to the needs of low income and vulnerable communities.

Although many of the projects are still under the execution, among six completed projects, the TC achieved its objective to support the preparation of IDB loan program with the exception of one TC project. In addition, among 4 projects which are at the final stage of the execution (over 90%), the TCs have been producing various positive outputs that would impact positively to meet the development goals of beneficiary countries.

Despite some successful outputs, however, the projects which was designed before 2003 did not necessarily reflect the scopes of activities described in the JPO agreement such as: (i) the provision of small-scale basic infrastructure at the community level; (ii) the provision of basic social services; (iii) support of productive activities, and (iv) strengthening local NGOs and community organizations that are working to reduce poverty. The main reason of the lack of required scopes in the projects is due to a broad interpretation of poverty facility that allowed wider range of activities.

In order to meet the principal goal of the Facility to support poor and vulnerable communities, a new Operating Guidance was prepared and the new schemes, Community Based Program (CBP), and Loan Enhancement Program (LEP) have started in September 2004. Especially, the CBP has been designed as a tool for poor communities and vulnerable groups to actively participate in and be responsible for their own economic and social development. All of the CBP projects seek the direct involvement of local communities, local governments, and NGOs in the design, preparation, implementation, and monitoring of the grant.

Due to the positive impact of completed projects and the importance of the continuous support for poverty reduction, the Government of Japan decided to extend the term of the JPO Facility until the end of 2010. To demonstrate the achievement of the JPO Facility, six completed project financed by the JPO are presented as follows.

*"Considero al Fondo Japonés como una 'primera-opción' para financiar cooperaciones técnicas que han de ejecutarse de forma rápida. Eso es posible porque la disposición del Fondo es abierta, sincera, volcada a ayudar y orientada al cliente. En las operaciones en que he estado involucrado con ellos, ha existido siempre el principio de respetar la idea original del proyecto, apoyando el formateo del mismo en lugar de sesgarlo. La principal ventaja del Fondo es, desde mi punto de vista, su retroalimentación inmediata y la elasticidad con que se considera el abanico de temas a financiar".*

-Social Sector Specialist

## Colombia

### Support of Social Reform Program

**Amount:** US\$227,575

**Completion Date:** November 22, 2004

The project financed technical assistance necessary to prepare a policy program to improve the impact, effectiveness and coordination in the Colombian social safety net and poverty alleviation program. This technical cooperation would support the preparation of the loan (CO-0252) which targets to improve the impact and effectiveness of social spending by ensuring the soundness and sustainability of investments and reducing the adverse effect of economic crises.

#### Outputs

This TC has successfully achieved the following activities:

- 1) Establishment of the institutional framework and normative of the plan of protection named Social System of Risk-SSR that would direct to prevent, mitigate and surpass the adverse effects among vulnerable population. This system was successfully established on December 6, 2001.
- 2) Successful consultancies regarding the evaluation and redesign of the Program of Integral Attention for Elderly People and in the design of a Public Childhood Policy.
- 3) Regarding the component to improve targeting instrument, the new instrument named SISBEN (System of Beneficiaries Identification) has been implemented with updated database and higher quality control in 90% of the municipalities over the country.

## Regional

### Management of Environmental Risk in low Income Human Resettlement in Central America's Urban Areas

**Amount:** US\$210,000

**Completion Date:** Disbursing 97%

The TC is designed to improve the technical and institutional capacity of municipal governments in Honduras and Nicaragua to manage environmental risks and to reduce the vulnerability to natural hazards in low-income human settlements in urban areas in Central America.

#### Outputs

This TC has successfully achieved verifiable results as follows:

- 1) Regarding the training support, the TC has successfully achieved its goal of training municipalities of Honduras and Nicaragua to strengthen the risk and the environmental services management for vulnerable populations, through the different workshops where the SIGA\* (Environmental Integrated Management System) was the main tool. The participants were 40 technicians of several municipalities from Honduras and Nicaragua. In addition, key members of Civil Society Organizations also participated in this training activity.
- 2) This TC also supported a general diagnostic and systematization of good practices in prevention and mitigation of the environmental risks in the municipalities of Puerto Cortes, El Progreso, Comayagua, and La Mamuca (an association of 5 municipalities in the Atlantic Coast) in Honduras and in the municipalities of Managua, Esteli, Condega and Ocotol in Nicaragua.

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\* This system is a methodological tool that allows the identification of areas in danger, in municipal level, and its purpose is to have enough time to create plans and strategies of prevention and mitigation of the impacts that natural hazards might cause.

- 1) The TC achieved the production of contemplated natural disaster materials, including: a textbook with the themes of the Municipal Training Program; a lessons learned book about the experiences of the use of materials in municipalities; a handbook for the use of the SIGA tool, which is an integrated platform for environmental risk management; and an ArcView manual, the software necessary to execute the SIGA tool.

## Honduras

### **Program for Monitoring the Indicators of the Poverty Reduction Strategy**

**Amount: US\$150,000**

**Completion Date: April 15, 2004**

The general objective is to support the final design of an institutional framework of high technical standards, which is needed to carry out data collection, analysis and monitoring of the indicators established in the Poverty Reduction Strategy.

#### **Outputs**

The TC provided significant expertise to prepare the statistical information for monitoring indicators for poverty reduction in Honduras, which was defined by the government of Honduras in order to reduce the poverty. The System was presented in the workshop in March 2005, in which around 6,000 people of stakeholders participated.

As the result of the TC, UNAT, the executing agency established a website (<http://www.sierp.hn/>) to disseminate the monitoring indicators for poverty reduction in 30 items, in the area of economic growth, rural poverty reduction, urban poverty reduction, human capital, protection of specific groups, and sustainability. It also provided large numbers of data, information and reports, which are related to the poverty reduction activities. This tool allows sharing the information of monitoring indicators and the government commitment for poverty reduction among stakeholders.

## Colombia

### **Reorganization of Health Services Networks in Colombia**

**Amount: US\$209,000**

**Completion Date: September 7, 2004**

The overall objective of this project was to pilot, in three departments of Colombia, tools and models for the organization of health services networks. The outcome and lessons learned from this technical cooperation would be used to prepare a new operation: Modernization Program of Health Services Networks in Colombia (C0-0139).

The activities of this Technical Cooperation are going to be developed in ten different health service areas situated in three departments: Bolivar, Risaralda and Nariflo. Each of these areas was selected from the "set" of existing potential 104 networks and intent to reflect the diverse realities and settings that exist throughout the country.

#### **Outputs**

The TC has achieved to develop the following 3 types of products:

- 1) Elaboration of models, methodologies and instruments for the re-organization of the health services networks: related to *territory entities* and to the demand and offer of social services.

- 2) A test, application of models, methodologies and instruments in four groups of institutions of the public network linked to the Program in the years 1999, 2001, 2002 and 2003. It was achieved the better coverage of the program, ranging 100 public health institutions located in 26 of the 36 territorial entities of health.
- 3) Generation of the administrative, technical and financial supplies for the preparation of a new operation of credit for the modernization of the health services networks: this TC provided technical assistance to the Ministry of the Social Protection in order to prepare the said new operation.

## **Dominican Republic**

### **Program to Elaborate a Poverty Reduction Strategy for the Dominican Republic**

**Amount: US\$610,400**

**Completion Date: September 1, 2005**

The objective of this TC is to provide assistance to the government to: (i) elaborate a poverty reduction strategy; and (ii) create a technical unit that will support the Social Cabinet to undertake its responsibility to develop and monitor the implementation of social policy.

#### **Outputs**

This TC achieved the objective to contribute to the preparation and implementation of the Poverty Reduction Strategy. The contents of the PRS in Dominican Republic were defined through a process led by ONOPLAN (Oficina Nacional de Planificacion) with technical support from the Bank. The preliminary version was reviewed and adjusted according with the results of the Social Survey (Consulta Social) carried out to different organizations, sectors and actors in the whole country.

Among key results of this TC in conjunction with the social sector reform loan are: (i) sustained reforms in the Dominican Republic's procedures for budget preparation, execution and monitoring, as well as: (ii) enhanced execution of the IDB loans supporting education and health reforms. The Technical Unit (USPS) was created and it worked continually to support the Social Cabinet to discharge its responsibility to develop and monitor the implementation of social policy.

## **Mexico**

### **Social Indicators for the Monitoring of Poverty Alleviation**

**Amount: US\$569,000**

**Completion Date: December 12, 2003**

The main effective objective of the TC is to finance the first phase of a System of Social Indicators (SIS) for monitoring poverty alleviation efforts. The pilot and related activities will be the main project preparatory activities for a second phase, which is to be financed by an IDB loan (ME-0236), for an estimated US\$20 million. The new operation will add additional areas to complete the system for monitoring poverty alleviation efforts related to state development disparities, anti-corruption and governance indicators.

