RESULTS IN THE LATIN AMERICA & CARIBBEAN REGION

THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP
Latin America & the Caribbean
Opportunities for All

2021
VOLUME 16

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FOREWORD

2020 will always be remembered as the year the pandemic swept across the globe. COVID-19 impacted every aspect of life, and for us at the World Bank Group it fundamentally changed our work from program priorities to daily operations worldwide.

This was more striking in Latin America and the Caribbean, which has experienced both the worst economic damage in the world as well as the highest impacts in terms of numbers of cases and deaths. As a result, the most pressing immediate challenges were supporting the health emergency response and the efforts to help governments contain the spread of the virus and mitigate its devastating effects on the economy, while protecting the poor and most vulnerable.

One of our key priorities as the pandemic began to spread across the region was to help countries strengthen their health systems and social safety nets. Saving lives remains the main goal of our support, but we also focused on what was needed to recover the ground lost due to the sharp drop in the region's growth. This drop has meant less jobs, fewer opportunities, and more inequality. Poverty reduction gains of the last two decades have been practically wiped out and the number of people living in poverty in the region has increased by about 30 million.

As we look forward, LAC needs to re-think future trajectory. LAC is today a different region from just over a decade ago. Many realizing that LAC needs to Rethink its future – and that what is needed is not getting back to normal but moving forward to a new normal of more productivity growth, more inclusion, more jobs, and more sustainability.

This book showcases the many ways in which the World Bank is pushing the medium-term sustainable development agenda forward while dealing with the pressing health emergency response and the economic and human capital recovery challenges. Though hard and dramatic for millions of people across the region, the pandemic crisis now offers a unique opportunity to rethink the future of Latin America and the Caribbean.

In Colombia, Ecuador and Mexico, for example, we provided quick support that focused on protecting the most vulnerable segments of the population through well targeted social programs and expanded financial inclusion, especially for people in poor and rural areas. Bank support also focused on helping businesses and protecting jobs while strengthening economic sustainability.

Covid-19 had dramatic impacts on the labor market, especially for women. Surveys conducted in 13 countries by the regional Gender Innovation Lab (LACGIL) showed that the chances of women losing their jobs at the beginning of the crisis were 44 percent higher than for men. This rate remained almost unchanged in the following months, highlighting the need for targeted policies to address these vulnerabilities. In Brazil and Peru, we supported programs designed to integrate women in the labor market and address gender-based violence were supported.

Investments in human capital are critical to ensuring everyone has the necessary tools and can profit from opportunities to prosper. The World Bank supported programs to facilitate transitioning to higher education in Brazil and Colombia, where student loans that finance tertiary education have led to a sharp rise in graduates from disadvantaged backgrounds. Improvements in higher education in Costa Rica increased enrollment by 20 percent, with more than 114,000 students benefiting countrywide.

In terms of promoting inclusive development, with help from the World Bank, investments were made to improve highways resilience and road infrastructure in large urban areas in Uruguay and Argentina, to facilitate access to jobs, schools and social services and reduce commuters travel time and costs.

We also worked with Panama to expand the percentage of extreme poor who benefit from social assistance from 37 percent to 81 percent. And in Haiti we supported a project for the inclusion of people with disabilities in social protection and employment programs, many of whom now pursue revenue generating activities.

Climate change continues to pose a significant challenge for the region. Immediate actions are required to mitigate its effects and foster a green, resilient, and inclusive recovery. Working with the World Bank, the Brazilian state of Parana is improving disaster risk monitoring and management while addressing soil degradation and a loss of forests and biodiversity that threatened the local agricultural economy. In Chile, market instruments were developed for the implementation of the local carbon tax.

Similarly, a marine conservation and climate adaptation project in Belize helped strengthen the climate resilience of coral reef and critical ecosystems, improving the livelihood of 1,535 people. And in Colombia 24,000 ranchers, technicians, and professionals were trained in environmentally friendly ranching methods that helped convert degraded pastures into more productive environments.

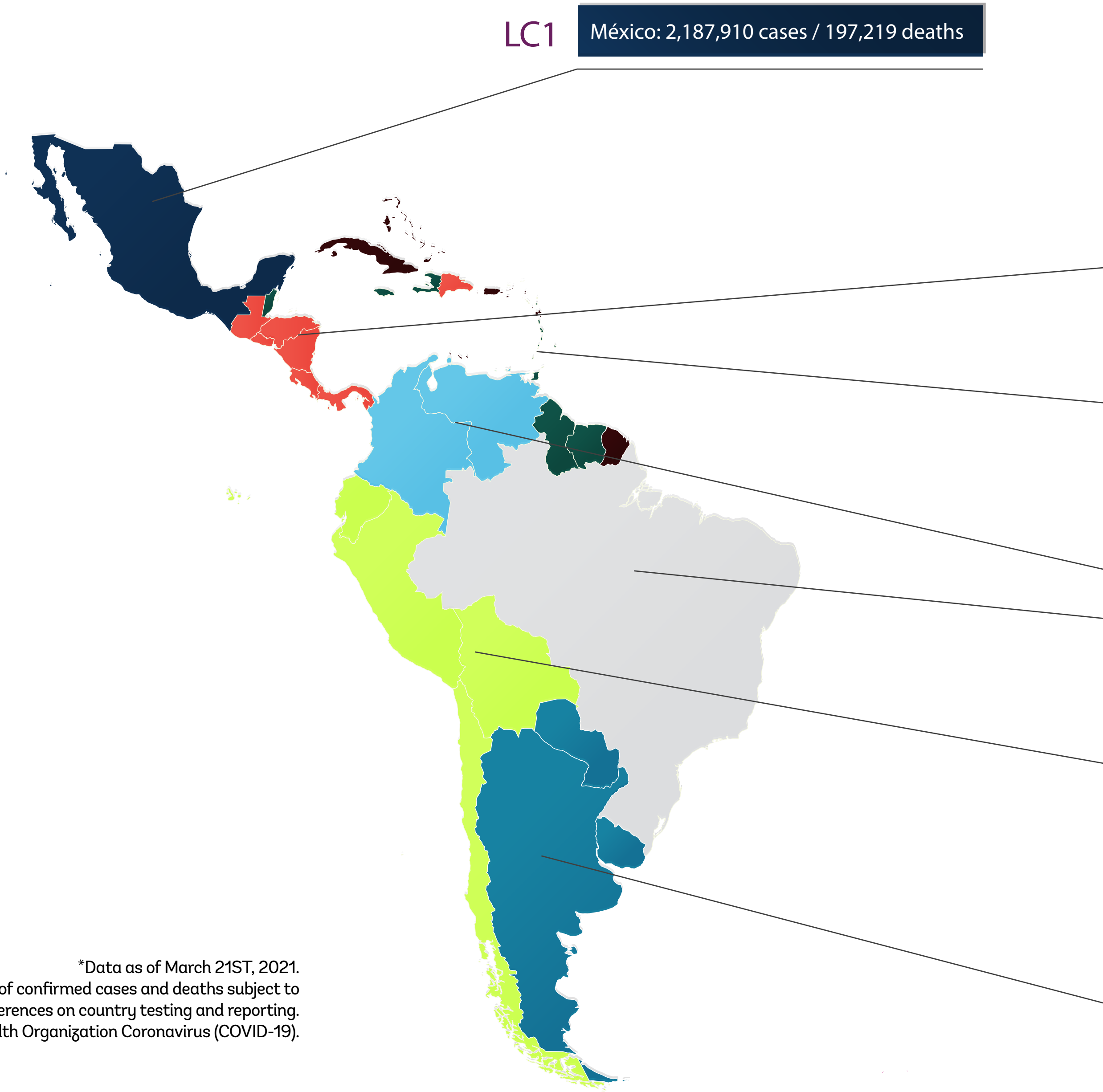
Even as we witness the devastating effects of the pandemic, I remain confident that the Latin America and Caribbean region has a bright future ahead, a future we can all help imagine and make real.

Carlos Felipe Jaramillo
Vice President
Latin America and Caribbean Region
The World Bank

Paraguay. Photo: UNOPS / World Bank

THE IMPACT OF THE COVID-19 CRISIS AND THE WORLD BANK'S RESPONSE IN LAC

TOTAL CUMULATIVE NUMBERS OF COVID 19 CASES AND DEATHS IN LAC



*Data as of March 21ST, 2021.
Number of confirmed cases and deaths subject to differences on country testing and reporting.
World Health Organization Coronavirus (COVID-19).

LC2

Dominican Republic:
248,989 cases / 3,269 deaths
El Salvador: 62,531 cases / 1,975 deaths
Nicaragua: 5,251 cases / 176 deaths
Honduras: 181, 357 cases / 4,422 deaths
Costa Rica: 211,903 cases / 2,896 deaths
Guatemala: 187,659 cases / 6,685 deaths
Panamá: 350,220 cases / 6,035 deaths

LC3

Antigua and Barbuda: 1,033 cases / 28 deaths
Bahamas: 8,839 cases / 186 deaths
Barbados: 3,512 cases / 39 deaths
Belize: 12,400 cases / 316 deaths
Dominica: 157 cases / 0 deaths
Grenada: 154 cases / 1 deaths
Guyana: 9,486 cases / 212 deaths
Haiti: 12,714 cases / 251 deaths
Jamaica: 34,665 cases / 524 deaths
St. Kitts and Nevis: 44 cases / 0 deaths
St. Lucia: 4,113 cases / 55 deaths
St. Marteen: 2,093 cases / 27 deaths
St. Vincent and the Grenadines:
1,694 cases / 9 deaths
Suriname: 9,055 cases / 176 deaths
Trinidad and Tobago: 7,821 cases / 140 deaths

LC4

Colombia: 2,324,426 cases / 61,771 deaths
Venezuela: 149,145 cases / 1,475 deaths

LC5

Brazil: 11,871,390 cases / 290,314 deaths

LC6

Ecuador: 310,868 cases / 16,435 deaths
Bolivia: 263,808 cases / 12,041 deaths
Peru: 1,451,645 cases / 49,897 deaths
Chile: 925,089 cases / 22,180 deaths

LC7

Argentina: 2,234,913 cases / 54,476 deaths
Paraguay: 190,499 cases / 3,662 deaths
Uruguay: 78,401 cases / 760 deaths

THE IMPACT OF COVID-19 ON LATIN AMERICA AND THE CARIBBEAN

Latin America has become the region hardest hit by the COVID-19 pandemic, with over 20 million positive COVID -19 cases recorded since the first case was identified in Brazil in February 2020. The impact of the virus has been wide-reaching, resulting in an expected contraction in GDP of 6.9 percent - the largest economic recession on record.

THE BANK'S RESPONSE TO COVID-19 IN THE REGION

The Bank is acting quickly to help Latin American and Caribbean (LAC) countries respond to, and recover from, the pandemic. Over the past 15 months, the Bank has approved over US$3.3 billion to finance emergency response operations. Funds from existing projects in over 20 LAC countries have also been redirected to further strengthen pandemic response, increase disease surveillance, improve public health interventions, and help the private sector continue to operate and sustain jobs. The following are selective results that have been achieved to date with the Bank's emergency response financing:

ARGENTINA

The World Bank, through the International Bank for Reconstruction and Development (IBRD) provided a loan in the amount of US$35 million to support Argentina's detection and response efforts against COVID-19. Since the loan's approval on April 2, 2020, the Argentina COVID-19 Emergency Response Project contributed to the following results:

- improvements in the reporting and investigation of suspected COVID-19 cases per approved protocols (from 0 baseline to 92.8 percent);
- increased share of diagnosed cases that are treated per approved protocols (from 0 baseline to 99.7 percent); and
- increased isolation capacity for 100 percent of participating acute healthcare facilities.

BOLIVIA

On May 14, 2020, the World Bank, through the IBRD, provided a loan in the amount of US$200 million to finance the Emergency Safety Nets for the COVID-19 Crisis Project in Bolivia. The project is reducing the economic consequences of the health emergency and supporting the ability of households to abide by social distancing measures by financing temporary cash transfers to poor and vulnerable households with school-aged children, people with disabilities, elderly members and informal workers. As of December 2020, approximately 3.46 million individuals who are not beneficiaries of existing social assistance programs have benefited from these cash payments.

Bolivia. Photo: Julio César Casma / World Bank

DOMINICA

In June 2020, the World Bank approved an additional US$1.5 million credit for the Emergency Agricultural Livelihoods and Climate Resilience Project to support the agriculture sector as part of Dominica's emergency response to the COVID-19 pandemic. The intervention has benefited more than 2,000 farmers and backyard gardeners with essential agricultural inputs, cash, and technical assistance. This boosted local production, minimized fluctuations of food prices and strengthened food security in Dominica. Improvements in Dominica's agricultural production has resulted in the first ginger exports to the US market.