#### **Outputs**

One of the objectives of this TC was to prepare a possible IDB loan that will expand to additional indicators and areas by pilot test of social indicator system which focuses on the monitoring poverty alleviation efforts. The current

system has been established in spring of 2005 and provides useful social data for the government. The success of the new system indicates the positive impact from the TC as follows:

1) The social indicator system supported by this TC provides useful inputs for devising a national strategy and social programs of the government for poverty alleviation of Mexico. It provides the social indicators by states and by urban and rural area which is useful for the policy makers of the government to identify the problems in social sector in Mexico and to design the social programs.

2) The Office of the Presidency has a good relationship among the stakeholders such as the line ministries and the state governments to implement the TC and to manage the social indicator system. The Office obtains the cooperation from the National Institute of Statistics, Geography and Informatics to update and maintain the social data.

## 4. Monitoring and Supervision

### Monitoring Mission to Jamaica and Honduras July 2005, to El Salvador and Mexico in October 2005

The JSF team conducted a monitoring mission to Jamaica and Honduras in July 2005, and to El Salvador and Mexico in October 2005. The main objective of the mission is to review the status of ongoing technical cooperation projects as well as to monitor the performance of recently completed ones. In addition, it was focused to analyze the effectiveness of TC towards preparation and implementation of the loan to confirm how the TC impacted to the loan. Specific focal points are: (i) to ensure the status of project in terms of execution and completion, (ii) to discuss the result of TC to assess the quality of technical service, and (iii) to review the sustainability of TC projects, confirming the continuous support from the central government or relevant authorities.

The Mission reviewed the implementation of three projects in Jamaica, four projects in Honduras, four projects in El Salvador, and three projects in Mexico (see below table).

### Japanese Trust Fund Projects Reviewed on the Monitoring Mission in 2005

COUNTRY	PROJECT NAME	FUND	AMOUNT
Jamaica	Tools for AIDS Prevention and Disease Management/Treatment	JSF	\$338,325
Jamaica	Support for the Youth Development Program	JSF	\$403,000
Jamaica	Support Preparation and Implementation of Information and Communications Technology	JCF	\$400,000
Honduras	Reforming Technical Education in Upper Primary and Secondary Schools	JSF	\$448,400
Honduras	Program for Monitoring the Indicators of the Poverty Reduction Strategy	JPO	\$150,000
Honduras	Support Local Development among Miskito Coastal Communities	JPO	\$350,000
Honduras	Targeting Vulnerable Children, Adolescents, and Women in Urban Areas	JPO	\$625,000
El Salvador	Sustainable Development Lower Rio Lempa Program	JSF	\$298,650
El Salvador	Support for the Implementation and Monitoring of the Reconstruction Program	JSF	\$750,000
El Salvador	Developing National Sustainable Market for Clean Rural Energy Services	JSF	\$750,000
El Salvador	Environmental Action Plan at the Municipal Level	JSF	\$348,700
Mexico	Social Indicators for the Monitoring of Poverty Alleviation	JPO	\$569,000
Mexico	Opportunities for Low Income Women in Rural Areas	JPO	\$749,000
Mexico	Analysis of the Social Strategy	JSF	\$377,000

The mission concluded that most of the reviewed TCs have been implemented successfully and have achieved the objectives to support beneficiaries, although some of them have experienced difficulties to face with the changes of the situation. Regarding the above general conclusion, the mission identified the following issues that may be essential to examine the TC operations.

#### **(1) Active participation and close coordination of local stakeholders**

The mission found that several TCs took participatory approach of local stakeholders such as NGOs, civil society organizations, and local governments. The approach of local stakeholders' participation could enhance the activities of the TCs for local-driven projects in the sector of social and environment through obtaining significant inputs of local demands. Especially, two environmental projects in El Salvador (Sustainable Development Lower Rio Lempa Program and Environmental Action Plan at the Municipal Level) and Opportunities for Low Income Women in Rural Areas in Mexico show good practices of local participation. In the TC of Sustainable Development Lower Rio Lempa Program in El Salvador, the local committee was established and it worked effectively to define the current problems and necessary investment programs by responding local needs. In the case of the rural low-income women's project in Mexico, participants (women in low-income communities) have confidence and ownership to engage productive businesses. Due to the successful implementation of the TC, local participation and ownership could make the activities sustainable.

#### **(2) Impact of the TCs to the government activities and IDB operations and usefulness of pilot project**

The mission recognized that most of the TCs including pilot projects present usefulness to support continuous development activities. Pilot projects were not usually designed to have directly linkage to a IDB loan. However, the pilot project for Moskito coastal communities in Honduras provided useful information to the new IDB loan from the perspective of poverty reduction for indigenous communities. In addition, in Jamaica's TCs case, the results of the TCs were also utilized to the governmental policies and activities unless they led any IDB loan. In case of the rural clean energy project in El Salvador, the TC provides great inputs through the results of pilot tests for designing a future IDB operation. Even if the TC doesn't have a direct linkage to a specific IDB loan, the mission observed that the TCs supported to improve the government's monitoring system and evaluation methodology. The assistances of the TCs provided large impact to the government activities and IDB operations in both countries. In addition, the result of pilot project such as the rural low-income women's project in Mexico will be utilized and incorporated to the government program financed by IDB loan.

#### **(3) Recognition of the importance for monitoring and evaluation**

Monitoring and evaluation are very important and significant to identify the key elements in the governmental activities and to incorporate lessons learned from the previous operations to the strategies and action programs of the government. The governments of El Salvador and Mexico recognize the importance of monitoring and evaluation and they are eager to enhance monitoring and evaluation framework. The mission observed the great impact of the TCs to the government efforts for improving monitoring and evaluation of their programs in both countries in order to strengthen the national strategies and programs of the government as well as IDB operations.

#### **(4) Influence from economic situation and institutional changes**

In some case, the TC execution is affected by the fragile macro economic situation. In Jamaica, the government is facing with fiscal constraints by the reason of macro economic instability and the scope of the IDB operations had to be changed such as cancellation or modification of loans, thus TC scopes also had to be changed.



Annex I  
JSF Projects with Bank Approval by Country

(Thousands of US Dollars)

Country	1988-1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Total	%
<b>Group A</b>	<b>2,849</b>	<b>480</b>	<b>282</b>	<b>4,203</b>	<b>2,207</b>	<b>1,495</b>	<b>2,968</b>	<b>2,099</b>	<b>827</b>	<b>465</b>	<b>915</b>	<b>18,790</b>	<b>9.5%</b>
Argentina				1,100			750					1,850	0.9%
Brazil	2,250	480		916	2,207	1,495	1,649		450	465	291	10,203	5.1%
Mexico	599		282	1,437			569	2,099	377		534	5,897	3.0%
Venezuela				750							90	840	0.4%
<b>Group B</b>	<b>18,777</b>	<b>4,290</b>	<b>123</b>	<b>2,498</b>	<b>549</b>	<b>4,244</b>	<b>3,426</b>	<b>2,406</b>	<b>2,389</b>	<b>-</b>	<b>2,296</b>	<b>40,998</b>	<b>20.7%</b>
Chile	620	650	123	725		555		1,245			251	4,169	2.1%
Colombia	4,857	1,100		1,173	15	1,285	2,247	541	1,641		600	13,459	6.8%
Peru	13,300	2,540		600	534	2,404	1,179	620	748		1,445	23,370	11.8%
<b>Group C</b>	<b>31,853</b>	<b>3,649</b>	<b>749</b>	<b>5,529</b>	<b>750</b>	<b>2,451</b>	<b>2,297</b>	<b>403</b>	<b>2,295</b>	<b>-</b>	<b>2,690</b>	<b>52,666</b>	<b>26.5%</b>
Bahamas	5,051											5,051	2.5%
Barbados	4,405	750										5,155	2.6%
Costa Rica	8,037		749	175					1,895		250	11,106	5.6%
Jamaica	7,200	750			750	338		403			120	9,561	4.8%
Panama	380	1,400		1,936		1,963	450		400		800	7,329	3.7%
Suriname				2,158		150					750	3,058	1.5%
T & T	2,880			1,260							630	4,770	2.4%
Uruguay	3,900	749					1,847				140	6,636	3.3%
<b>Group D</b>	<b>30,380</b>	<b>3,132</b>	<b>500</b>	<b>5,414</b>	<b>5,303</b>	<b>2,447</b>	<b>6,454</b>	<b>2,506</b>	<b>1,975</b>	<b>846</b>	<b>3,876</b>	<b>62,833</b>	<b>31.7%</b>
Belize	650	567							300			1,517	0.8%
Bolivia	9,132			720					750			10,602	5.3%
Dom.Rep	772			1,425	1,173	450	1,357	200		453	567	6,397	3.2%
Ecuador	2,449			100	2,325		1,300			270	739	7,183	3.6%
El Salvador		1,090					1,049	1,099			274	3,512	1.8%
Guatemala	2,372			1,100	500	595	1,500	380			1,058	7,505	3.8%
Guyana	4,431	750		345	525						750	6,801	3.4%
Haiti	3,390										488	3,878	2.0%
Honduras	1,150		500	1,243		1,402	598	499	625	123		6,140	3.1%
Nicaragua	3,545			481	780		650	328	300			6,084	3.1%
Paraguay	2,489	725										3,214	1.6%
<b>Regional</b>	<b>2,111</b>	<b>3,108</b>	<b>-</b>	<b>2,544</b>	<b>3,517</b>	<b>910</b>	<b>1,445</b>	<b>5,260</b>	<b>2,100</b>	<b>795</b>	<b>1,310</b>	<b>23,100</b>	<b>11.6%</b>
<b>Total</b>	<b>85,970</b>	<b>14,659</b>	<b>1,654</b>	<b>20,188</b>	<b>12,326</b>	<b>11,547</b>	<b>16,590</b>	<b>12,674</b>	<b>9,586</b>	<b>2,106</b>	<b>11,087</b>	<b>198,387</b>	<b>100.0%</b>

Note: This information includes JPO projects.

Annex II  
JCF Projects with Bank Approval by Country

(Thousands of US Dollars)

Country	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Total	%
<b>Group A</b>	-	-	-	960	-	750	-	750	-	750	750	<b>3,960</b>	<b>14.6%</b>
Argentina													
Brazil						750		750		750	750	3,000	11.1%
Mexico				960								960	3.5%
Venezuela													
<b>Group B</b>	-	-	6	12	150	1,500	1,200	1,200	-	-	-	<b>4,068</b>	<b>15.0%</b>
Chile			6				200	1,200				1,406	5.2%
Colombia				12		1,500						1,512	5.6%
Peru					150		1,000					1,150	4.3%
<b>Group C</b>	-	40	992	1,991	-	-	1,098	400	-	1,500	-	<b>6,021</b>	<b>22.3%</b>
Bahamas		40	992	1,241								2,273	8.4%
Barbados													
Costa Rica													
Jamaica								400				400	1.5%
Panama				750						1,500		2,250	8.3%
Suriname													
T & T													
Uruguay							1,098					1,098	4.1%
<b>Group D</b>	2	81	204	-	1,649	986	640	400	2,250	600	-	<b>6,812</b>	<b>25.2%</b>
Belize						195						195	0.7%
Bolivia			135						1,500			1,635	6.0%
Dom.Rep													
Ecuador					750	750						1,500	5.5%
El Salvador										600		600	2.2%
Guatemala	2	81	69		149		640					941	3.5%
Guyana								400				400	1.5%
Haiti					750							750	2.8%
Honduras						41						41	0.2%
Nicaragua													
Paraguay									750			750	2.8%
<b>Regional</b>	<b>567</b>	<b>449</b>	<b>558</b>	<b>714</b>	<b>992</b>	<b>1,344</b>	<b>106</b>	<b>901</b>	<b>276</b>	<b>133</b>	<b>157</b>	<b>6,197</b>	<b>22.9%</b>
<b>Total</b>	<b>569</b>	<b>570</b>	<b>1,760</b>	<b>3,677</b>	<b>2,791</b>	<b>4,580</b>	<b>3,044</b>	<b>3,651</b>	<b>2,526</b>	<b>2,983</b>	<b>907</b>	<b>27,058</b>	<b>100.0%</b>

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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
<b>TOTAL (CY1988)</b>			<b>1</b>	<b>5,000,000</b>
Coastal Conservation Preinvestment Project	Barbados	Other	07/12/1989	1,100,000
Municipal, Departmental and Regional projects data bank	Colombia	Modernization of the State	08/16/1989	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
<b>TOTAL (CY1989)</b>			<b>7</b>	<b>12,322,000</b>
TC for the Financing of Basic Studies on the Environmental Impact of the Guerreto-Oaxaca Forestry Development Project	Mexico	Environment	04/25/1990	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
<b>TOTAL (CY1990)</b>			<b>3</b>	<b>4,033,000</b>
Feasibility Study and Designs for Health Sector Rationalization Program, Stage 1	Barbados	Social	01/09/1991	1,750,000
Georgetown Water and Sewerage Master Plan Study	Guyana	Environment	02/13/1991	1,800,000
Feasibility Study for the Health Sector Reform Program	T & T	Social	02/27/1991	2,200,000
Global Program of Portable Water and Sewerage	Bolivia	Environment	05/01/1991	5,072,117
Social Emergency Fund	Peru	Social	09/18/1991	4,000,000
Urban Rehabilitation Project Feasibility Study	Guyana	Infrastructure	10/09/1991	1,100,000
Feasibility and Final Design Studies for the Preparation of the Urban Sanitation Program	Costa Rica	Environment	10/09/1991	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
<b>TOTAL (CY1991)</b>			<b>8</b>	<b>22,347,117</b>
Natural Resources Conservation	Costa Rica	Environment	02/19/1992	1,937,000
Road Rehabilitation and Improvement Program	Guyana	Infrastructure	03/18/1992	781,000
Preparation of the Port Antonio Sanitation Project : Feasibility and Designs	Jamaica	Environment	07/29/1992	1,700,000
Technical Cooperation for Agricultural Sector : Policies and Preparation	Nicaragua	Productive	08/05/1992	2,800,000
Strengthening of Economic Unit for Ministry of Finance	Bahamas	Modernization of the State	10/14/1992	351,375
<b>TOTAL (CY1992)</b>			<b>5</b>	<b>7,569,375</b>
Improvement of Revenue Collection Systems	Bahamas	Other	01/13/1993	1,500,000
Caribbean Pine Plantation and Resin Extraction Feasibility Study and Pilot Project	Colombia	Environment	02/24/1993	1,940,000
Institutional Strengthening of Tax Administration Service	Honduras	Other	03/17/1993	1,150,000
Environmental Planning Program	Ecuador	Social	05/12/1993	1,049,000
TC for the Organization of a Seminar on Environment Law and Policy in Latin America	Regional	Environment	05/12/1993	40,000

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JSF Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
Over-The-Counter Securities Market Feasibility Study	Mexico	Modernization of the State	07/27/1993	148,500
Credit and Technical Cooperation for a Communal Banks Program to Benefit Rural Women Microentrepreneurs (TC)	Guatemala	Productive	09/03/1993	150,000
Credit and Technical Cooperation for a Communal Banks Program to Benefit Rural Women Microentrepreneurs (Small Project)	Guatemala	Productive	09/03/1993	500,000
Rehabilitation of Priority Project (Sanitation and Health Sector)	Peru	Environment	10/06/1993	1,000,000
Institutional Development of the Legislature	Peru	Modernization of the State	10/06/1993	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
<b>TOTAL (CY1993)</b>			<b>13</b>	<b>13,066,500</b>
Strengthening of Tax Administration	Guatemala	Modernization of the State	03/30/1994	977,000
Agricultural Diversification and Generation and Transfer of Technology	Paraguay	Productive	05/18/1994	1,500,000
Institutional Strengthening of the Ministry of Economic and Finance	Peru	Modernization of the State	05/24/1994	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	Productive	05/25/1994	745,000
Latin America Regional Conference on Issues in Public and Economic Development : The Experience of East Asia	Regional	Modernization of the State	06/01/1994	149,500
Strengthening of the General Administration - III stage	Uruguay	Other	06/15/1994	1,100,000
Pacific Coast Sustainable Development Program	Colombia	Environment	07/14/1994	532,000
Credit and Technical Cooperation for Microentrepreneurs in Belize, to be executed by the National Development Foundation of Belize (TC)	Belize	Productive	07/18/1994	150,000
Credit and Technical Cooperation for Microentrepreneurs in Belize, to be executed by the National Development Foundation of Belize (Small Project)	Belize	Productive	07/18/1994	500,000
Investment, Credit and Technical Assistance Program for Small Agricultural Producers to be Executed by the Fundacion Integral Campesina (TC)	Costa Rica	Productive	10/20/1994	105,000
Investment, Credit and Technical Assistance Program for Small Agricultural Producers to be Executed by the Fundacion Integral Campesina (Small Project)	Costa Rica	Productive	10/20/1994	500,000
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	Productive	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	Productive	10/20/1994	500,000
Institutional Strengthening of the National Tax Administration (SUNAT)	Peru	Modernization of the State	11/09/1994	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
<b>TOTAL (CY1994)</b>			<b>16</b>	<b>12,283,500</b>