ECUADOR

The World Bank, through the IBRD, approved US$1 billion to finance both the First and Second Inclusive and Sustainable Growth Development Policy Loans (DPLs) in Ecuador. These two DPLs havehelped protect vulnerable segments of the population against the impacts of the COVID-19 crisis by:

- supporting well-targeted social programs, namely via the creation of an emergency cash transfer scheme for approximately one million poor and vulnerable households that were not covered by existing social assistance programs;
- promoting more flexible labor regulation, via the regulation of telework and flexibility in work arrangements that allowed for emergency adjustments or suspension of work shifts while maintaining the employment link (a 56-day reduction was observed in the average time it takes to access unemployment benefits; i.e. from 60 days in 2019 to 6 days during the crisis); and creating fiscal space for crisis response priority spending, namely by (i) increasing the withholding of income taxes for large corporations in resilient segments while deferring payments from firms in the most affected segments, and (ii) eliminating import tariffs and restrictions applied to medical equipment purchased in response to the COVID-19 emergency; and
- supporting the creation of a Migratory Registry based on the information of the Migratory Census to ensure the effective provision of public services to Venezuelan migrants and refugees. This Migration Registry now covers 165,761 Venezuelan migrants.

Ecuador. Photo: World Bank

HAITI

On April 2, 2020, the World Bank, through the International Development Association (IDA) provided a grant in the amount of US$20 million to help Haiti prevent, detect and respond to COVID-19 while strengthening national systems for public health preparedness. This grant financing has:

- equipped 12 designated laboratories with diagnostic equipment, test kits, and reagents for disease testing;
- trained over 1,800 health staff in infection prevention and control per approved protocols; and
- increased the share of suspected COVID-19 cases reported and investigated based on national guidelines from a baseline of 0 in April 2020 to 100 percent in December 2020.

Additionally, in April 2020, a Contingency Emergency Response Component (CERC) was activated to provide US$9.5 million to support food security during the pandemic by safeguarding the next two cropping seasons. The financing has already supported a total of 16,169 agricultural households (approximately 80,845 beneficiaries) in the Nippes and South regions. The financing also provided farming and technical support for more than 11,318 hectares of cropland.

Haiti. Photo: World Bank

MEXICO

The COVID-19 Financial Access Development Policy Financing (DPF) operation helped to bridge financial access gaps among population groups and supported micro, small and medium sized enterprises to support recovery efforts. The DPF supported policy reforms to contribute to the construction of a robust and unique identification system for millions of citizens. Results include:

- The enactment of a Law to allow 15-17 years old to open and manage a bank account under their own name. This is expected to lead to a significant share of youth being financially included for the first time, particularly important, given the need to have an account to receive social payments. The number of minors that open their own bank account is expected to increase from a baseline of zero in March 2020 to a target of 1.2 million by December 2021.

- The reform to the Credit Institutions Law supported the Government's efforts to promote financial inclusion and literacy among women, as well as to increase women's access to productive financing. It is expected that the percentage of women among beneficiaries of state development banks' financial access programs will increase from 46 percent in March 2019 to 60 percent by December 2021.

- The adoption of bilateral agreements with civil registries in all 32 states of the country serves as an instrument to achieve nationwide common rules, including enabling biometric data collection, interoperability, efficiency and strengthening the institutional capacity of the national identification registry. It is expected that by December 2021, the civil registry offices of 25 states covering over 65 percent of the population have rolled out the ID service to record vital events in a standardized manner, compared to six states covering 18 percent of the population in March 2020.

PARAGUAY

On April 2, 2020, the World Bank, through the IBRD, approved a loan in the amount of US$20 million to finance the Paraguay COVID-19 Emergency Response Project. The operation is strengthening the country's overburdened health system - currently dealing with a dramatic Dengue outbreak – to also limit COVID-19 local transmission. Additionally, the financing is enabling the provision of laboratory equipment and technology systems for prompt case finding and contact tracing; strengthening clinical care capacity; and equipping primary health care facilities and hospitals for the delivery of critical medical services. From approval to August 1, 2020, this Project contributed to:

- an increase in the percentage of hospitals equipped to implement response plans according to approved guidelines (from 0 baseline to 36 percent); and
- an increase in the percentage of suspected COVID-19 cases reported and investigated per approved protocols (from 0 baseline to 96.8 percent).

Paraguay. Photo: World Bank

SAINT LUCIA

The World Bank, through IDA, has played a critical role in improving health infrastructure in Saint Lucia. The Saint Lucia Health System Strengthening Project, approved in 2018, was restructured on June 26, 2020 to respond to the emergency. Project financing has successfully refurbished the Victoria Hospital facility to serve as a respiratory hospital for COVID-19 patients, adding 80 available beds in specially designed isolation units. Select hospitals were also retrofitted to improve water capacity and over 500 tanks were provided to farmers, agencies, and the elderly, through community-based organizations. A desilting program, which also served to reduce flood risk, created 1,200 jobs across communities, therefore easing the economic shock of COVID-19 for many. Activities also contributed to upgrading the emergency operating center and strengthening the health and emergency management agencies' capacity to respond to emergencies.

ST. VINCENT AND THE GRENADINES

The World Bank, through IDA, is helping 13,000 students and 2,000 teachers in St. Vincent and the Grenadines adapt to working during the COVID-19 outbreak, after the government had to close the 231 educational institutions. The Bank worked with Government to develop a COVID-19 Action Plan to guide the safe re-opening of schools. School safety assessment and disaster plans were also revised to ensure that schooling could resume as soon as possible after an emergency.

Ecuador. Photo: Paul Salazar / World Bank

ARGENTINA

GDP

(billions)
US$ 449.66

GNI per capita

(atlas method)
US$ 11,200

Decreasing Travel Time and Costs for Argentina's Commuters by Improving and Integrating the Metropolitan Public Transport Sector

Through long-term efforts to support its urban transport sector, initiated in 1997, and the creation of the Metropolitan Transport Agency for the Buenos Aires Metropolitan Area, Argentina has improved public transportation performance in several metropolitan areas by improving infrastructure and public access and strengthening relevant institutions to enhance governance.

Population

44,938,712

Land

(sq. km)
8,515,770

IBRD/IDA lending commitments approved in FY20: 1,230 million

Active projects: 23

New and supplemental projects approved in FY20: 4

Metrobus La Matanza, Buenos Aires Province. Photo: World Bank

CHALLENGE

Rapid urbanization in Argentina led to urban sprawl, increased distances between homes and workplaces, and declines in the level of transport services. Individuals increasingly relied on private vehicles, resulting in greatly swollen congestion on streets and roads. The Buenos Aires Metropolitan Area (Área Metropolitana de Buenos Aires, AMBA), concentrating almost 40 percent of the total population, epitomized this pattern, but other metropolitan areas exhibited similar trends. Sustained underinvestment in the sector following the 2001 crisis and the institutional fragmentation of public transport competencies further strained the transit system and bus networks. Between 2003 and 2010, investments reached, on average, around US$50 million annually, a tenth of the expense. The populations of the largest metropolitan areas clearly relied heavily on public transport, particularly the poorest population segments, who were immensely affected by the costs, delays, and inconveniences of using the system.

Drone view, Metrobus La Matanza. Buenos Aires Province. Photo: World Bank

APPROACH

The Urban Transport in Metropolitan Areas (PTUMA) project sought (i) to improve metropolitan transport coordination by creating the Metropolitan Transport Authority in Buenos Aires, and (ii) to strengthen decision making, policy formation, and planning capacities within the urban transport sector. In addition, it focused on improving the quality and performance of critical public transport infrastructure by investing in bus rapid transit (BRT), clearing a path toward more sustainable public transit. In other of Argentina's metropolitan areas, PTUMA-sponsored efforts were among the first local BRT projects, helping to foster the vision and aspiration in other cities leading them to upgrade their infrastructure.

RESULTS

The PTUMA project helped support improvements in several key outcomes:

- Travel time for BRT users decreased 53 percent in 2019, and overall speed of travel increased by over 105 percent.
- Users of the La Matanza BRT line increased 4.8 percent between 2016 and 2019. This infrastructure benefited 240,000 users in one of the most deteriorated and least accessible areas of AMBA.
- Urban transport infrastructure improved in performance, and transport networks increased their levels of public access. General travel costs were reduced by at least 10 percent following construction of 14 segregated corridors in medium-sized metropolitan areas and interventions in the La Matanza BRT, which improved mobility by 34 percent between 2009 and 2019.

The populations of the largest metropolitan areas clearly relied heavily on public transport, particularly the poorest population segments, who were immensely affected by the costs, delays, and inconveniences of using the system.

- Access to and overall condition improved in all 25 AMBA train stations supported by the project.
- Institutional capacity in medium-sized cities and in AMBA was strengthened by transport planning instruments and methodologies that prioritized urban mobility projects. These included updates to the AMBA Transport Model (2017); an Institutional Strengthening and Mobility Plan for La Rioja (2015); the Integral Urban Mobility Study for Salta (2015–2017); and origin-destination surveys in Salta, Santa Fe, Parana, Resistencia, and Corrientes.

BANK GROUP CONTRIBUTION

The World Bank, through the International Bank for Reconstruction and Development (IBRD), provided a loan of US$194.69 million to support the project. A US$500,000 grant from the Bank-administered Spanish Fund for Latin America and the Caribbean helped develop a tool to correlate data from the fare collection system to generate information about the origin and destination of public transport trips, giving transport planning authorities new insight into users' mobility patterns. A grant of US$300,000 from the Bank-administered Korea Green Growth Trust Fund contributed to enhanced knowledge concerning transit-oriented development to promote green growth in Metropolitan Buenos Aires, including knowledge exchange through a visit to Buenos Aires by the City of São Paulo's former Secretary for Urban Development.

Metrobus Santa Fe. Buenos Aires Province. Photo: World Bank

Metrobus Rosario. Buenos Aires Province. Photo: World Bank

PARTNERS

The government of Argentina provided US$71.17 million of project cost financing. The project greatly benefited as well from the contributions of a variety of partners and government officials, including local municipalities, provinces, and the national government. In the Metropolitan Area of Buenos Aires, the projects were coordinated to respond to the urban transport policies of the National Ministry of Transport and the Metropolitan Transport Agency. Representatives from the province of Buenos Aires and municipalities proactively engaged in and gained experience from newly implemented cross-sector project management and coordination efforts among the different actors. For instance, an agreement was signed between the implementing unit and counterparts in the province of Buenos Aires and the municipality of La Matanza to facilitate progress on the La Matanza Metrobus Route 3. This agreement served as a precedent for future agreements on similar works planned in different jurisdictions of the country.

General travel costs were reduced by at least 10% following construction of 14 segregated corridors in medium-sized metropolitan areas and interventions in the La Matanza BRT, which improved mobility by 34% between 2009 and 2019.

BENEFICIARIES

The constructed BRT on the RN3 corridor–BRT R3 Juan Manuel de Rosas, the largest of its type in the country, benefited 240,000 users in La Matanza, one of the most deteriorated and least accessible areas of the Buenos Aires Metropolitan Area. The BRT cuts through La Matanza and serves as one of the major access routes to the city center.

Ninety-four students were trained under the Master's Program in Urban Transport Planning at the University of Buenos Aires, which was designed, implemented, and financed by the project. The first three cohorts of 60 students received scholarships financed under the project.

MOVING FORWARD

The project invested in bike lanes that have helped advance nonmotorized transport solutions, which had been almost nonexistent in Argentina's medium-sized metropolitan areas, helping to improve the quality of the urban transport system by providing transit users with new, sustainable options. This agenda has become even more relevant during the current COVID-19 crisis, and project experience can serve to further extend these initiatives in the country.

The Ministry of Transport has also planned several initiatives and projects to respond to a public policy goal issued in 2016 relating to sustainable urban mobility. These include:

- Investing in railways within the Metropolitan Area of Buenos Aires, including the electrification of railway lines, the renovation of stations and railways, the acquisition of new rolling stock, the connection of networks and modes, etc.
- Planning and constructing Metrobus corridors and improving public transport services.
- Developing and integrating sustainable transport modes within the investment frameworks for railways and Metrobus corridors.

- Consolidating areas of cities with access to railway stations and other modes of mass public transport under umbrella efforts toward transport-oriented development (TOD).
- Continuing support for transport planning in metropolitan areas through studies, development of new tools, and training.
- Continuing to support and manage the Buenos Aires Metropolitan Transport Agency.