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<b>JSF Projects</b>	<b>Country</b>	<b>Bank Sector</b>	<b>Bank Approval</b>	<b>Approval Amount (US\$)</b>
Wayuu Irrigation and Economic Development Project	Colombia	Social	01/11/1995	285,000
Harnessing Asia Pacific Relationship for Strengthening the Civil Society in Latin America	Regional	Modernization of the State	03/14/1995	150,000
Credit and Technical Cooperation Program for Microentrepreneurs in Panama (TC)	Panama	Productive	05/04/1995	130,000
Credit and Technical Cooperation Program for Microentrepreneurs in Panama (Small Project)	Panama	Productive	05/04/1995	250,000
Project Chile, Phase 2	Chile	Infrastructure	05/18/1995	620,000
Technical Studies for the Northern Coastal Highway Improvement Project	Jamaica	Infrastructure	05/26/1995	500,000
Technical Cooperation for Subsector Irrigation Program	Peru	Productive	06/01/1995	750,000
National Rural Transportation Infrastructure Program	Peru	Infrastructure	06/27/1995	650,000
Community Based Marine Conservation Program in Brazil	Brazil	Environment	06/29/1995	550,000
Youth in Development	Regional	Other	07/12/1995	38,000
Studies for the Environment Program of the Guatemala Metropolitan Area-PAMG	Guatemala	Environment	08/24/1995	744,960
Technical Studies for Priority Trunk Road	T&T	Infrastructure	08/24/1995	680,000
Credit and Technical Assistance Program for Small Microentrepreneurs to be executed by " El Instituto de Promocion Economico Social de Uruguay" (TC)	Uruguay	Productive	09/01/1995	100,000
Credit and Technical Assistance Program for Small Microentrepreneurs to be executed by " El Instituto de Promocion Economico Social de Uruguay" (Small Project)	Uruguay	Productive	09/01/1995	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	09/28/1995	150,000
Preservation and Environment Protection of the National Park of Serra da Capivara	Brazil	Environment	10/04/1995	1,700,000
Technical Studies for the Electricity Sector Hybrid Program	Guyana	Infrastructure	11/06/1995	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
<b>TOTAL (CY1995)</b>			<b>19</b>	<b>9,347,960</b>
Environmental Institutional Strengthening	Peru	Environment	01/17/1996	1,800,000
Institutional Strengthening of the Multisector Investment Bank (BMI)	El Salvador	Other	01/19/1996	340,000
El Valle de Anton Geothermal Field in Panama	Panama	Infrastructure	02/07/1996	1,400,000
Development Program for Bahia de Asuncion	Paraguay	Infrastructure	02/23/1996	725,000
Youth from IDB member countries : Venezuela, in particular	Regional	Other	02/28/1996	58,337
Inter-American Institute for Social Development training program for opinion makers in Latin America and Caribbean	Regional	Social	04/10/1996	1,500,000
Technical Studies for First year Road & Bridge	Jamaica	Infrastructure	05/08/1996	750,000
Development of Economic and Trade Policies for Uruguay MERCOSUR Negotiations	Uruguay	Modernization of the State	05/21/1996	749,000
Establishment of a Network of Wildlife Sanctuaries	Brazil	Environment	05/30/1996	480,000
Training Agronomists in Sustainable Agriculture of the Humid Tropics	Regional	Social	06/12/1996	1,000,000
Conference on Development Thinking and Practice	Regional	Other	07/16/1996	400,000
Rimac River Watershed Management Program	Peru	Environment	08/01/1996	740,000
Preparation of the Alternative Development	Colombia	Social	08/05/1996	350,000

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JSF Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
Bridge Rehabilitation and Replacement Program	Guyana	Infrastructure	08/28/1996	750,000
Forum on Modernization of the State and Strengthening of Civil Society	Regional	Modernization of the State	10/04/1996	150,000
Feasibility Study on Interoceanic Corridors	Chile	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	Environment	11/06/1996	749,698
Studies on Waste Water Treatment Plants for Pereira	Colombia	Environment	12/04/1996	750,000
Solid Waste Management Project	Belize	Environment	12/20/1996	566,720
<b>TOTAL (CY1996)</b>			<b>20</b>	<b>14,658,755</b>
Technical Studies for the Rio Grande de Tarcoles Watershed Management Program	Costa Rica	Environment	07/07/1997	748,770
Water Supply to the Metropolitan Zone of the Valley of Mexico	Mexico	Environment	08/01/1997	282,000
The Privatization of Solid Waste Management Service in San Pedro de Sula	Honduras	Environment	12/05/1997	500,000
Los Vilos -La Serena Toll Road-	Chile	Infrastructure	12/16/1997	123,200
<b>TOTAL (CY1997)</b>			<b>4</b>	<b>1,653,970</b>
Japanese Language Program	Regional	Social	01/09/1998	45,000
Tibitoc Water Treatment Facility	Colombia	Environment	01/14/1998	123,000
Miravalles 3 Geothermal Power Plant	Costa Rica	Infrastructure	01/14/1998	175,000
System of Inventory and Follow-up of Public Investment Projects	Dominican Rep	Infrastructure	03/09/1998	750,000
Regional Biodiversity Strategy for the Tropical Andes	Regional	Environment	03/09/1998	740,000
Urban Infrastructure Program in States with Tourism Potential	Venezuela	Infrastructure	04/22/1998	750,000
Wastewater treatment program for nine cities in the State of Chihuahua	Mexico	Environment	04/27/1998	746,641
Tegucigalpa Comprehensive Municipal Modernization Program	Honduras	Infrastructure	05/01/1998	742,500
San Pedro de Sula Comprehensive Municipal Modernization Program	Honduras	Infrastructure	05/01/1998	500,500
Water and Sanitation Program in Marginal Rural Areas	Mexico	Environment	05/08/1998	136,000
Secondary Education Program	T&T	Social	05/08/1998	750,000
Rosario-Victoria Bridge	Argentina	Infrastructure	05/11/1998	200,609
Program of Consolidation of Water and Sanitation Reform	Dominican Rep	Environment	05/13/1998	675,000
Lake Gatun Water Plant Project	Panama	Environment	06/03/1998	300,000
Air Transport Sector Reform	Guyana	Infrastructure	06/10/1998	300,000
Support Program for Civic Coexistence	Colombia	Modernization of the State	06/18/1998	700,000
Rodonorte Toll Road (Lot 5)	Brazil	Infrastructure	06/22/1998	100,000
Symposium on Financial and Business Cooperation between Latin America and Japan	Regional	Other	06/23/1998	740,000
Productive Infrastructure Development and Tenure Regularization in Rural Trinidad	T&T	Productive	06/29/1998	510,000
Design of the Safety and the Natural Resources Components of the Program to Reactivate the Productive Agrofood Sector of Guatemala	Guatemala	Productive	06/29/1998	100,000
Modernization and Reform for Primary Health Care: Province of Salta	Argentina	Social	06/29/1998	199,260
GIS-Based Planning Support System for Highway Planning and Management	Argentina	Infrastructure	07/09/1998	700,000

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<b>JSF Projects</b>	<b>Country</b>	<b>Bank Sector</b>	<b>Bank Approval</b>	<b>Approval Amount (US\$)</b>
GIS-Based Decision Support System for Transportation Planning and Infrastructure Management	Bolivia	Infrastructure	07/09/1998	720,000
GIS-Based Decision Support System for Transportation Planning and Infrastructure Management	Chile	Infrastructure	07/09/1998	725,000
Rimichaca Riobamba Toll Road Project	Ecuador	Infrastructure	07/10/1998	100,000
Childcare Program for Children under Five Years Old through In-Home Nurseries -Wawa Wasi-	Peru	Social	07/14/1998	600,000
Sustainable Development Program of the Darien	Panama	Environment	07/29/1998	750,000
Bridge Rehabilitation Project Request for Additional Funding	Guyana	Infrastructure	07/31/1998	45,000
Socio-environmental pilot program in an area of extreme poverty	Colombia	Social	09/01/1998	350,000
Formulation of the National Environmental Strategy for Panama	Panama	Environment	09/14/1998	430,000
Modernization of the State-Owned Telecommunications Utility	Suriname	Infrastructure	09/17/1998	700,000
Caribbean Community	Regional	Modernization of the State	09/23/1998	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
Japanese Language Program	Regional	Other	10/16/1998	44,500
Support for Health Reform	Suriname	Social	11/04/1998	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
<b>TOTAL (CY1998)</b>			<b>41</b>	<b>20,188,695</b>
Social Indicators Integrated System (SIISE)	Ecuador	Social	01/20/1999	1,000,000
Studies in Support of Educational Reform in Nicaragua	Nicaragua	Social	01/21/1999	230,000
Social Infrastructure and Capacity Building Projects	Dominican Rep	Social	02/05/1999	749,500
Preparation of the Terms of Reference for the Azfural Geothermal Feasibility Study	Colombia	Infrastructure	02/12/1999	14,560
Street Children Awareness Campaign	Regional	Infrastructure	05/11/1999	77,000
Disaster Mitigation in Central America	Regional	Productive	06/09/1999	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	07/14/1999	998,000
Development of Financial Sector Restructuring Strategy and Instruments	Ecuador	Modernization of the State	08/01/1999	575,000
Financial Sector Adjustment Program	Peru	Modernization of the State	08/02/1999	534,100
Comprehensive EA Review towards Improved Environmental Management Capacity (1)	Regional	Environment	08/13/1999	400,000
Comprehensive EA Review towards Improved Environmental Management Capacity (2)	Regional	Environment	08/13/1999	140,000
Education Reform Phase 2	Guatemala	Social	08/30/1999	500,000
Support for Development of Renewable Energy Markets in Brazil	Brazil	Infrastructure	09/01/1999	898,950
Emergency attention to boys/girls and adolescents affected by hurricane Mitch in the city of Managua	Nicaragua	Social	09/16/1999	550,000
Water Supply and Sanitation of Cuenca	Ecuador	Environment	09/23/1999	750,000
Energia Norte Power Project	Brazil	Infrastructure	09/29/1999	285,000



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JSF Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
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	12/01/1999	791,600
<b>TOTAL (CY1999)</b>			<b>22</b>	<b>12,326,323</b>
Japanese Language Program	Regional	Social	02/03/2000	39,690
Consolidation of the Institutional and Regulatory Framework for Sustainable Energy-Efficiency Services for the Industrial Sector	Peru	Infrastructure	02/22/2000	750,000
La Chorrera Power Plant, Panama	Panama	Infrastructure	03/02/2000	340,075
Preparation of Municipal Infrastructure and Reform Program for Panama City	Panama	Infrastructure	03/30/2000	432,500
Sustainable Use of Tropical Forest in Acre	Brazil	Environment	05/17/2000	750,000
Program for the Reduction of Family Violence	Peru	Social	05/17/2000	400,000
Preparation of Investment Project in Basic Education in Suriname	Suriname	Social	05/24/2000	150,000
GIS Strengthening to Support Regional Transportation Studies and Highway Planning and Privatization	Peru	Infrastructure	05/26/2000	750,000
Education Innovations in the Independencia District	Peru	Social	06/19/2000	504,144
Procedures for Atraumatic Resrative Treatment (PRAT)	Regional	Social	06/28/2000	870,200
Education and Know-how in Panama	Panama	Infrastructure	07/20/2000	190,000
Design of Social Protection Program	Colombia	Social	07/20/2000	545,410
Integrated Water Resources Planning and Management in Paraiba	Brazil	Environment	07/21/2000	745,000
Local Government Training Program	Honduras	Social	07/26/2000	750,000
Sewerage Master Plan for Quetzaltenango	Guatemala	Environment	07/31/2000	595,000
Solid Waste Management and Disposal in the Coffee Belt Region of Colombia	Colombia	Environment	08/02/2000	740,000
Tools for AIDS Prevention and Disease Management/Treatment	Jamaica	Social	08/18/2000	338,325
EDE Sur and EDE Norte Project	Dominican Republic	Infrastructure	10/02/2000	450,000
Sustainable Development Strategy of the Panama Canal Watershed	Panama	Environment	11/01/2000	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
<b>TOTAL (CY2000)</b>			<b>21</b>	<b>11,546,934</b>
Capital Expenditures for Rural Electricity Distribution	Guatemala	Infrastructure	01/03/2001	750,000
Technical Assistance for the Launch of the Seguro Materno - Infantil - SMI	Peru	Social	01/24/2001	429,000
Rural Roads Rehabilitation and Maintenance Pilot Program	Ecuador	Infrastructure	01/31/2001	750,000
Implementation of National Public Investment System	Peru	Modernization of the State	03/02/2001	750,000
Integrated Management of the Patos Lagoon Estuary	Brazil	Environment	03/09/2001	750,000
Environmental Strategy	Nicaragua	Environment	03/14/2001	650,000
Sustainable Urban Transportation System in Parana	Brazil	Infrastructure	03/28/2001	750,000
Reforming Technical Education in Upper Primary and Secondary School	Honduras	Social	05/11/2001	448,400

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<b>JSF Projects</b>	<b>Country</b>	<b>Bank Sector</b>	<b>Bank Approval</b>	<b>Approval Amount (US\$)</b>
Support to the Infrastructure Fund in Argentina	Argentina	Other	06/01/2001	750,000
Sustainable Cultivation and Harvesting of the Sempre-Vivas Flower Species in Brazil	Brazil	Productive	06/19/2001	149,000
Program to Support the modernization of Secondary Education and Teacher Training	Uruguay	Social	07/06/2001	597,000
Support for an Indigenous Bilingual and Intercultural Basic Education Pedagogy Bachelor's Program	Colombia	Social	07/20/2001	739,505
Spatial Information System for National Infrastructure Management and Planning	Uruguay	Infrastructure	07/27/2001	750,000
Reform of Drug Treatment Center	Colombia	Social	08/01/2001	322,500
Design of a Sustainable Development program for the Lower Rio Lempa	El Salvador	Environment	08/20/2001	298,650
Model program for the Prevention, Detection and Treatment of Domestic Violence in the Health and Early Childhood Education Sectors	Colombia	Social	08/27/2001	748,000
Sustainable Development Strategy for Bocas del Toro Province	Panama	Environment	09/10/2001	450,000
Support to Housing Policy for Low-Income Population	Dominican Rep	Social	09/28/2001	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	12/03/2001	745,000
Strengthening the Trinational System of the Program for Sustainable Development in the Upper Rio Lempa River	Regional	Environment	12/03/2001	700,000
Comprehensive Project for at Risk Infants and Adolescents of the Uruguayan Family	Uruguay	Social	12/17/2001	500,000
<b>TOTAL (CY2001)</b>			<b>23</b>	<b>14,073,875</b>
Support to the Preparation of Youth Development Program	Jamaica	Social	02/19/2002	403,000
Establishment of a Caribbean Regional Technical Assistance Center	Regional	Modernization of the State	02/28/2002	650,000
Urban Crime and Impunity in Colombia	Colombia	Modernization of the State	03/04/2002	350,400
San Pedro Sula Water and Sewerage Project	Honduras	Environment	03/15/2002	148,830
Institutional Development for Information Technology	Dominican Rep	Modernization of the State	05/08/2002	200,000
Mainstreaming Domestic and Social Violence Prevention into Primary Education Policy	Regional	Social	06/07/2002	750,000
Science and Technology Program : Program Preparation	Peru	Infrastructure	06/12/2002	620,000
Program to Combat Desertification in Brazil and Neighboring Countries	Regional	Environment	06/12/2002	1,000,000
Information and Indicators Program for Disaster Risk Management (1)	Regional	Environment	06/12/2002	795,000
Information and Indicators Program for Disaster Risk Management (2)	Regional	Environment	06/12/2002	505,000
Developing a National Sustainable Market for Clean Rural Energy Services	El Salvador	Infrastructure	06/24/2002	750,000
Girl's Education in Latin America	Regional	Social	07/15/2002	600,000
Corporate Restructuring of ISSSTE	Mexico	Social	08/12/2002	750,000
Design of Low-Income Housing Program	Nicaragua	Social	09/20/2002	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

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Support for the preparation of the Integrated program for Citizens Security	Guatemala	Modernization of the State	11/19/2002	380,000
<b>TOTAL (CY2002)</b>			<b>17</b>	<b>9,178,480</b>
Support for Coordination between the Special Indigenous Judicial System and the National Judicial System	Colombia	Social	01/22/2003	650,000
Developing a Coordinated Water Action Plan for Latin America and the Caribbean	Regional	Environment	02/13/2003	600,000
Modernization of Expenditure and Taxation and Investment Fund for Growth and Competitiveness	Costa Rica	Modernization of the State	04/18/2003	325,000
National Strategy for Environmental Management	Costa Rica	Environment	04/21/2003	470,000
Slum Upgrading Program	Costa Rica	Social	05/29/2003	500,000
Support for the Program of Culture and Citizenship for Social Inclusion	Brazil	Social	06/05/2003	450,080
Support for the Preparation of Mundo Maya Program	Regional	Infrastructure	06/06/2003	750,000
Sustainable Development of the Huetar Atlantica Region	Costa Rica	Environment	07/07/2003	600,000
Analysis of the Social Strategy	Mexico	Social	08/07/2003	377,000
Analisis of Housing market and Initial Development of Financing Mechanisms for Low-income Households	Colombia	Infrastructure	10/01/2003	390,574
Integrity Indexes for Public Institutions	Colombia	Modernization of the State	11/07/2003	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
<b>TOTAL (CY2003)</b>			<b>13</b>	<b>6,762,654</b>
Caribbean Education Sector HIV/AIDS Response Capacity Building Program	Regional	Social	02/11/2004	565,000
Support for a Social Rental Housing Program	Brazil	Infrastructure	04/01/2004	465,000
Symposium on Strengthening Business Relations Between Latin America and Japan	Regional	Productive	04/22/2004	230,000
Technical Cooperation for the Privatization of four international airports	Honduras	Infrastructure	05/11/2004	123,000
Strengthening the Territorial Public Investment System	Dominican Rep	Social	05/14/2004	452,813
Enhancing Ecuador's Demographic and Mother-Child Health Information	Ecuador	Social	06/22/2004	270,000
<b>TOTAL (CY2004)</b>			<b>6</b>	<b>2,105,813</b>
Peru Border Crossing	Peru	Infrastructure	01/21/2005	610,000
Support for the Preparation of the Water Supply Program for Medium Size Cities Program	Ecuador	Environment	02/18/2005	464,000
Investment Opportunities in Central America and the Dominican Republic	Regional	Other	03/23/2005	250,000
Seminar "Meeting the MDGs: Sharing Best Practices Between Asia and LAC"	Regional	Social	03/30/2005	90,000
Formulation of the Sustainable Development Program for the Province of Chiriquí	Panama	Environment	06/23/2005	550,000
Sustainable Development Program for the Central Pacific – Brunca Region	Costa Rica	Environment	06/23/2005	250,000
Solid Waste Disposal Solution for the Eastern Region	Dominican Rep	Environment	07/12/2005	567,000
Support for the Preparation of the Citizen Security Program in Panama	Panama	Modernization of the State	07/28/2005	250,194
Bank Action Plan for Improving Disaster Risk Management (1)	Regional	Environment	08/10/2005	720,000
Bank Action Plan for Improving Disaster Risk Management (2)	Regional	Environment	08/10/2005	100,000