Metrobus La Matanza. Buenos Aires Province. Photo: World Bank

BELIZE

GDP

(billions)
US$ 1.87

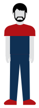
GNI per capita

(atlas method)
US$ 4,480

Improving Belize's Marine Conservation and Resilience through Investments in Communities and Nature

The Marine Conservation and Climate Adaptation Project strengthened the climate resilience of Belize's coral reef and critical ecosystems. Between 2015 and 2020, it supported the expansion of marine protected area coverage in Belize's territorial waters from 13 to 22 percent, the restoration of 12 coral sites, and alternative livelihoods for 1,535 beneficiaries.

Population



390,353

Land

(sq. km)
22,970

IBRD/IDA lending commitments approved in FY20: 0 million

Active projects: 2

New and supplemental projects approved in FY20: 0

Belize. Photo: World Bank

CHALLENGE

Belize is ecologically diverse with substantial natural capital along its coast, represented by the largest coral barrier reef and associated ecosystem in the Americas, as well as significant areas of mangroves, tropical forests, and inland wetlands. More importantly, Belize derives essential benefits from the ecosystem services generated by its coral reefs and mangroves. They help prevent coastal erosion and offer protection from storm surges and hurricanes. Moreover, it was estimated that the value of ecosystem services (fishing, tourism, shoreline protection) generated by the coral reefs and mangroves contributed between 15% and 22% of GDP in Belize (in the range of US$395–559 million per year) in 2007. As is the case in many other countries, Belize's ecosystems and the roles they play are being threatened by environmental and human activities. Overharvesting of marine resources has been a challenge, increasingly exacerbated by the impacts of climate change. Rising sea levels and increasing sea temperatures negatively impact the Barrier Reef system that supports several key economic activities. Likewise, increasing sea temperatures are leading to massive coral bleaching within the Belize reef system, causing significant reduction in the amount of live coral.

APPROACH

The Marine Conservation and Climate Adaptation Project (MCCAP) aimed to enhance marine conservation and climate adaptation measures to strengthen the climate resilience of the Belize Barrier Reef system. This included improvement of coral reef protection through expanded marine protected areas and coral outplanting. The Project aimed not only to restore and conserve biodiversity but also to support local communities to diversify their livelihoods. This helped to ease pressures on ecosystems and ensure that the environmental protection measures can be implemented by local communities who in turn add to their income streams. This included support to sectors such as hospitality and tourism, vocational education, sustainable agriculture, and raising awareness about the importance of the overall health of the reef ecosystem to climate resilience and community welfare.

Corals above water. Photo: Hannah Moniz / World Bank

RESULTS

The MCCAP Project ensured that efforts to support climate adaptation were also fully supporting livelihoods of the affected poor communities who largely depend on coastal natural resources. Through productive partnerships and collaboration with fishers and community organizations, the Project empowered them to find jobs that deliver direct benefits while protecting reefs, mangroves, sea grass, and tidal marshes. Through these partnerships, Belize is now better preserving its marine environment, increasing its resilience to climate change and supporting sustainable livelihoods of those who depend on this natural resource – thereby also setting a strong foundation for the country's transition to a blue economy.

A number of important results were achieved during project implementation (2015-2020), including:

- Exceeded initial targets for expanding and securing marine protected areas, with actual territory brought under marine protected area designation totaling 405,512 hectares, or 21.2% of territorial waters.

Belize's ecosystems and the roles they play are being threatened by environmental and human activities. Overharvesting of marine resources has been a challenge, increasingly exacerbated by the impacts of climate change.

- Increased marine replenishment (no-take) zones from approximately 2% to 3.1%, for a total of 58,699 hectares. The specific marine protected areas that were targeted were South Water Caye Marine Reserve, Turneffe Atoll Marine Reserve, and Corozal Bay Wildlife Sanctuary.
- Supported the restoration of coral sites in the South Water Caye Marine Reserve and Turneffe Atoll Marine Reserve , achieving double the original target. From 2017-2020, 12 measured plots were restored with a total area of 1,400 square meters with 28,927 outplanted corals.
- Supported the drafting of updated Forest Regulations that came into effect in 2018, focused on the protection of mangroves.
- Supported a review and recommendations for the revision of the 1998 Coastal Zone Management Act; the recommendations were endorsed by the Coastal Zone Management Authority and Institute (CZMAI) and await legislative drafting.
- Exceeded targets for coastal region brought under improved regulation, by maintaining 98.9% mangrove coverage in the three priority coastal planning regions identified by the CZMAI: Caye Caulker, Central Region, and South Northern Region.

Alternative livelihoods opportunities for Sarteneja Beach trap fishers users of Corozal Bay wildlife sanctuary; Photo: Hannah McDonald-Moniz/World Bank

- Implemented 10 subprojects through which 759 people were trained and 1,535 beneficiaries adopted alternative livelihoods aimed at strengthening the resilience and adaptive capacity of fishing communities whose livelihoods depend on the marine resources within the marine protected areas as a principal source of income. Examples of skills training included courses on entrepreneurship, food safety, and communications, among others, while livelihoods sub-projects ranged from deep slope fishing and seaweed farming to tourism and agriculture-focused support.
- Trained teachers to deliver climate change instruction to students and other teachers, developed and distributed training manuals for teachers, and, working closely with the Ministry of Education, supported the development of a climate change unit introduced into the secondary school curriculum in 2019.

BANK GROUP CONTRIBUTION

The MCCAP was funded with a Bank-executed grant in the amount of US$5.53 million from the Adaptation Fund. The Adaptation Fund is an international fund administered by the World Bank that finances projects and programs aimed at helping developing countries to adapt to the harmful effects of climate change.

PARTNERS

The project demonstrated broad engagement from a diverse group of institutions and partners across all project components and related activities. MCCAP served as a catalyst to integrate efforts by the Fisheries Department, Coast Guard, NGOs, marine reserve staff, and the Forest

Through productive partnerships and collaboration with fishers and community organizations, the Project empowered them to find jobs that deliver direct benefits while protecting reefs, mangroves, sea grass, and tidal marshes.

Department to standardize enforcement operations of the targeted marine protected areas, while providing resources and skilled staff to the Fisheries Department and marine protected areas co-managers to ensure effective surveillance, monitoring and enforcement. One good example of NGO engagement and collaboration is the participation of Fragments of Hope, an NGO that has successfully carried out coral restoration in Belize since 2006. Fragments of Hope employs only Belizeans, mainly certified tour guides and fishers, in restoration activities and designs coral reef restoration as an additional income, outside of the main tourism and fishing seasons.

Teacher and Students Discussing Sustainable Agriculture Practices at St. Viator Vocational High School. Photo: Hannah McDonald-Moniz / World Bank

Abizai K, Fisherman and Tour Guide, Belize
Photo: Hannah McDonald-Moniz / World Bank

BENEFICIARIES

"I received tour guide training, and also our children. We also received training for captains, and their wives. We try to involve the entire family. The training also taught us English (...) We learnt how to express ourselves in a better way. And at the same time, we're generating another income apart from fishing. Since we're working sustainably, we have to protect the species and we have to respect the time - we have a schedule and we can only set traps from March to November; before we didn't do this. We have experienced that fish have gone extinct, so if we don't collaborate with this project, eventually we will not have fish to catch. The amount of fish now that we catch is less every year. So, we can do something else than just commercial fishing; an alternative way of livelihood generates income to help our families at the same time of helping the fish not to go extinct and,"

Abizai K, Fisherman and Tour Guide

MOVING FORWARD

The Government of Belize remains committed to the sustainability of the project, as evidenced by the adoption of policies and legislation aimed at improving the management of marine and coastal resources. Commitment beyond the period of project implementation is evidenced by the anticipated passage of additional policy and legislative measures, such as Coastal Zone Management Act and Regulations, supported by the project. While the degree of sustainability of individual community alternative livelihood activities may vary, especially in the context of COVID-19, the project's incremental focus on income diversification (rather than entirely redirecting beneficiaries away from fishing), coupled with its explicit decision to target women and youth in livelihoods and behavior change activities, may help to cement development gains and improve longer-term sustainability.

BRAZIL

GDP

(billions)
US$ 1,839.75

GNI per capita

(atlas method)
US$ 9,130

Preparing Brazilian Youth for their Transition into Better Jobs

Brazil's "Designing Futures" pilot project worked with Brazilian students to help them overcome the obstacles girls face in transitioning from secondary school to university studies and/or the workforce to make their life dreams into reality. The research-based pilot project, which reached 250 students, financed the development of a toolkit and training guide for educators, helping them foster open and frank dialogue with their students about more equitable relations between men and women, the world of work, and possibilities for continuing their education.

Population

211,049,527

Land

(sq. km)
8,515,770

IBRD/IDA lending commitments approved in FY20: 554 million

Active projects: 32

New and supplemental projects approved in FY20: 6

Brazil. Photo: Mariana Kaipper Ceratti / World Bank

CHALLENGE

Nicknamed "NEETs" (not in education, employment, or training) or "nem-nems" (meaning neither-nor in Portuguese), 23.5 percent of Brazil's young people aged 15 to 29 years — 11 million individuals — were neither working nor in school in 2018. Two-thirds of them were women and girls. Young women in this age group are especially prone not to transition into jobs, often aspiring to and assuming traditional roles caring for children at home. A study of NEETs in Pernambuco connected the high rates of youth out of school, out of work, and not in any job or training program with two barriers these youth face. The first barrier was many students' impressions that continuing an education and finding a job is not as important, valuable, or feasible for them (young women, in particular, shared this perspective). The second relates to students' lack of knowledge about their options or preparedness to take steps toward achieving their aspirations. Action was needed to motivate students and support them to complete school and successfully transition into work.

Rio de Janeiro, Brazil. Photo: Mariana Kaipper Ceratti / World Bank

APPROACH

In 2018, the World Bank published a qualitative study entitled "If It's Already Tough, Imagine for Me," which found that one of the most fundamental barriers faced by youth as they become adults was a lack of aspirations and motivation to attend or return to school, a perspective rooted in social exclusion and traditional gender norms. Even when young people had the motivation to find jobs, the study found inaction due to their lack of information, tools, and resources to pursue their dreams. In addition, external factors, such as a lack of transport, limited or no childcare, and the toll of crime and violence in their neighborhoods, could hamper the ability of young people to continue their schooling.

In response to these study findings, the World Bank partnered with the State Education Secretariat of Rio de Janeiro and with Promundo, a nongovernmental organization specializing in gender equality and related research and advocacy, to address the underlying reasons why the female share of NEETs is so high. Together, they developed a pilot project entitled "Designing Futures" aimed at creating a toolkit for teachers to better engage and connect with students and address the barriers identified in the 2018 study. Two high schools in the favelas (slums) and disadvantaged areas of northern Rio de Janeiro were chosen by the State Education Secretariat for the pilot, and 250 first-year students participated.

Under the "Designing Futures" project, a 22-chapter toolkit and training guide was developed to support educators' daily plans and help them foster open and frank dialogue with their students about more equitable relations between men and women, the world of work, and possibilities for continuing education. The training guide outlines common challenges students face and provides teachers with guidelines and suggestions for

23.5% of Brazil's young people aged 15 to 29 years — 11 million individuals — were neither working nor in school in 2018. Two-thirds of them were women and girls.

activities that address the main reasons why young people become disengaged. The toolkit is designed for use with both girls and boys and aims to trigger debates and promote critical reflection on gender roles and the ways in which gender stereotypes limit individual opportunities.

RESULTS

To evaluate the pilot and the toolkit, a nonexperimental quantitative assessment of classes and educators was conducted using baseline and end-line questionnaires and qualitative assessments from students, educators, and school managers through interviews and focus groups.

These reviews of the pilot after the first year the teachers' toolkit was implemented and tested indicated that schools became more supportive communities and that, as they did so, levels of absenteeism begin to decrease. According to interviews with school staff, the students participating in the program had a new recognition of the value of completing their education, as well as of the importance of getting a good job.

The end-line survey suggested other positive outcomes as well. Teachers shared positive views regarding the possible scope of the project and its ability to impact students' lives, especially in relation to organizing educational offerings to focus on the future and to opening new channels for conversations about students' potential (90 percent of respondents noted a great or very great potential for change). In addition, the share of students who identified a teacher with whom they could talk about their future increased, as did the share of students who disagreed with the statement "Someone like me has no luck in school." Finally, the share of students who stated they only went to school because they were obliged to decreased.