**Annex III**  
**JSF Projects Approved by the Bank**  
**(CY1988-2005)**

<b>JSF Projects</b>	<b>Country</b>	<b>Bank Sector</b>	<b>Bank Approval</b>	<b>Approval Amount (US\$)</b>
Multi Issuer Subordinated Debt (Tier II Capital) Issuance	Brazil	Other	08/30/2005	200,000
Guayaquil International Airport	Ecuador	Infrastructure	08/30/2005	125,000
Technical Cooperation for the Investment in the Red Vial 6 Toll Road Project	Peru	Infrastructure	08/30/2005	124,410
Technical Cooperation for the Investment Program at Carrasco International Airport in Montevideo	Uruguay	Infrastructure	08/30/2005	140,000
Support for a National Census of School Infrastructure and Equipment	Guatemala	Social	09/01/2005	750,000
Seamless Education System Beginning at Early Childhood Care	Trinidad & Tobago	Social	10/04/2005	630,000
Citizen Security and Justice – Focusing on Trafficking in Persons	Jamaica	Social	10/14/2005	120,000
Technical Cooperation for the Investment Program of ATE II Transmission Project	Brazil	Infrastructure	11/30/2005	91,350
Central American Infrastructure Investment Fund	Regional	Other	11/30/2005	150,000
Development of Innovative Financing Instruments for Small and Medium-Sized Municipalities	Mexico	Modernization of the State	12/01/2005	384,000
Support the Antioquia Alliance for Equity	Colombia	Social	12/02/2005	600,000
Preparation of Rural Water and Sanitation Feasibility Studies	Haiti	Environment	12/13/2005	488,000
Development of the Rural Economy in the Sierra	Peru	Productive	12/22/2005	600,000
<b>TOTAL (CY2005)</b>			<b>23</b>	<b>8,253,954</b>

<b>TOTAL</b>			<b>262</b>	<b>186,718,905</b>
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**JSF Projects in Pipeline**  
**(As of December 31, 2005)**

<b>JSF Projects</b>	<b>Country</b>	<b>Bank Sector</b>	<b>Amount (US\$)</b>
Pilot Program on Adolescent Reproductive Health in Medellin	Colombia	Social	749,000
Developing Citizenship Competencies to Prevent Violence and Build Democracy	Colombia	Social	600,000
Institutional Capacity Strengthening and Pre-Investment Support for Indigenous Entrepreneurial Development	Guatemala	Social	637,000
Studies for the Olmos Irrigation Project	Peru	Productive	1,280,000
<b>TOTAL</b>		<b>4</b>	<b>3,266,000</b>

Annex IV  
JCF Projects Approved by the Bank  
(CY1996-2005)

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
<b>TOTAL (CY1996)</b>			<b>1</b>	<b>40,000</b>
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	Chile	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
<b>TOTAL (CY1997)</b>			<b>4</b>	<b>1,138,760</b>
Ground Water Recharge Project for the Ecological Conservation Zone in Mexico City	Mexico	Environment	2/11/1998	960,000
Renewal Manizales City	Colombia	Infrastructure	4/1/1998	12,000
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
<b>TOTAL (CY1998)</b>			<b>5</b>	<b>3,052,800</b>
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	Productive	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
<b>TOTAL (CY1999)</b>			<b>5</b>	<b>2,404,000</b>
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 Azufra 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
<b>TOTAL (CY2000)</b>			<b>7</b>	<b>4,357,250</b>
Program for the Improvement of Surveys and the Measurement of Living Conditions in Guatemala	Guatemala	Social	2/6/2001	640,000

**Annex IV**  
**JCF Projects Approved by the Bank**  
**(CY1996-2005)**

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
<b>TOTAL (CY2001)</b>			<b>5</b>	<b>2,938,200</b>
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
<b>TOTAL (CY2002)</b>			<b>5</b>	<b>3,390,000</b>
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
<b>TOTAL (CY2003)</b>			<b>3</b>	<b>2,250,000</b>
Design of the Wastewater Interception, Treatment and Disposal System for Panama City	Panama	Environment	4/21/2004	1,500,000
Regional Transportation Planning Information System	Brazil	Infrastructure	8/9/2004	750,000
Support the Water Resources Management in El Salvador	El Salvador	Environment	9/17/2004	600,000
<b>TOTAL (CY2004)</b>			<b>3</b>	<b>2,850,000</b>
Support for the Amazon Protection System (SIPAM)	Brazil	Environment	12/2/2005	750,000
<b>TOTAL (CY2005)</b>			<b>1</b>	<b>750,000</b>
<b>TOTAL</b>			<b>39</b>	<b>23,171,010</b>

**JCF Projects in Pipeline**  
**(As of December 31, 2005)**

JCF Projects	Country	Bank Sector	Amount (US\$)
Sustainable Development Plan for the Rio Uruguai Watershed	Brazil	Environment	1,200,000
<b>TOTAL</b>		<b>1</b>	<b>1,200,000</b>

Annex V  
JPO Projects Approved by the Bank  
(CY2001-2005)

JPO Projects	Country	Bank Sector	Bank Approval	Approval Amount (US\$)
Social Indicators for the Monitoring of Poverty Alleviation	Mexico	Social	05/22/2001	569,000
National System for Monitoring Poverty Indicators (SINASIP)	Honduras	Social	07/05/2001	150,000
Support of a Social Reform Program	Colombia	Social	08/08/2001	227,575
Program to Elaborate a Poverty Reduction Strategy for the Dominican Republic	Dominican Rep	Social	09/04/2001	610,400
Preparation of the Poverty Reduction Strategy	Guatemala	Social	09/12/2001	750,000
Reorganization of Health Services Networks in Colombia	Colombia	Social	10/01/2001	209,000
<b>TOTAL (CY2001)</b>			<b>6</b>	<b>2,515,975</b>
Development of Organization of Older Adults	Regional	Social	01/28/2002	750,000
Support the Population of Active and Disabled Lobster Divers in the Honduran Moskitia	Honduras	Social	07/12/2002	350,000
Management of Environmental Risk in Low Income Human Resettlement in Central America's Urban Areas	Regional	Environment	08/19/2002	210,000
Support for the Preparation of a Vulnerable Neighborhood Intervention Program	Chile	Social	10/07/2002	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
<b>TOTAL (CY2002)</b>			<b>7</b>	<b>3,495,000</b>
Support to the Design and Implementation of the Sector Program of Fiscal and Social Reform	Peru	Social	03/20/2003	748,000
Instruments and Methodologies for Targeting Children, Adolescents and Women who Depends on the Streets and Garbage Dumps for their Survival	Honduras	Social	07/10/2003	625,000
Support the Upgrading and Completion of the Poverty Elimination Strategy and Action Plan in Belize	Belize	Social	08/08/2003	300,000
Accelerating Rural Energy Coverage in Panama	Panama	Infrastructure	09/30/2003	400,000
Regional Ethno-Tourism Project Targeting Areas of Extreme Poverty in Central America	Regional	Infrastructure	12/16/2003	750,000
<b>TOTAL (CY2003)</b>			<b>5</b>	<b>2,823,000</b>
Prevention and Assistance System for Domestic Violence, Gender and Child Abuse	Ecuador	Social	03/21/2005	149,500
Training of Trainers on Indigenous Land Demarcation – Support to Indigenous Communities	Venezuela	Social	04/04/2005	90,000
Junior Achievement Program to Low Income Youth in Santiago	Chile	Social	05/02/2005	130,928
Increasing Access to Primary Health Care for Amerindian Communities	Guyana	Social	06/13/2005	750,000
A Cervical Cancer Prevention Program for Extreme Poverty Areas in Rural Michoacan	Mexico	Social	07/26/2005	149,995
Overcoming Barriers in Family Micro-Ranching	El Salvador	Social	08/18/2005	130,000
Promotion and Consolidation of Rights-Based Sexual and Reproductive Health through Piloting Community and Local Participation Experiences	Chile	Social	09/14/2005	120,000
Support to Vulnerable Population through the Provision of Social Basic Services and Creation of Opportunities for Social and Economic Insertion	Peru	Social	10/03/2005	110,100
Growing Well Program - Creciendo Bien	Guatemala	Social	11/07/2005	308,000



**Annex V**  
**JPO Projects Approved by the Bank**  
**(CY2001-2005)**

<b>JPO Projects</b>	<b>Country</b>	<b>Bank Sector</b>	<b>Bank Approval</b>	<b>Approval Amount (US\$)</b>
Program for Underprivileged Communities with Interactive Participation in the Municipality of Guatajiagua, Department of Morazán	El Salvador	Social	12/07/2005	144,208
Support the National Strategic Plan for HIV/AIDS	Suriname	Social	12/15/2005	750,000
<b>TOTAL (CY2005)</b>			<b>11</b>	<b>2,832,731</b>