BANK GROUP CONTRIBUTION

The World Bank supported the pilot project with funding of US$49,000, while the World Bank's LAC Gender Innovation Lab (LACGIL) provided technical assistance related to the process and qualitative evaluation of the pilot. The LACGIL works in partnership with World Bank units, aid agencies and donors, governments, nongovernmental organizations, private sector firms, and researchers to support impact evaluations and inferential research to generate evidence on what works to close gender gaps in human capital, economic participation, social norms, and agency. Additionally, the lab disseminates findings to improve operations and policy making in the design of cost-effective interventions that tackle gender inequalities and drive change.

PARTNERS

The NGO Promundo, which served as one of the panel participants at the May 2018 launch of the Bank study "If It's Already Tough, Imagine for Me," is credited with the idea for the pilot. During the study's launch, Promundo suggested forming a partnership to develop tools to help students and teachers overcome the barriers identified in the study. Promundo is a recognized global leader in advancing gender equality and preventing violence by engaging men and boys in partnership with women,

The students participating in the program had a new recognition of the value of completing their education, as well as of the importance of getting a good job.

Rio de Janeiro, Brazil. Photo: Mariana Kaipper Ceratti / World Bank girls, and individuals of all gender identities. Having worked on other gender-related issues and advocacy in Brazil, Promundo led the development and design of the content and organization of the pilot intervention.

The Education Secretariat of the State of Rio de Janeiro assisted in identifying the pilot schools and supported testing of the toolkit with teachers and students. To deepen the debate on out-of-school and unemployed youth among educators and public-school students, discussion meetings were held with ten educators from two high schools in the Complexo da Maré favela in Rio in April 2019. These meetings served as a basis for developing the toolkit activities.

BENEFICIARIES

Two high schools in the poorer areas of northern Rio were chosen by the State Education Secretariat for the pilot, and 250 first-year students participated. First-year high school students are most at risk for dropping out.

"School has now become a place where the students feel at home, and they feel a sense of community. Attendance has improved since the beginning of the year, according to the teachers," said Miriam Muller, the pilot team leader. *"With the help of the intervention and the material provided in the toolkit, school becomes a place where kids feel heard."*

"I do plan my future now. I won't just wait for tomorrow. Now is now," said one student who participated anonymously in the pilot.

The teachers are also increasingly feeling empowered and supported. One teacher commented that she used to spend hours in the principal's office crying, because she didn't know how to deal with her students' aggressive behavior in class. The pilot provided a protected space to talk through students' troubles or concerns, alleviating much of that tension, and students have much better comprehension of the opportunities provided by an education.

“The students [in the program] saw themselves as the protagonists of their own lives. They saw themselves as the main part of their own lives,” another teacher commented.

Júlia, a Portuguese teacher, participated in the pilot and said student engagement and performance have both been improving. In a recent assignment, her students included her on a WhatsApp group for support: she provided feedback, and the students handed in final drafts taking the feedback into account, leading to better grades. In addition, the formation of a students’ union under the pilot facilitated a school visit to Paquetá Island with the Portuguese teacher. For many students, it was their first school excursion, and the trip positively affected their relationship with the school and increased their sense of belonging in parts of the city beyond their neighborhood.

MOVING FORWARD

The Designing Futures pilot project was met with great enthusiasm from the participating teachers, students, and administrators, as well as from the main partner, Promundo. While the testing and development made progress during the first half of the project year, the second half had the added complication of the COVID-19 crisis, which suspended most of the remaining programming.

Initial discussions are currently underway on how to broaden the scope of the intervention, including how to bring the same type of intervention to rural areas, where even greater degrees of poverty and marginalization create correspondingly greater degrees of disproportionate effects on women and girls. At a later point, after further honing of resources and materials, the approach used in this project could be taken up by different states in Brazil or the learning gained could be integrated into the national training programs for teachers and school administrators.

BRAZIL

GDP

(billions)
US$ 1,839.75

GNI per capita

(atlas method)
US$ 9,130

Strengthening Public Sector Performance to Reduce Mortality, Increase Graduation Rates, and Improve Disaster Risk Management in the State of Paraná, Brazil

Since 2012, the state of Paraná, in Brazil, has dramatically reduced mortality rates and strengthened disaster risk management; fostered business initiatives by providing technical assistance, equipment, and financing to rural producer groups; increased graduation rates in lower secondary schools; and modernized its public sector.

Population	Land
211,049,527	(sq. km) 8,515,770

IBRD/IDA lending commitments approved in FY20: 554 million

Active projects: 32

New and supplemental projects approved in FY20: 6

Tatí Yupí Natutal Reserve, Brazil. Photo: World Bank

CHALLENGE

Despite relatively high incomes, residents of the state of Paraná faced many problems. Maternal health services were inadequate, and consequently mortality rates remained stubbornly high for both mothers (65.11 per 100,000 in 2010) and children (12.17 per 1000 in 2010). Emergency care service coverage was incomplete, resulting in high mortality rates from nonviolent causes (51.48 per 100,000 in 2011). In education, repetition and dropout rates were high, especially in the second cycle (lower secondary school) of primary education; in 2010, repetition reached 13.6 percent and the dropout rate was 4.4 percent. Paraná's agricultural economy was threatened by widespread water quality and soil degradation, inadequate and excessive use of pesticides, and the loss of forest cover and biodiversity. The state also lacked a disaster risk monitoring and management system, resulting in frequent and costly property and personal damage and health risks following storms and flooding. Efforts to improve these situations were hampered by inefficient and ineffective public administration.

Women of Paraná, Brasil, give birth healthier, Video still. World Bank

APPROACH

The Paraná SWAp for Multi-Sector Development Project had the following objectives: (i) increase the graduation rate in the final cycle of fundamental education (ninth grade, lower secondary); (ii) improve maternal and emergency health care services; (iii) promote business initiatives and improve natural resource management in rural areas; and (iv) help build capacity in public administration and environmental and disaster risk management. The project was an investment financing operation with a large results-based component designed to finance the state authorities' priorities in health, education, disaster risk management, natural resources management, rural livelihoods, and tax management. The project comprised two components: the first co-financed selected government programs to support the government of Paraná's integrated approach to promoting social and economic development; the second provided technical assistance to strengthen public sector management.

RESULTS

Results were achieved in all five key areas of focus:

Health

- To strengthen their ability to identify risk factors and provide appropriate care, including referrals for specialized medical attention for those at higher risk, nearly 60,000 medical professionals received technical training in neonatal and obstetric emergency care and health administration.
- Maternal mortality declined from 65.11 per 100,000 in 2010 to 43.30 per 100,000 in 2019.
- Infant mortality declined from 12.17 to 10.3 per 1,000 births between 2010 and 2019.
- The share of live births to pregnant women who had more than seven prenatal check-ups increased from 80 percent in 2012 to 100 percent in 2019.

- Since 2019, 100 percent of pregnant women found to be at high risk for complications are referred from primary care units to hospitals for closer follow-up and care. (The number in 2012 was 5.5 percent.)
- The mortality rate for deaths from external causes (excluding violence), decreased from 51.48 per 100,000 in 2015 to 46.34 in 2019, against a target of 48.97: more than 1,000 deaths were prevented over the project period.
- Hospitals receive additional risk-based funding as an incentive to provide prenatal and postpartum services.

Education

- Graduation rates in the final cycle of primary school (ninth grade) increased from 78.8 percent in 2012 to 85.9 percent in 2019.
- Between 2011 and 2018, 466 state schools were rehabilitated or expanded.
- A student learning assessment system (Sistema de Avaliação da Educação Básica do Paraná, SAEP) was put in place; teacher training was strengthened to improve educational quality, and learning outcomes and needs were closely monitored. The assessment system is operational, and as of 2019, five assessments had been carried out.
- The number of teachers working in indigenous areas increased from 437 in 2014 to 807 in 2019.

Environmental and disaster risk management

- The disaster risk management system was designed and equipped following best practices from around the world.
- A disaster monitoring unit, fully operational since 2015, provides real-time monitoring of disaster risks in the state. Fifteen rapid response teams respond to flash floods and other natural disasters and an

automated system now alerts, locates, and communicates with citizens when disasters occur.

- State emergency services were extended to cover 90 percent of the state territory and to respond within the targeted one-hour period.
- The average time for processing complex requests regarding water use rights was reduced from 180 days in 2012 to 90 days in 2019; in some cases, temporary user licenses can be obtained immediately online.

Rural development

- Soil and water management was strengthened: 728,000 hectares were supported by interventions under 321 Micro-catchment Action Plans.
- More than 3,000 people in rural areas gained access to improved water sources.
- Rural livelihoods were supported through support and training to cooperatives (5,200 families) and small farmers' associations (over 75,000).
- Approximately 675 kilometers of rural roads received upgrades or maintenance by 2019.

Public sector management

- Between 2016 and 2019, 22,000 civil servants (54 percent women and 46 percent men) received training in various aspects of public sector management for results, and a platform for sharing best practices was created.
- An internal control information system was designed and implemented between 2017 and 2018; with 100 percent of users trained, it is now operational in all 117 government entities.
- A new integrated tax administration system is now being deployed.

- Over 4,000 real estate assets have been mapped and valuated between March 2016 and December 2018.
- Two regional development plans have been prepared in consultation with local communities.

BANK GROUP CONTRIBUTION

The World Bank, through the International Bank for Reconstruction and Development (IBRD), financed a loan of US$350 million to cover approximately half of the government's total program costs (US$713 million); the remainder was financed by the state authorities. Of the US$350 million loan, US$315 million supported government programs and US$35 million was used to provide technical assistance.

PARTNERS

To design and implement the project, the World Bank worked with the Secretaries of Planning, Education, Health, Rural Development, and the Environment and with other partners such as the Institute for Social and Economic Development (IPARDES), Institute for Water (IAT), Rural Development Institute (IDR/EMATER), various territorial and municipal councils, and numerous local NGOs. Other partner institutions financed related activities and projects in Paraná, including the Inter-American Development Bank (IADB), Development Bank of Latin America (CAF), and the Brazilian Development Bank (BNDES).

Women of Paraná, Brasil, give birth healthier, Video still. World Bank

BENEFICIARIES

The state's population as a whole benefited from this project, but the main stakeholders included (i) employees at all government secretariats and agencies involved, since activities affected procedures, practices, and human resource policies; (ii) students in the final cycle of fundamental and secondary school and their parents; (iii) teachers, the staffs of teachers' unions and school administrations, since the project supported changes in schools; (iv) health sector professionals; (v) users of the public health system and people lacking adequate access to health services, particularly women; (vi) approximately 21,000 rural families living in the Central Region of Paraná, which the project reached through producer's organizations, as well as approximately 32,000 rural families in other areas of the state with major soil and water management issues; and (vii) private sector organizations subject to state environmental licensing procedures.

Geiselen Ferreira, a cleaning assistant in Paraná, is one the more than 180,000 women who have benefited from the project's investments in improved maternal care.

"In the beginning, I was very scared because I wanted so badly to become pregnant and then this high-risk pregnancy came. In my head, I thought that I wasn't going to be able to give birth," Geiselen said. *"There are people who think that if it's a public service, the attention/care will be worse, but there was no difference. I am grateful."*

MOVING FORWARD

A majority of the results achieved under the project are sustainable and fully supported under the state's own budget and resources going forward. The areas supported by the project remain a high priority for the government. Some questions remain to be resolved regarding the financial sustainability of the teacher training program and corresponding staff salary increases. The state government has requested support from IBRD for a follow-up operation, which would support continuing some results areas, notably in natural resources management, health sector management, and core public sector management.

CHILE

GDP

(billions)
US$ 282.31

GNI per capita

(atlas method)
US$ 15,010

Mitigating Climate Change in Chile’s Energy Sector using Carbon Pricing Instruments

Chile’s efforts to mitigate climate change include a newly designed and implemented monitoring, reporting, and verification framework and registry to track its carbon tax initiative. The effort has also helped deepen understanding of the impact of the carbon tax on the country’s energy matrix and emissions reductions and has shown how it can be enhanced by and completed with other carbon pricing instruments and/or related policies.

Population

18,952,038

Land

(sq. km)
756,700

IBRD/IDA lending commitments approved in FY20: 26 million

Active projects: 3

New and supplemental projects approved in FY20: 1

Portrait of a coal miner. Photo: Scott Wallace / World Bank

The Market Instruments for Climate Change Mitigation in Chile Project aimed to inform policy makers and stakeholders of the different potential scenarios involving carbon pricing instruments, including designs and options, associated implications, and potential impacts.

CHALLENGE

The Chilean energy sector is the country's main contributor to greenhouse gas emissions (GHG), accounting for 78 percent of the total. In 2014, the Chilean government passed legislation for a carbon tax. The tax affects fixed installations of boilers and turbines with a capacity larger than 50 megawatts, thus covering mainly the country's larger electricity generators; equivalent to US$5 for each ton emitted, the tax covers about 40 percent of the country's total GHG emissions. Although the carbon tax was implemented in January 2017, the government did not develop an implementation design.

APPROACH

The Market Instruments for Climate Change Mitigation in Chile Project aimed to inform policy makers and stakeholders of the different potential scenarios involving carbon pricing instruments, including designs and options, associated implications, and potential impacts. The project's objective was (i) to help the government of Chile design and implement a monitoring, reporting, and verification (MRV) system and registry for the energy sector; and (ii) to design and prepare one or more carbon pricing instruments. To this end, the project provided additional funds to Chile to help it assess the viability for the energy sector of an Emission Trading System (ETS) and other carbon pricing frameworks (including a carbon tax) and to assist in implementing a greenhouse gas MRV system and registry. Using a phased approach, the project aimed to support research and analysis as the government contemplated multiple approaches to carbon mitigation.

RESULTS

Active between September 2015 and August 2019, the project was the first operation under the Bank-managed Partnership for Market Readiness (PMR) initiative to successfully deliver on its goals. Specifically, the project helped to support improvements in the following key outcomes:

- The formation of a carbon-tax-specific MRV scheme and registry, currently in use by facilities affected by the carbon tax.
- The development of the preliminary version of a Climate Policy Modelling and Simulation Tool to help identify the economic and environmental impacts of policies related to climate change and to assist decision makers by providing recommendations for the development of a cost-efficient climate policy mix.
- The design and preliminary implementation of a Mitigation Actions Certification Program and Registry for robust accounting regarding emission reductions from energy-related mitigation actions to help support Chile in achieving its Nationally Determined Contribution.
- A pilot in ten public utilities using blockchain technology in certifying and verifying mitigation results.
- Development of a Mitigation Action Plan for the Energy Sector, including a list of the potential and costs of mitigation actions taken.
- More than 25 knowledge and dissemination activities, including workshops, training events, and in-country visits, helping to create capacities around carbon pricing instruments in key stakeholders in the public, private, and NGO sectors.

BANK GROUP CONTRIBUTION

This project was financed with a grant of US$4.98 million from the Bank-administered Partnership for Market Readiness (PMR) Multi-Donor Trust Fund. The PMR initiative was created by the World Bank in 2010 as a forum for innovation, collective work, and capacity building to expand and strengthen action on climate change. The fund provides grants aimed at supporting countries in preparing and implementing climate change mitigation policies, including carbon pricing instruments, to scale up GHG mitigation. The PMR also serves as a platform for bringing together more than 30 countries, international organizations, and technical experts to facilitate country-to-country exchanges and knowledge sharing.

PARTNERS

The project enhanced interactions between the Ministry of Energy and Ministry of the Environment, as well as their collaboration with other climate/clean energy partners and initiatives. These included the following:

- Carbon Pricing Leadership Coalition (CPLC). Following some awareness-raising activities support by the project, the Chilean Ministry of Energy joined the CPLC, a voluntary initiative that catalyzes action towards the successful implementation of carbon pricing around the world. The Minister of Energy assumed a leading role as co-chair of CPLC's High-Level Assembly for the 2019–2021 term.

- The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Global Carbon Market program. This program supported the first phase of the Climate Policy Modelling and Simulation Tool (which helps identify the economic and environmental impacts of climate change-related policies and assists decision makers by providing recommendations for developing a cost-efficient climate policy mix) and fostered collaboration on capacity building and outreach activities.

- The Swedish Energy Agency. This agency supports the Virtual Internationally Transferred Mitigation Outcomes (ITMO) pilot project, a continuation of the blockchain pilot started by the project.

- The Pacific Alliance. To support national commitments on climate change mitigation, the countries of the Alliance established a working group on MRV harmonization and are considering different carbon pricing instruments and exploring a future voluntary carbon market for the region. Thanks to its participation in this project, Chile has taken the lead under the Pacific Alliance, proposing several alternatives for collaboration based on expertise developed under this project.

- PMR Policy Analysis Work Program (PAWP). This Bank-executed activity supports upstream policy analysis to help expand the use of carbon pricing instruments.

Oil pumps, in southern Russia. Photo: Gennadiy Kolodkin / World Bank

BENEFICIARIES

As the lead ministry implementing the PMR in Chile, the Ministry of Energy (MoE) was the project's main beneficiary. The project also benefited other concerned ministries and government institutions and policy makers, including the Council of Ministers for Sustainability, the Ministry of the Environment, and the Ministry of Finance. Other direct beneficiaries included stakeholders involved in the analysis and subsequent preparation of the carbon pricing instruments and in implementing a MRV framework and registry, including operators of the potentially affected installations, industrial associations, GHG emission verifiers, carbon market consultants, and accreditation bodies.

Claudio Seeback, Executive President, Business Association of Chilean Electricity Generators, noted,

"The Partnership for Market Readiness initiative, managed by the World Bank, has been a space for dialogue and public-private-academic technical collaboration [and] has played a key role in building trust and helping achieve the ambitious climate objectives that Chile has at both the national and international levels."

MOVING FORWARD

Chile was the first PMR recipient country to successfully complete its activities. The PMR Assembly is satisfied with the project outcomes, and the Chilean government is now considering requesting support for continuing its engagement with the PMR successor, the Partnership for Market Implementation (PMI). The PMI is expected to become operational in early 2021 and to support approximately 30 countries and jurisdictions in developing and implementing carbon pricing instruments to meet their NDC targets and long-term decarbonization strategies.

Green Energy. Photo: Jutta Benzenberg / World Bank

COLOMBIA

GDP

(billions)
US$ 323.61

GNI per capita

(atlas method)
US$ 6,510

Increasing Livestock Productivity, Improving Natural Resource Management, and Enhancing Environmental Services in Colombia

Colombia has demonstrated that silvopastoral production systems (SPS) can contribute remarkable wins for both farmers and the environment. These innovative and sustainable systems, by converting degraded pastures into more productive environments, have (i) increased milk productivity and farm incomes; (ii) decreased costs of milk production; (iii) reduced carbon emissions; and (iv) contributed to biodiversity conservation, restoration of degraded lands, and climate resilience.

Population

50,339,443

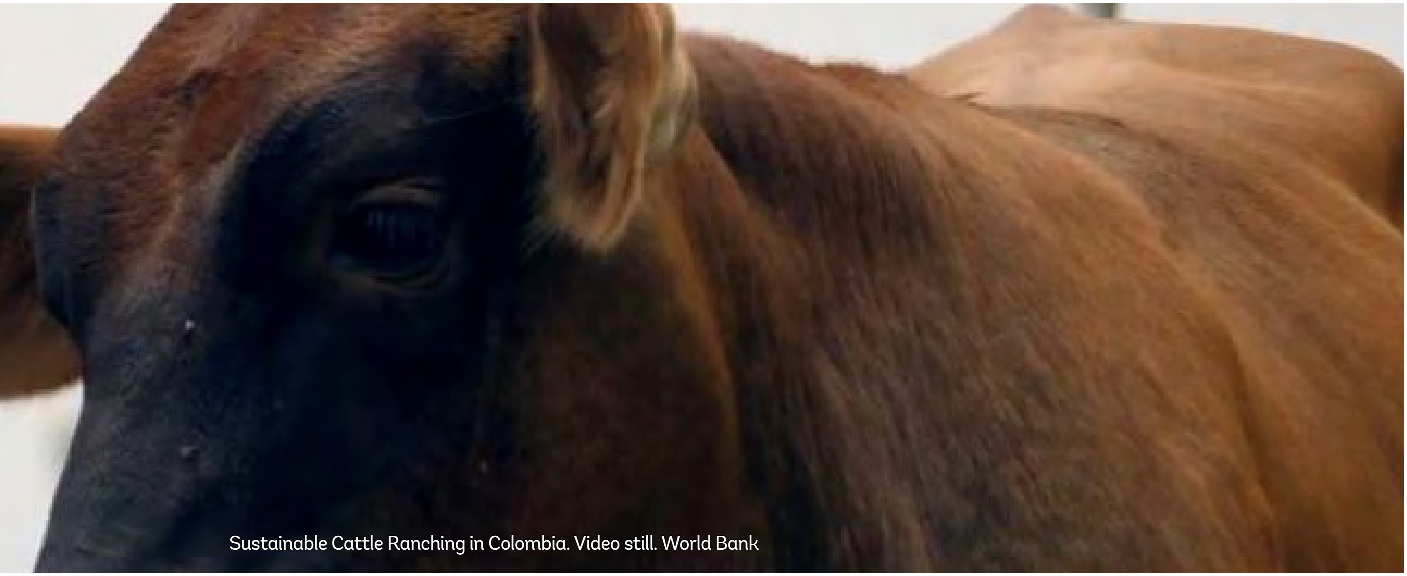
Land

(sq. km)
1,141,749

IBRD/IDA lending commitments approved in FY20: 1,250 million

Active projects: 15

New and supplemental projects approved in FY20: 3



Sustainable Cattle Ranching in Colombia. Video still. World Bank

CHALLENGE

In 2010, cattle ranching in Colombia occurred in a context of poverty, unequal income distribution and land ownership, illiteracy, and violence. Cattle ranching was considered a low-profit activity, highly vulnerable to climatic variation and with high environmental impact, including greenhouse gas (GHG) emissions, land degradation, soil erosion, water pollution, and loss of unique animal and plant species as pasture replaced highly biodiverse secondary Andean forest. About 80 percent of the country's total farmland was pasture, about 66 percent of which was degraded or unsuitable for grazing. The agricultural sector faced the challenges of boosting the sector's efficiency and competitiveness while generating mutual benefits for the environment and rural livelihoods.

Silvopastoral Production Systems (SPS) seemed to offer a promising solution, but they were not well known or widely used in Colombia. SPS approaches required technical knowledge, expertise, and significant investment. Much of the knowledge generated by SPS systems was localized to a small pilot that took place on 100 farms in the Quindío Department. Applying SPS approaches in other regions of Colombia required considerable innovation, experimentation, and knowledge generation.

Rows of trees and forage bushes divide paddocks at a farm implementing silvopastoral techniques in Colombia. Photo: Flore de Preneuf / World Bank

APPROACH

The objectives of the Colombia Mainstreaming Sustainable Cattle Ranching Project (CMSCR) were (i) to promote adoption of environmentally friendly SPS in the cattle ranching sector; (ii) to improve natural resource management; (iii) to enhance environmental service provision (biodiversity, land, carbon, and water); and (iv) to raise the productivity of participating farms. Three integrated activity streams supported these objectives. First, the project aimed to strengthen technical and operational capacity to support sustainable land-use transformation by generating new knowledge on sustainable cattle ranching production models; tailoring this information to diverse eco-regions; piloting and scaling up effective training and technical assistance (TA) programs; and providing services and inputs (e.g., seeds, trees). Second, the project piloted and validated incentives to support these desired transformations, initiating the first attempt in Colombia to use green finance in the agricultural and cattle ranching sectors by piloting the scale-up of a financial instrument newly developed by the Fund for Agricultural Financing (FINAGRO) to support adoption of intensive silvopastoral systems (iSPS). The project also supported tests of the viability of several schemes offering payment for environmental services (PES). Finally, the project strongly emphasized achieving results and disseminating experiences, knowledge, and lessons related to the impacts of sustainable land transformation.

About 80% of the country's total farmland was pasture, about 66% of which was degraded or unsuitable for grazing. The agricultural sector faced the challenges of boosting the sector's efficiency and competitiveness while generating mutual benefits for the environment and rural livelihoods.

RESULTS

Through the project, more than 24,000 ranchers, technicians, and professionals were trained in environmentally friendly ranching methods, GHG emissions were reduced by 1,565,026 tons of CO_2 equivalent, and a total of 100,522 hectares (ha) came under environmentally friendly cattle ranching production systems or land uses. A strategy for scaling up the impacts of SPS in Colombia will require further institutionalization of SPS innovations, anchored in stronger public-private partnerships, and in a clear policy-supportive framework. Recent policy developments in this field, along with government and donor commitments and increased private sector awareness, offer a promising basis for scaling up SPS approaches to achieve large-scale transformational impacts.

Over the project's implementation (2010 to 2020), the following results were achieved:

- A total of 100,522 ha is now managed under environmentally friendly cattle ranching production systems or land uses. Farmers adopting SPS and other best practices intensified cattle ranching while conserving and restoring land. A specially developed land-use typology uses nine types and 21 subtypes to track these efforts.