<b>29</b>	<b>11,666,706</b>
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**JPO Projects in Pipeline**  
**(As of December 31, 2005)**

<b>JPO Projects</b>	<b>Country</b>	<b>Bank Sector</b>	<b>Amount (US\$)</b>
Strengthening of Citizen Monitoring on Indigent Families Social Protection Efforts	Argentina	Social	150,000
Economical Sustainable Alternatives for Barranco do Mundo Settlement	Brazil	Productive	147,420
Rural Poverty Reduction Project in Teresina Region, State of Piauí	Brazil	Productive	149,144
Creating Connections for Children and Youth without Families	Colombia	Social	150,000
Occupational Support Center "Citizen of Tomorrow"	Colombia	Social	148,500
Project Rainbow: Health and Opportunities for Vulnerable Children, Youth and Women through Community Capacity Building, Training and Mobilization	Dominican Rep	Social	150,000
HIV/AIDS Prevention in Vulnerable Afro-Ecuadorian Population	Ecuador	Social	132,100
Environmental Sanitation for Huambi Parish	Ecuador	Environment	126,064
Community Building through Opportunities for At Risk Youths in the Municipality of Santa Tecla	El Salvador	Social	150,000
Creation of Micro-Businesses for the Integration of the Indigenous Population of Sonsonate into Local Economic Development	El Salvador	Social	148,300
Local Economic Development Support of the Balsamo Micro Region to Increase Poor Families Income throughout Eco-Tourism Micro Business Promotion	El Salvador	Social	148,761
Program of Support to the Primary Health in Tejutla, San Marcos	Guatemala	Social	150,000
The Community Providing Health and Development for All	Guatemala	Social	144,000
Promoting Healthy Communities together with Healthy Schools - Strengthening Community Based Actions for Preventive Health Care	Guatemala	Social	143,800
Prevention and Control of the Vector Transmission of the Chagas Disease in the Lenca Indigenous Communities in the Department of La Paz	Honduras	Social	150,000
Project for Promotion of Sustainable Livelihood in Communities in Trojes Honduras		Environment	150,000
Diamond Back Squid Fishing	Jamaica	Productive	149,740

**Annex V**  
**JPO Projects Approved by the Bank**  
**(CY2001-2005)**

Improving the Nutrition of Indigenous Families Living within the Communities of the Zoogocho Sector of Oaxaca	Mexico	Social	139,113
Pilot Project for Supporting Disabled Women's Labor Insertion in the Municipality of Managua	Nicaragua	Social	113,900
Pilot Project to Promote the Access to Education for 600 Children with Disability in 4 Departments of Northern Nicaragua	Nicaragua	Social	150,000
Strengthening of the Local Capabilities and Tourist Operation for the Areas of La Palma and El Real de Santa Maria, Province of Darien	Panama	Infrastructure	134,733
Pilot Program to Provide Beekeeping Training and a Support Fund for Small Rural Producers	Paraguay	Infrastructure	149,400
Supporting Socio-Economic Development for the Chaco Central Indigenous Communities	Paraguay	Social	122,900
Strengthening the Financial, Technical and the Administrative Capacities of Tobati's Craft Workers	Paraguay	Social	116,600
Alimentary and Financial Self-Support for Aché and Ava Guaraní Indigenous Communities	Paraguay	Social	148,663
Promoting Youth Employment and Socio-Environmental Responsibility to Reduce Poverty in the Lurín River Basin Valley, Located in Metropolitan Lima	Peru	Productive	143,000
Supporting Community Action to Reduce Child Labor in Artisanal Gold-Mining Communities in Puno	Peru	Social	148,000
Kwamalasamutu Community Rural Development	Suriname	Infrastructure	150,000
<b>TOTAL</b>		<b>28</b>	<b>4,004,138</b>

Annex VI  
JSF Auditor's Report and Financial Statements



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**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, 2005 and 2004, 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. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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, 2005 and 2004, and the changes in its fund balance and 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 21, 2006

A Member Practice of Ernst & Young Global

Annex VI  
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**

	December 31,	
	2005	2004
<b>ASSETS</b>		
Cash	\$ 402,545	\$ 909,381
Investments	90,303,775	90,911,206
Total assets	<u>\$ 90,706,320</u>	<u>\$ 91,820,587</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Due to Administrator	\$ 523,330	\$ 871,667
Undisbursed grants	27,106,646	24,332,364
Fund balance	63,076,344	66,616,556
Total liabilities and fund balance	<u>\$ 90,706,320</u>	<u>\$ 91,820,587</u>

**STATEMENT OF CHANGES IN FUND BALANCE**

	For the years ended December 31,	
	2005	2004
<b>ADDITIONS</b>		
Contributions	\$ 4,965,874	\$ 2,613,119
Income on cash and investments	3,127,335	1,458,375
Total additions	<u>8,093,209</u>	<u>4,071,494</u>
<b>DEDUCTIONS</b>		
Grants, net	11,430,183	3,557,160
Direct and indirect expenses	194,123	110,115
Administrative commissions	86,903	45,730
Total deductions	<u>11,711,209</u>	<u>3,713,005</u>
Change in Fund balance before translation adjustments	(3,618,000)	358,489
Translation adjustments	77,788	(23,508)
Change in Fund balance after translation adjustments	<u>(3,540,212)</u>	<u>334,981</u>
Fund balance, beginning of year	66,616,556	66,281,575
Fund balance, end of year	<u>\$ 63,076,344</u>	<u>\$ 66,616,556</u>

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

Annex VI  
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**

	For the years ended December 31,	
	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Fund balance before translation adjustments	\$ (3,618,000)	\$ 358,489
Adjustments to reconcile Change in Fund balance before translation adjustments to Net cash used in operating activities:		
Net unrealized gains on investments	(2,425,980)	(815,639)
(Decrease) increase in Due to Administrator	(348,337)	463,246
Increase (decrease) in Undisbursed grants	<u>2,852,070</u>	<u>(8,619,032)</u>
<b>Net cash used in operating activities</b>	<u>(3,540,247)</u>	<u>(8,612,936)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net decrease in Investments	<u>3,033,411</u>	<u>8,028,489</u>
<b>Net cash provided by investing activities</b>	<u>3,033,411</u>	<u>8,028,489</u>
 <b>Net decrease in Cash</b>	(506,836)	(584,447)
<b>Cash, beginning of year</b>	<u>909,381</u>	<u>1,493,828</u>
<b>Cash, end of year</b>	<u>\$ 402,545</u>	<u>\$ 909,381</u>
 <b>Supplemental disclosure of noncash activities</b>		
(Decrease) increase resulting from exchange rate fluctuations:		
Undisbursed grants	\$ (77,788)	\$ 23,508

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

Annex VI  
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, 2005

**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 are contributed by the Government to the Fund in Japanese yen and are immediately converted into United States dollars. As of December 31, 2005, the Government has contributed ¥26,101,735,000 (equivalent to approximately \$216,112,449).

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.

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 \$29.7 million was transferred from the Japan Special Main Account to cover approximately \$2.0 million per year in non-reimbursable grants.

In 2001, the Government approved the establishment of the Japan Poverty Reduction Program (JPO Program) under the framework of the Fund and set aside \$30 million for this purpose. 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.

Annex VI  
JSF Auditor's Report and Financial Statements

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. Pursuant to the agreement establishing the JPO Program, as amended, funding will be provided for grants approved over the period from 2001 to 2010.

The accompanying Appendix I presents 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 2005, administrative commissions were charged to the Fund in the amount of \$86,903 (2004 - \$45,730).

Audit costs of the Fund are paid by the Bank. During 2005, the Bank paid audit fees in the amount of \$12,832 (2004 - \$11,713).

**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.

***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. Assets and liabilities denominated in Japanese yen, if any, are translated to United States dollars at market rates of exchange prevailing at the Balance Sheet dates. The



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adjustments resulting from the translation of assets and liabilities into United States dollars 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 value.

***Investments:*** Fair values for investments are based on quoted market prices, where available; otherwise they are based on quoted market prices of comparable instruments.

**NOTE C - 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, corporate and bank obligations, and asset- and mortgage-backed securities with credit quality equivalent to ratings ranging from AAA to A+.

The Bank limits the Fund's activities of investing in securities to a list of authorized dealers and counterparties. 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, 2005, in the amount of \$2,425,980 (2004 – \$815,639) were included in Income on cash and investments. The average return on investments, including realized and unrealized gains and losses, during 2005 and 2004 was 3.38% and 1.51%, respectively.

**NOTE D - UNDISBURSED GRANTS**

The following is a summary of changes in Undisbursed grants for the years ended December 31, 2005 and 2004:

	2005	2004
Undisbursed grants as of January 1 .....	\$ 24,332,364	\$ 32,927,889
Grants approved. ....	13,486,699	3,861,782
Cancellations. ....	<u>(2,056,516)</u>	<u>(304,622)</u>
Grants, net. ....	11,430,183	3,557,160
Disbursements. ....	(8,578,114)	(12,176,193)
Translation adjustments. ....	<u>(77,788)</u>	<u>23,508</u>
Undisbursed grants as of December 31. ....	<u>\$ 27,106,646</u>	<u>\$ 24,332,364</u>

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**NOTE E - 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, 2005 and 2004, the Fund had cash in one financial institution in the United States in the amount of \$402,545 and \$909,381, 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.