Angela speaks on a cellphone while her father Guillermo prepares fresh milk for transport. Photo credit: Flore de Preneuf / World Bank

- Land-use changes attributable to project interventions were analyzed at baseline for 3,383 cattle ranching farms with an area of influence of 127,308 ha, 15.5 percent of which was either degraded or used for traditional agriculture. This land was shifted to more sustainable use, mainly SPS and grasslands with dispersed trees; primary forests suffered no losses; and secondary forest conservation increased. Areas with live fences and wind breaks expanded 3.5-fold during the project period.

- Land use was converted to SPS and intensive silvopastoral systems (iSPS). Participating producers transformed 38,390 ha of pastureland to SPS, on average shifting 25 percent (in the highlands) to 29 percent (in the lowlands) of their farm area to SPS and iSPS. A specially designed TA strategy addressed varying production and environmental conditions to deliver a complete range of benefits according to local needs regarding production, biodiversity, ecosystem protection, climate resilience, and food diversification. The Lower Magdalena River Basin and Cesar Valley accounted for 65 percent of SPS conversions, predominantly use of dispersed trees in pasturelands as a natural regeneration strategy. In the coffee ecoregion, common forms of SPS included live fences and forage hedges to divide paddocks. The Orinoquia Region (Piedmonte) achieved the most significant reduction in degraded land. Focused technical assistance, combined with the PES2 carbon scheme and demonstration farms, expanded iSPS to 4,640 ha.

- PES schemes and GHG emissions controls were instituted. Short-term PES schemes for biodiversity (and later for carbon), combined with dedicated technical assistance, constituted the project's primary strategy to induce or drive sustainable land use changes to improve environmental services and natural resource management. Moreover, SPS adoption avoided deforestation and forest degradation and increased carbon sequestration at the farm level, reducing GHG emissions by 1,565,026 tons of CO_2 equivalent.

- The project's TA strategy reached 24,416 ranchers, technicians, and professionals, including 4,100 direct farmer beneficiaries (17 percent women) in five regions; 10,326 visitors to demonstration farms; and 9,990 technical professionals, farmers, and others who attended presentations, promotional events, workshops, forums, congresses, and technology brigades. Moreover, 691 professionals (including 377 project staff and external technicians) received specialized, intensive training on SPS structure, design, and initiation and on best practice technologies.

- Capacity was created to propagate and manage tree species, and important biodiversity was conserved and increased. The project supported a network of 116 plant nurseries (60 on cattle ranches and 56 private commercial nurseries) that produced around 3.1 million fodder trees that were delivered to beneficiary farmers and incorporated into live fences and dispersed in paddocks. More than 50 percent of the species planted contributed to environmental conservation and/or helped to restore connectivity in the project area. Biodiversity monitoring showed that plants and dung beetles increased, and bird populations increased by 32 percent: project areas registered 522 bird species and 230 beetle species. Silvopastoral systems were critical to the mobility of 65 percent of the species monitored.

- SPS significantly improved the physical condition of soils, as compared to degraded pasture soils receiving no land-use interventions. Essential to SPS is improved pasture management, which helps to reduce erosion. A dedicated study on a selected number of beneficiary farms showed that SPS in the coffee ecoregion led to mean erosion reduction of 35.3 percent as compared to degraded pasture soils: SPS soils experienced annual erosion of 12.3 tons per hectare (t/ha), whereas degraded soils lost 19 t/ha.

- Integrated water management technologies, such as water purification and harvesting systems, increased water quality and reduced vulnerability to water scarcity. Demonstration farms established aqueducts, and technical assistance demonstrated the technologies and practices.

- Integrated natural resource management technologies and practices were adopted, and SPS and iSPS were established and successfully promoted through demonstration farms and technical assistance. Fifty demonstration farms owned by trained producers showed the environmental, productive, and socioeconomic benefits of SPS, further building the producers' understanding of and commitment to a range of sustainable production arrangements, while also developing/including demonstrations adapted to different regional production systems and ecotypes. The technologies included restoration and conservation of fragile areas or habitats of environmental interest; use of biodigesters to decontaminate wastewater and as an alternative energy generator; and use of solar power for electric fencing and water pumping. Other positive effects shown were improved natural resource management to restore soils degraded by overgrazing, use of sustainable pest management, and reduced use of and spending on insecticides. Good pastureland management practices were implemented on 86 percent of beneficiary farms; 73 percent undertook watershed protection practices; 43 percent learned about and used organic compost to fertilize soil; and 33 percent established fodder reserves.

- Productivity increased. Production costs using SPS were US$127/ha lower on average than for traditional ranching systems; milk production on participating farms increased by 17 percent, and stocking rates reached 15 percent.

BANK GROUP CONTRIBUTION

This project was financed by two Bank-administered trust fund grants; one grant, totaling US$7 million, came from the Global Environment Facility (GEF), and the other, totaling US$20.7 million, came from the United Kingdom Department for Business, Energy and Industrial Strategy.

PARTNERS

The CMSCR project was implemented through a broad partnership/alliance among the World Bank, the Colombian Cattle Ranching Association, the Center for Research on Sustainable Agricultural Production Systems, The Nature Conservancy, and Fondo Acción, with government support provided through the Ministry of Agriculture and Rural Development and the Ministry of Environment and Sustainable Development. Participating cattle ranchers also contributed significant amounts of physical labor, time, fencing, and compost materials to the success of the landscape makeover. A broad set of alliances with public and private institutions was developed during implementation.

Good pastureland management practices were implemented on 86% of beneficiary farms; 73% undertook watershed protection practices; 43% learned about and used organic compost to fertilize soil; and 33% established fodder reserves.

BENEFICIARIES

The primary beneficiaries were small- and medium-sized cattle farms (ranches) located in five regions selected for their high biodiversity and proximity to strategic ecosystems and protected areas. The five regions were: (i) Cesar River Valley; (ii) the adjacent lower Magdalena River Basin region (in the western part of Atlántico Department); (iii) traditional dairy cattle production regions of Boyacá and Santander (linked to the Andean Oak Forest Corridor); (iv) the coffee production ecoregion; and (v) the low foothills of the eastern cordillera of southern Meta. Landowners with large holdings were allowed to participate when they could contribute to project outcomes related to key environmental services. At project close, survey responses from 345 beneficiaries demonstrated the project's success in promoting behavior change in livestock production systems — namely, the integration of environmental and production objectives.

"Before the project I did not know anything about SPS. Thanks to the project's technical assistance, I made changes in my farm."
Mercedes Murillo, San Martin, Meta (Cimarron Farm)

"Before the project, my farm was abandoned. Thanks to the project, I started to make changes and realized the economic benefits. Before, I was making 15 kilos of cheese, now I do 30 kilos."
Jose Romero, Valledupar, Cesar (El Arca Farm)

MOVING FORWARD

While the CMSCR project demonstrates the effectiveness of localized interventions in achieving transformational change, its scale-up in the sector will involve a set of coordinated efforts at different levels. The experience of the CMSCR project in promoting sustainable production in the cattle-ranching sector clearly highlights the relevance of strong public and private sector commitments and investments, along with the need for more effective collective action among producers to take better advantage of technical assistance and to meet the initial costs of establishing SPS. Scaling up the impact of SPS in Colombia will require flexible approaches that promote innovation, combine a range of financial and nonfinancial incentives, align on-farm and landscape focuses, and build capacity broadly.

Cows framed by branches of newly-planted Totumo trees. Totumo fruits have nutritious value for cows. Photo: Flore de Preneuf / World Bank

COLOMBIA

GDP

(billions)
US$ 323.61

GNI per capita

(atlas method)
US$ 6,510

Increasing Access to Tertiary Education for Colombia's Disadvantaged Youth

Colombia moved to finance student loans for underserved populations as a sound public policy. From 2012 to 2017, 400,000 students entered the Colombian tertiary education system, 124,000 students graduated, the proportion of students from disadvantaged backgrounds increased from 58 percent to 64 percent, and in 2017, 57 percent of beneficiaries were women. Rigorous evaluations demonstrated empirically that well-designed, demand-driven financing mechanisms can lead to significant positive development outcomes in education enrollment, equity, graduation, and quality, providing returns that are both personally life-changing and socially cost effective.

Population

50,339,443

Land

(sq. km)
1,141,749

IBRD/IDA lending commitments approved in FY20: 1,250 million

Active projects: 15

New and supplemental projects approved in FY20: 3

A computer class at San Jose, a rural secondary school in La Ceja del Tambo, Antioquia, Colombia. Photo: © Charlotte Kesl / World Bank

CHALLENGE

Colombia experienced a 40 percent growth in gross higher education rates between 2006 and 2012, adding over half a million new students and increasing the number of graduates by more than 50 percent. Yet, these numbers fell short of Colombia's aspirations, and education policy remained centered on expanding enrollment and graduation rates. In addition, a highly privatized and very unequal system for financing public education further exacerbated inequalities, noticeable particularly at the regional level as most quality institutions were in metropolitan areas. Public financing of higher education had a large demand-side component, with student aid and loan programs financed through the Instituto Colombiano de Crédito Educativo y Estudios Técnicos en el Exterior (Colombian Institute for Educational Credit and Technical Studies Abroad, ICETEX), the only provider of long-term student loans, especially for vulnerable populations.

Focus Group with Beneficiaries of ACCES loans. Photo: ICETEX

APPROACH

Since 2002, under the Access with Quality to Higher Education Project (ACCES), the Bank has helped ICETEX to meet Colombia's higher education challenges by financing Tu Eliges, long-term loans for students from disadvantaged backgrounds. The loans are allocated based on shifting priorities reflected in its allocation formula, which prioritizes student merit, socioeconomic status, region of origin, institution or program quality (primarily measured through accreditation status) and expected repayment ability. A zero percent credit line was the most notable innovation, as traditional ACCES loans only financed 50 to 75 percent of tuition costs; this new credit line allowed students with no additional resources to borrow 100 percent of the amount needed to pursue their studies. Another key innovation was the Fondo de Garantías (Fund of Guarantees), which allowed approved students to borrow even in the absence of a loan co-signer (required for ACCES loans). Together, these Tu Eliges innovations allow the very poorest, who often lack any family savings or collateral, to access higher education.

RESULTS

The ACCES Program has helped increase student enrollment, graduation, and equity in higher education in Colombia by increasing the number of student loans allocated to applicants from disadvantaged socioeconomic backgrounds attending quality higher education institutions and programs. Key outcomes include:

- The tertiary education system added 400,000 students, positively contributing to the gross enrollment rate, which rose from 42.4 percent to 52.4 percent between 2012 and 2017. The impact evaluation showed that ACCES decreased dropout rates by about 7 percent, increased academic performance among students at the margin, and improved by 20 percent the probability that beneficiary students would enroll.
- Under the program, 124,000 students graduated and graduation rates increased 2 percentage points between 2012 and 2017.

A zero percent credit line was the most notable innovation, as traditional ACCES loans only financed 50 to 75% of tuition costs; this new credit line allowed students with no additional resources to borrow 100% of the amount needed to pursue their studies.

- ACCES helped address equity by increasing the proportion of students from disadvantaged backgrounds attending higher education programs from 58.1 percent in 2012 to 64.4 percent in 2017.
- Of all ACCES beneficiaries enrolled in 2018, 83 percent — 16,882 individuals — attended high-quality universities or programs.

BANK GROUP CONTRIBUTION

The World Bank, through the International Bank for Reconstruction and Development (IBRD), provided a loan of US$200 million to contribute to the financing of this project.

Students in a technical education program supported by the World Bank in Antioquia, Colombia.
Photo: © Charlotte Kesl / World Bank

PARTNERS

In an effort to diversify its sources of funding, expand its ability to lend to students, and increase its long-term sustainability, ICETEX made significant strides in mobilizing private sector financing (US$246 million) to advance its objectives and those of the project. The government of Colombia also provided US$236 million in counterpart funding to finance the remainder of project costs.

BENEFICIARIES

A focus group of 22 beneficiaries attending a top private university in the municipality of Cali, 73 percent of whom were from disadvantaged backgrounds, was held in February 2019. All focus group participants noted that the program provided them with the financial resources they needed to access higher education. The majority (90 percent) of the group would recommend ACCES loans to others, rating them high for both ease of fulfilling requirements and low interest rates. In addition, for those eligible, a maintenance subsidy (one monthly minimum wage per semester) represented significant income that helped to cover their student living expenses.