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Appendix I

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

**SUPPLEMENTARY BALANCE SHEET BY PROGRAM**

	December 31,							
	2005		2004		2005		2004	
	Japan Special Main Account	Japan Program	Poverty Reduction Program	Total	Japan Special Main Account	Japan Program	Poverty Reduction Program	Total
<b>ASSETS</b>								
Cash	\$ 158,802	\$ 114,879	\$ 128,864	\$ 402,545	\$ 299,805	\$ 362,698	\$ 246,878	\$ 909,381
Investments	37,995,412	25,015,511	27,292,852	90,303,775	37,887,668	25,757,442	27,266,096	90,911,206
Total assets	<u>\$ 38,154,214</u>	<u>\$ 25,130,390</u>	<u>\$ 27,421,716</u>	<u>\$ 90,706,320</u>	<u>\$ 38,187,473</u>	<u>\$ 26,120,140</u>	<u>\$ 27,512,974</u>	<u>\$ 91,820,587</u>
<b>LIABILITIES AND FUND BALANCE</b>								
<b>Liabilities</b>								
Due to Administrator	\$ 347,771	\$ 119,061	\$ 56,498	\$ 523,330	\$ 612,692	\$ 262,978	\$ (4,003)	\$ 871,667
Undisbursed grants	17,444,669	3,739,120	5,922,857	27,106,646	15,986,191	4,174,208	4,171,965	24,332,364
	17,792,440	3,858,181	5,979,355	27,629,976	16,598,883	4,437,186	4,167,962	25,204,031
<b>Fund balance</b>	20,361,774	21,272,209	21,442,361	63,076,344	21,588,590	21,682,954	23,345,012	66,616,556
Total liabilities and fund balance	<u>\$ 38,154,214</u>	<u>\$ 25,130,390</u>	<u>\$ 27,421,716</u>	<u>\$ 90,706,320</u>	<u>\$ 38,187,473</u>	<u>\$ 26,120,140</u>	<u>\$ 27,512,974</u>	<u>\$ 91,820,587</u>

Appendix II

**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**

	For the years ended December 31,							
	2005		2004		2005		2004	
	Japan Special Main Account	Japan Program	Poverty Reduction Program	Total	Japan Special Main Account	Japan Program	Poverty Reduction Program	Total
<b>ADDITIONS</b>								
Contributions	\$ 4,965,874	\$ -	\$ -	\$ 4,965,874	\$ 2,613,119	\$ -	\$ -	\$ 2,613,119
Income on cash and investments	1,336,229	861,028	930,078	3,127,335	634,650	401,493	422,232	1,458,375
Total additions	<u>6,302,103</u>	<u>861,028</u>	<u>930,078</u>	<u>8,093,209</u>	<u>3,247,769</u>	<u>401,493</u>	<u>422,232</u>	<u>4,071,494</u>
<b>DEDUCTIONS</b>								
Grants, net	7,325,680	1,271,773	2,832,730	11,430,183	1,960,190	1,618,663	(21,693)	3,557,160
Direct and indirect expenses	194,123	-	-	194,123	110,115	-	-	110,115
Administrative commissions	86,903	-	-	86,903	45,730	-	-	45,730
Total deductions	<u>7,606,706</u>	<u>1,271,773</u>	<u>2,832,730</u>	<u>11,711,209</u>	<u>2,116,035</u>	<u>1,618,663</u>	<u>(21,693)</u>	<u>3,713,005</u>
<b>Change in Fund balance before translation adjustments</b>	(1,304,603)	(410,745)	(1,902,652)	(3,618,000)	1,131,734	(1,217,170)	443,925	358,489
Translation adjustments	77,788	-	-	77,788	(23,508)	-	-	(23,508)
<b>Change in Fund balance after translation adjustments</b>	(1,226,815)	(410,745)	(1,902,652)	(3,540,212)	1,108,226	(1,217,170)	443,925	334,981
<b>Fund balance, beginning of year</b>	21,588,590	21,682,954	23,345,012	66,616,556	20,480,364	22,900,124	22,901,087	66,281,575
<b>Fund balance, end of year</b>	<u>\$ 20,361,775</u>	<u>\$ 21,272,209</u>	<u>\$ 21,442,360</u>	<u>\$ 63,076,344</u>	<u>\$ 21,588,590</u>	<u>\$ 21,682,954</u>	<u>\$ 23,345,012</u>	<u>\$ 66,616,556</u>

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**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, 2005 and 2004, 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. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and 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, 2005 and 2004, and the changes in its fund balance and 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 21, 2006

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

**BALANCE SHEET**

	December 31,	
	2005	2004
<b>ASSETS</b>		
Cash	\$ 135,672	\$ 281,979
Investments	15,829,084	14,691,729
Due from Administrator	681	-
Total assets	<u>\$ 15,965,437</u>	<u>\$ 14,973,708</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Due to Administrator	\$ -	\$ 977
Accrued expenses	12,832	-
Undisbursed grants	5,480,105	7,664,268
Fund balance	10,472,500	7,308,463
Total liabilities and fund balance	<u>\$ 15,965,437</u>	<u>\$ 14,973,708</u>

**STATEMENT OF CHANGES IN FUND BALANCE**

	For the years ended December 31,	
	2005	2004
<b>ADDITIONS</b>		
Contributions	\$ 3,184,855	\$ 2,112,880
Income on cash and investments	547,617	234,374
Total additions	<u>3,732,472</u>	<u>2,347,254</u>
<b>DEDUCTIONS</b>		
Grants, net	480,193	2,966,221
Administrative commissions	63,697	42,258
Accountant fees	24,545	9,700
Total deductions	<u>568,435</u>	<u>3,018,179</u>
Change in Fund balance	3,164,037	(670,925)
Fund balance, beginning of year	7,308,463	7,979,388
Fund balance, end of year	<u>\$ 10,472,500</u>	<u>\$ 7,308,463</u>

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

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

**STATEMENT OF CASH FLOWS**

	<u>For the years ended December 31,</u>	
	<u>2005</u>	<u>2004</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Fund balance	\$ 3,164,037	\$ (670,925)
Adjustments to reconcile Change in Fund balance to Net cash provided by operating activities:		
Net unrealized gains on investments	(369,047)	(128,334)
Increase in Due from Administrator	(681)	-
Decrease in Due to Administrator	(977)	(23,619)
Increase in Accounts payable	12,832	-
(Decrease) increase in Undisbursed grants	<u>(2,184,163)</u>	<u>888,245</u>
<b>Net cash provided by operating activities</b>	<u>622,001</u>	<u>65,367</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net increase in Investments	<u>(768,308)</u>	<u>(81,754)</u>
<b>Net cash used in investing activities</b>	<u>(768,308)</u>	<u>(81,754)</u>
<b>Net decrease in Cash</b>	(146,307)	(16,387)
<b>Cash, beginning of year</b>	<u>281,979</u>	<u>298,366</u>
<b>Cash, end of year</b>	<u>\$ 135,672</u>	<u>\$ 281,979</u>

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

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

**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2005

**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 are contributed by the Government to the Fund in Japanese yen and are immediately converted into United States dollars. As of December 31, 2005, the Government has contributed ¥3,827,161,000 (equivalent to approximately \$33,448,653).

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 2005, administrative commissions were charged to the Fund in the amount of \$63,697 (2004 - \$42,258).

**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.



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***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.

***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.

***Foreign currencies***

The financial statements are expressed in United States dollars, which is the functional and reporting currency of the Fund.

***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; otherwise they are based on quoted market prices of comparable instruments.

**NOTE C - 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, corporate and bank obligations, and asset- and mortgage-backed securities with credit quality equivalent to ratings ranging from AAA to A+.

The Bank limits the Fund's activities of investing to a list of authorized dealers and counterparties. 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, 2005, in the amount of \$369,047 (2004 - \$128,334) were included in Income on cash and investments. The average return on

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investments, including realized and unrealized gains, during 2005 and 2004 was 3.44% and 1.52%, respectively.

**NOTE D - UNDISBURSED GRANTS**

The following is a summary of changes in Undisbursed grants for the years ended December 31, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Undisbursed grants as of January 1 . . . . .	\$ 7,664,268	\$ 6,776,023
Grants approved. . . . .	907,260	2,983,971
Cancellations. . . . .	<u>(427,067)</u>	<u>(17,750)</u>
Grants, net. . . . .	480,193	2,966,221
Disbursements. . . . .	<u>(2,664,356)</u>	<u>(2,077,976)</u>
Undisbursed grants as of December 31. . . . .	<u><u>\$ 5,480,105</u></u>	<u><u>\$ 7,664,268</u></u>

**NOTE E - 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, 2005 and 2004, the Fund had cash in one financial institution in the United States in the amount of \$135,672 and \$281,979, 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.