MOVING FORWARD

Two new Bank-financed education operations with the Colombian government, the Access and Quality in Higher Education Project (PACES) of 2017 and its additional financing, effective since 2019, have added US$320 million to improve the quality of tertiary education in participating institutions and to increase the enrollment of students from disadvantaged socioeconomic backgrounds in quality programs. Closely aligned with the objectives of the ACCES Project, these new operations have continued the partnership with ICETEX and the focus on financing the demand with a focus on the most vulnerable and on high-quality institutions and programs.

COLOMBIA

GDP

(billions)
US$ 323.61

GNI per capita

(atlas method)
US$ 6,510

Supporting Colombia’s COVID-19 Crisis Response: Helping Colombia Maintain Health System Capacity, Vulnerable Household Incomes, and Firms’ Access to Finance

Like other countries worldwide, the Colombian government was suddenly faced with the COVID-19 pandemic, requiring immediate response on multiple fronts. Notably, Colombia’s social protection system expanded its coverage to three million new households by the end of 2020, and throughout that year it provided additional cash transfers to almost 4.5 million beneficiaries of existing programs. These and other mitigation measures are estimated to have kept approximately 632,000 people out of poverty, narrowing a crisis-induced increase in the headcount poverty rate.

Population

50,339,443

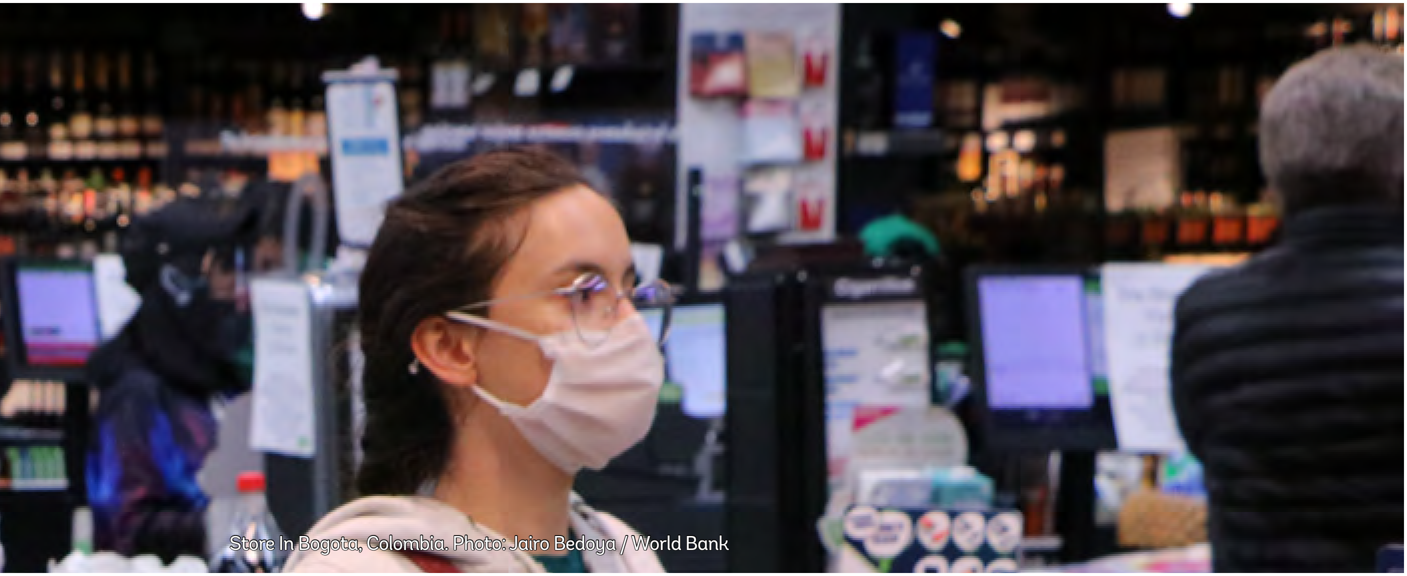
Land

(sq. km)
1,141,749

IBRD/IDA lending commitments approved in FY20: 1,250 million

Active projects: 15

New and supplemental projects approved in FY20: 3



Store In Bogota, Colombia. Photo: Jairo Bedoya / World Bank

CHALLENGE

The first case of COVID-19 in Colombia was identified on March 6, 2020. Recognizing that the virus spreads rapidly, the government moved on March 16 to manage the expected health crisis by imposing a national quarantine and lockdown. Activities in many sectors, including construction, transport, tourism, nonfood retail, and hospitality, came to a halt. An estimated 67 percent of the country's workforce (more than 15 million people) felt the economic effects, and many micro, small, and medium enterprises (MSMEs) had to close due to negative demand and financial shocks. At the time, the COVID-19 crisis was projected to cause the deepest recession in Colombia in more than a century. As it unfolded throughout 2020, at least 1.45 million people are estimated to have fallen into poverty, increasing poverty at least 3 percentage points and largely reversing the poverty reduction gains made in recent years.

Sanitary measures in public transport in Bogota, Colombia. Photo: Jairo Bedoya / World Bank

APPROACH

In response to the COVID-19 crisis, the Colombian government put in place a comprehensive set of public health measures to stop the spread of the disease and a sizable fiscal package to strengthen the health system's capacity to manage the pandemic and limit the economic and social fallout of the crisis. To further these ends, the COVID-19 Crisis Response Development Policy Financing (DPF) provided needed financial support to the government for measures to strengthen the capacity of the health system, provide income and nutrition support to poor and vulnerable households, and maintain liquidity and access to finance for firms through expedited tax devolutions, new guarantees, and credit lines. In addition, the World Bank provided technical assistance for a shift toward a more adaptive social protection system, including a strengthened social registry to more effectively identify vulnerable populations and the chronic poor and new or improved social assistance delivery systems that can be deployed rapidly to provide support in case of shocks.

RESULTS

Since its approval in June 2020, the COVID-19 Crisis Response DPF has supported improvements in several key outcomes:

- Project support allowed the government to anticipate transfers of approximately US$573 million (2.1 trillion Colombian pesos) to help guarantee the financial liquidity of the country's hospitals and clinics, enabling them to respond to the health emergency. Of these resources, about US$284 million (782.5 billion Colombian pesos) was transferred from the Administradora de los Recursos del Sistema General de Seguridad Social en Salud (ADRES, the agency that administers health

An estimated 67% of the country's workforce (more than 15 million people) felt the economic effects, and many MSMEs had to close due to negative demand and financial shocks. At the time, the COVID-19 crisis was projected to cause the deepest recession in Colombia in more than a century.

The government provided additional cash transfers to 2.6 million poor households, 296,000 young people, and 1.6 million poor elderly citizens. Moreover, the number of vulnerable households benefiting from social programs through Ingreso Solidario increased by 3 million.

system resources) to guarantee the continuity of medical services for patients with rare and costly diseases while simultaneously responding to contingencies arising from the COVID-19 crisis.

- The government provided additional cash transfers to 2.6 million poor households, 296,000 young people, and 1.6 million poor elderly citizens. Moreover, the number of vulnerable households benefiting from social programs through Ingreso Solidario increased by 3 million.
- Around 5.6 million minors received nutritional support at home as part of the adapted school feeding program.
- The National Guarantee Fund extended a Partial Credit Guarantee of Col$4.9 trillion (equivalent to about US$1.3 billion) of private sector credit to protect the working capital of small and medium-sized enterprises (MSMEs). Another Col$2.4 trillion (US$655 million equivalent) of private sector credit was extended to employers for salary payments, while an additional Col$3.9 trillion (US$1 billion equivalent) of private sector credit was extended to support the income of professional and independent workers.
- The government facilitated the extension of a new credit line worth Col$3.2 trillion (US$874 million equivalent) through Bancoldex (Colombia's development bank), Finagro (a fund supporting the agricultural sector), and Findeter (the Territorial Development Finance Bank), which helped greatly to support MSMEs' working capital and salary payments.
- The government decreed a process to accelerate tax devolutions, under which 19,673 requests for tax devolutions worth Col$7.9 trillion (US$2.16 billion equivalent) were settled.

BANK GROUP CONTRIBUTION

The World Bank, through the International Bank for Reconstruction and Development (IBRD), provided a loan in the amount of US$700 million to support Colombia's COVID-19 response efforts.

PARTNERS

Since the emergence of the COVID-19 crisis, the World Bank has further intensified its traditionally close dialogue and collaboration with development partners in Colombia. The loan was coordinated with parallel loan operations from the Inter-American Development Bank and CAF Development Bank of Latin America to support policy actions aligned with and complementary to those supported by this COVID-19 crisis DPF. Moreover, the World Bank team was in close dialogue with the French Agence Française de Développement (AFD) and the German Kreditgesellschaft für Wiederaufbau (KFW). In addition to financing, the World Bank also worked closely with all development partners, including the United Nations system, to provide analytical support to the Colombian government. One example is the ongoing collaboration on Pulso Empresarial, a survey of the private sector to gauge the impact of the COVID-19 crisis on firms.

Construction workers in Bogota, Colombia. Photo: Jairo Bedoya / World Bank

BENEFICIARIES

Colombia's population benefited from the project's support for the health system and for limiting the economic shortfall. The operation has contributed to the temporary expansion of the social protection system through Ingreso Solidario, additional transfers for existing programs, and the adaptation of preschool and school feeding programs. The mitigation measures supported by the operation are estimated to have kept around 632,000 people out of poverty, narrowing the crisis-induced increase in the headcount poverty rate by around 1.3 percentage points. In addition, the operation has supported the firms' maintenance of liquidity and access to finance. One of the beneficiaries of the Ingreso Solidario program, Heidy Barrera, said in an interview conducted by the government in April, "This money will allow me to buy food for my household."

Public transport during COVID-19 in Bogota, Colombia. Photo: Jairo Bedoya / World Bank

MOVING FORWARD

The program supported by the DPF has helped create a path toward an effective recovery as well as supporting a longer-term development agenda in some key areas. For example, preparation of the DPF was accompanied by the Bank's elaboration of a control panel through which mayors and governors can make more effective decisions on sector reactivation by considering the safest sectors and those with the greatest impact on the economy. In addition, the DPF has supported a change toward a more adaptable social protection system, and it has strengthened the social registry to more effectively identify the most vulnerable populations. With Bank assistance, progress has been made in the development of the SISBEN IV, a social policy instrument that registers individuals by socioeconomic condition, enabling targeted social spending using statistical and technical tools to identify and order population groups for the selection and allocation of subsidies and benefits from entities and programs.

n addition, the IBRD has provided a Program-for-Results project in the health sector and an Infrastructure Resilience DPF. Support from the International Finance Corporation (IFC) to help manage the COVID-19 crisis includes credit lines to existing global IFC clients under streamlined approval processes and facilities for clients in the financial sector to access short-term financing through trade guarantees and risk-sharing facilities. The Multilateral Investment Guarantee Agency (MIGA), complementing the IFC Trade Finance response, designed a COVID-19 fast-track response package focused on procuring urgently needed COVID-19 medical supplies/services, credit enhancement, and capital optimization programs. MIGA also supported Bancoldex, Colombia's development bank.

COLOMBIA

GDP
(billions)
US$ 323.61

GNI per capita
(atlas method)
US$ 6,510

Restoring a Long-Lost Relationship with Rio Bogotá: Improving Flood Resilience, Reducing Water Pollution, and Creating Multifunctional Areas

Since 2011, the Colombian government has worked to help the people living and working around Bogotá's metropolitan area to reshape their relationship with the main river running through the nation's capital. As of 2019, flood risk along the Rio Bogotá has been reduced for around 1.2 million people through infrastructure and nature-based solutions. In addition, 203 hectares have been transformed into multifunctional areas for flood protection, environmental conservation, and public use.

Population

50,339,443

Land

(sq. km)
1,141,749

IBRD/IDA lending commitments approved in FY20: 1,250 million

Active projects: 15

New and supplemental projects approved in FY20: 3

Bogota panoramic view. Photo: Isabelle Schaefer / World Bank

CHALLENGE

Rapid urban development of the Rio Bogotá basin began around 1950 and led to deteriorated water quality, devastated wetlands, and unsafe low-income neighborhoods in areas prone to flooding. By 2009, the city of Bogotá discharged all of its wastewater into the Bogotá River, and since only 20 percent of it received primary treatment, levels of water pollution were high. Because of degraded water quality, the total area of wetlands — an important ecosystem for flood prevention — decreased from 50,000 hectares in 1950 to only 1,000 in 2009. In 2010, severe rainfall caused by the La Niña phenomenon flooded the Sabana of Bogotá, damaging households, crops, and educational facilities. A 2004 Departmental Tribunal decision, upheld by the Supreme Court in 2014, called on the regional environmental authority, the Corporación Autónoma de Cundinamarca (CAR), to finance the expansion of the Salitre wastewater treatment plant to support the clean-up of the Bogotá River. In response, the CAR elaborated a program to recuperate the river by improving water quality, recovering the river's ecosystem, and reducing flood risk.

APPROACH

Since 2010, under the Rio Bogotá Environmental Restoration and Flood Control Project, the Bank has provided the CAR with comprehensive support and advice based on international experience to transform the Bogotá River into an environmental asset for the Colombian capital's metropolitan region. The project introduced innovative nature-based solutions to reduce flood risk along the river by identifying flood-prone areas, resettling inhabitants, creating multifunctional areas with native flora, and financing flood-control works that allow space for flooding without risk to people or infrastructure. The design of the upgraded and expanded Salitre wastewater treatment plant successfully incorporated circular economy standards that use wastewater treatment by-products for agriculture and energy generation. During the construction of the plant, the CAR adopted new environmental and social procedures, a comprehensive communication strategy, and a diversity and inclusion policy aimed at promoting the hiring of female staff at the construction site. When completed and put into operation in September 2021, the Salitre plant will be the largest wastewater treatment plant of its kind in Colombia.

Bogota river before development, Colombia. Photo: CAR

RESULTS

Between 2017 and 2020, the following key project outcomes were achieved:

- Flood control protection works were completed along 68.5 kilometers of the middle basin of the Bogotá River, benefiting 1.2 million people by reducing flood risk for a total of 175 hectares and improving river navigability.
- Urban and new housing has been completed, improving directly the livelihoods of 200 families in two of the poorest areas of the city. These families now live in more secure areas, with access to recreational parks and health and other basic services.
- Six multifunctional areas have been recovered along the Bogotá River with a total area of 203 hectares reserved to improve water quality and regulate discharge.

- Fifteen hectares of wetland habitat have been recovered, increasing the presence of native flora and fauna.
- An integrated water resources management master plan for the Rio Bogotá basin has been adopted and a platform based on hydraulic and hydrological modeling for the basin has been developed, supporting decision making between key actors.
- Biosolid Management Plan for Bogotá Distrito Capital has been completed, guiding resource recovery decisions for the Salitre wastewater treatment plant.
- A metropolitan park and water museum was developed for the area surrounding the Salitre wastewater treatment plant. Created with reused materials from the Salitre construction site and the first of its kind in Colombia, the park and museum benefit thousands of nearby citizens and help to increase awareness about the importance of environmental preservation and wastewater management.

BANK GROUP CONTRIBUTION

The World Bank, through the International Bank for Reconstruction and Development (IBRD), provided a loan in the amount of US$250 million to finance the Rio Bogotá Environmental Recuperation and Flood Control Project and support the CAR in transforming Bogotá River into an environmental asset for the Distrito Capital metropolitan region.

PARTNERS

The project enhanced the collaboration initiated in 2007 between the CAR and the Bogotá's Water Supply and Sanitation Utility (Empresa de Acueducto y Alcantarillado de Bogotá, EAAB). The transfer of the mandate of the Salitre wastewater treatment plant from the CAR to the EAAB required a strong partnership, which was improved by the participation of the World Bank. The sound collaboration between the two institutions allowed the elaboration of a transfer protocol to ensure the proper operation and maintenance of the Salitre wastewater treatment plant.

BENEFICIARIES

Left: The informal home of Ana Lucia Rodriguez prior to the resettlement to an area outside the Rio Bogota flood zone.
Right: Ana Lucia Rodriguez in the kitchen of her new home.

Ana Lucia Rodriguez and Alexander Macias used to live in the flood-prone El Porvenir, a neighborhood on the bank of the Bogotá River. They were both part of the resettlement of 105 families from informal housing to improved conditions outside the flood zone. Their lives have been changed for the better, as they now live in healthier, more stable conditions.

"I lived in a tin can house, and I have lived in there for 30 years. Now, thank God, they gave us this new little house. I'm happy with my house here."

Ana Lucia Rodriguez

"We lived on the bank of the Rio Bogotá in precarious health conditions and that aspect has changed a lot. The way we live changed when we moved here, thanks to the CAR, who supported us and collaborated with us."

Alexander Macias

Bogota river after Flood Control Works, Colombia. Photo: CAR

MOVING FORWARD

By September 2021, the expansion and extension of the Salitre wastewater treatment plant will be completed, increasing secondary treatment processing capacity from 4.0 cubic meters per second to 7.1 cubic meters per second and reducing by one-third the organic pollution being discharged into Bogotá's river.

The other two-thirds of wastewater discharged into the river will be treated by an additional planned wastewater treatment plant, Canoas. With the construction of this second project, nearly 100 percent of the wastewater being currently discharged into Bogotá's river will be treated.

A latent opportunity exists of using the by-products of the El Salitre wastewater treatment plant as inputs for different industrial processes. Under a circular economy approach, biosolids produced by the treatment plant digestors could be sold to the agriculture sector as fertilizer. Currently, the EAAB is developing a master plan to identify a market for biosolids from the wastewater treatment process. In addition, treated water may be reused by the agriculture sector for irrigation.

Progress of El Salitre Wastewater Treatment Plant. Photo: CAR

COSTA RICA

GDP

(billions)
US$ 61.80

GNI per capita

(atlas method)
US$ 11,700

Improving Higher Education Enrollment and Graduate Outcomes in Costa Rica

Costa Rica increased total tertiary enrollment by more than 20 percent and the number of graduates by 39 percent by enabling four public universities (University of Costa Rica, Costa Rica Institute of Technology, National University, and State University for Distance Education) to develop initiatives to strengthen innovation, scientific and technological development and the quality, equity, and program completion rates of students in university classrooms. More than 114,000 students from all regions of the country benefited from these initiatives, including the construction of 55 buildings with new laboratories, classrooms, libraries, student residences, and high-tech equipment. A total of 606 professors benefited from scholarships to conduct internships and master and doctoral studies.

Population	Land
 5,047,561	 (sq. km) 51,100

IBRD/IDA lending commitments approved in FY20: 532 million

Active projects: 5

New and supplemental projects approved in FY20: 3

Improving Higher Education in Costa Rica. Video still. CONARE

CHALLENGE

In 2011, Costa Rica's higher education system included five public universities. Four were well-established: Universidad de Costa Rica (UCR), Universidad Nacional (UNA), Instituto Tecnológico de Costa Rica (ITCR), and Universidad Estatal a Distancia (UNED), accounting for 47 percent of total enrollment. (The fifth public university, Universidad Técnica Nacional, was relatively new.) In addition, the nation had approximately 50 self-financed private universities and 60 other non-university higher education institutions. While the total enrollment rate in both public and private universities was high (more than 43 percent), most of the recent growth had been concentrated in the private universities. Physical infrastructure and human resource limitations had forced public universities to impose quotas, disproportionately constraining access to tertiary education for the poorest students. Scholarships for students in the form of financial aid or tuition waivers reached 42 percent of public university students. A further issue was the disconnect between priority subject areas and the schools' offerings: for example, only 16.7 percent of all university programs focused on basic sciences, engineering, and computing, and basic sciences and engineering accounted for less than 20 percent of graduates from public universities and 10 percent from private universities.

Improving Higher Education in Costa Rica. Video still. CONARE

Delivering on the Costa Rican government's national priorities for growth required addressing these enrollment constraints to ensure sufficient numbers of graduates in the areas of engineering, basic sciences, natural resources, food and agricultural science, arts, education, and health sciences.

The excessive proliferation of private universities raised concerns at the national level about the qualifications of graduates and led to the creation in 1999 of the National System for the Accreditation of Higher Education (Sistema Nacional de Acreditación de la Educación Superior, SINAES). SINAES required strengthening, however, to improve the quantity of accreditations and the quality of the evaluation process. As of 2014, SINAES had only accredited 47 public university programs.

APPROACH

The Costa Rica Higher Education Improvement Project was designed to build and strengthen human capital by fostering knowledge and incorporating science, technology, and innovation into public universities' priority areas to contribute to the construction of a more competitive, prosperous, inclusive, and sustainable Costa Rica. To this end, project resources were equally distributed to and applied among the four established public universities. (The relatively new Universidad Técnica Nacional did not participate in the program.) The project pursued the following aims: providing financial support to build university capacity for increasing admission rates; expanding quotas in careers requiring increased numbers of practitioners; strengthening overall scientific and technological capacity; expanding physical infrastructure, equipment, and teacher scholarships; and enhancing student services, including residences.

Most of the recent growth had been concentrated in the private universities. Physical infrastructure and human resource limitations had forced public universities to impose quotas, dispropor-tionately constraining access to tertiary education for the poorest students.

Total enrollment of students increased in the four universities by 20% or approximately 19,000 additional students, a 22% increase in the number of graduates from 88,107 to 106,884 and a 4% increase in the number of post-graduates, from 6,885 to 7,117, respectively.

The project also supported the design of an innovative mechanism, the Performance Agreement, which was included in the Financing Agreement between the government of Costa Rica and each of the four participating public universities. Performance Agreements' objectives were to improve access, coverage, quality, relevance, and innovation while fostering a better use of resources. Key to implementing and achieving these objectives were the five-year Institutional Improvement Agreements (AMI, Acuerdos de Mejoramiento Institucional) signed between the government and each of the four public universities. A first in Costa Rica, each AMI detailed the commitments of both parties regarding use of loan funds and corresponding duties; an attached Institutional Improvement Plan (PMI, Plan de Mejoramiento Institucional) articulated the institution's university-wide and subproject-specific strategic objectives.

RESULTS

The project supported the four public universities in carrying out crucial innovative investments, including building new facilities and laboratories in priority areas (notably engineering, medicine, and natural sciences, among others), completion of graduate programs (Master's and PhD degrees) for professors, and improvements in the universities' management and information systems. Some key results achieved during the project's implementation (2014–2019) include the following:

- Total enrollment of undergraduate and post-graduate students increased in the four universities by 20 percent or approximately 19,000 additional students (a 22 percent increase in the number of graduates from 88,107 to 106,884 and a 4 percent increase in the number of post-graduates, from 6,885 to 7,117, respectively).

- The number of accredited majors increased from 47 in 2014 to 140 in 2019.
- Funded space and equipment of specialized laboratories improved the qualifications of four faculty members, and 606 professors benefited from scholarships to conduct internships and master and doctoral studies.
- Implementation and monitoring of the AMIs between the government and each of the four participating public universities assessed 18 key indicators on a yearly basis. This continuous evaluation has allowed the public universities to address access, quality, and relevance concerns, thereby improving outcomes and strengthening institutional management of Costa Rica's universities.
- Positive impacts on equity in public higher education included increases in first-year enrollments and enrollments of Indigenous students. From 2014 to 2016, the number of Indigenous students taking the admissions exam increased from 468 to 962; those taking the exam increased from 336 to 674; and those achieving scores making them eligible for admittance increased from 107 to 221 students—more than doubling the numbers in each category in only two years. Total enrollment of Indigenous students in all four universities increased from 634 in 2014 to 792 in 2019, indicating that the Indigenous People Plan's (IPP) actions to promote success and continued enrollment were effective.

Industrial processes and medical physics, and bioprocesses new Buildings, Heredia, Costa Rica. Video still. CONARE

- Additionally, UCR purchased a cyclotron, a sophisticated piece of medical equipment used for cancer treatment, which led to a pending agreement with the Costa Rican Social Security Institute for its use in patients' treatments.

BANK GROUP CONTRIBUTION

The World Bank, through the International Bank for Reconstruction and Development (IBRD), provided a loan of US$200 million for the project. The Bank also provided just-in-time support by helping the universities address issues expeditiously, bringing in specialized assistance and working closely with the client to facilitate processes and identify solutions.

School of Chemistry, Environmental Engineering, Costa Rica. Video still. CONARE

PARTNERS

CONARE, the National Council of Education (for public universities) fully financed the US$17.31 million costs for Component 2 (Strengthening Institutional Capacity for Quality Enhancement), which aimed to promote the development of strategic activities with a system-wide scope to support the achievement of the objectives of Component 1. This included financing (i) activities to strengthen SINAES to consolidate Costa Rica's higher education quality assurance system; (ii) the development and consolidation of a Labor Market Observatory and a common information system; and (iii) project coordination and monitoring and evaluation, including the institutional arrangements needed for implementation through the Project Coordinating Unit, the Monitoring and Evaluation Committee, and the external audit.

BENEFICIARIES

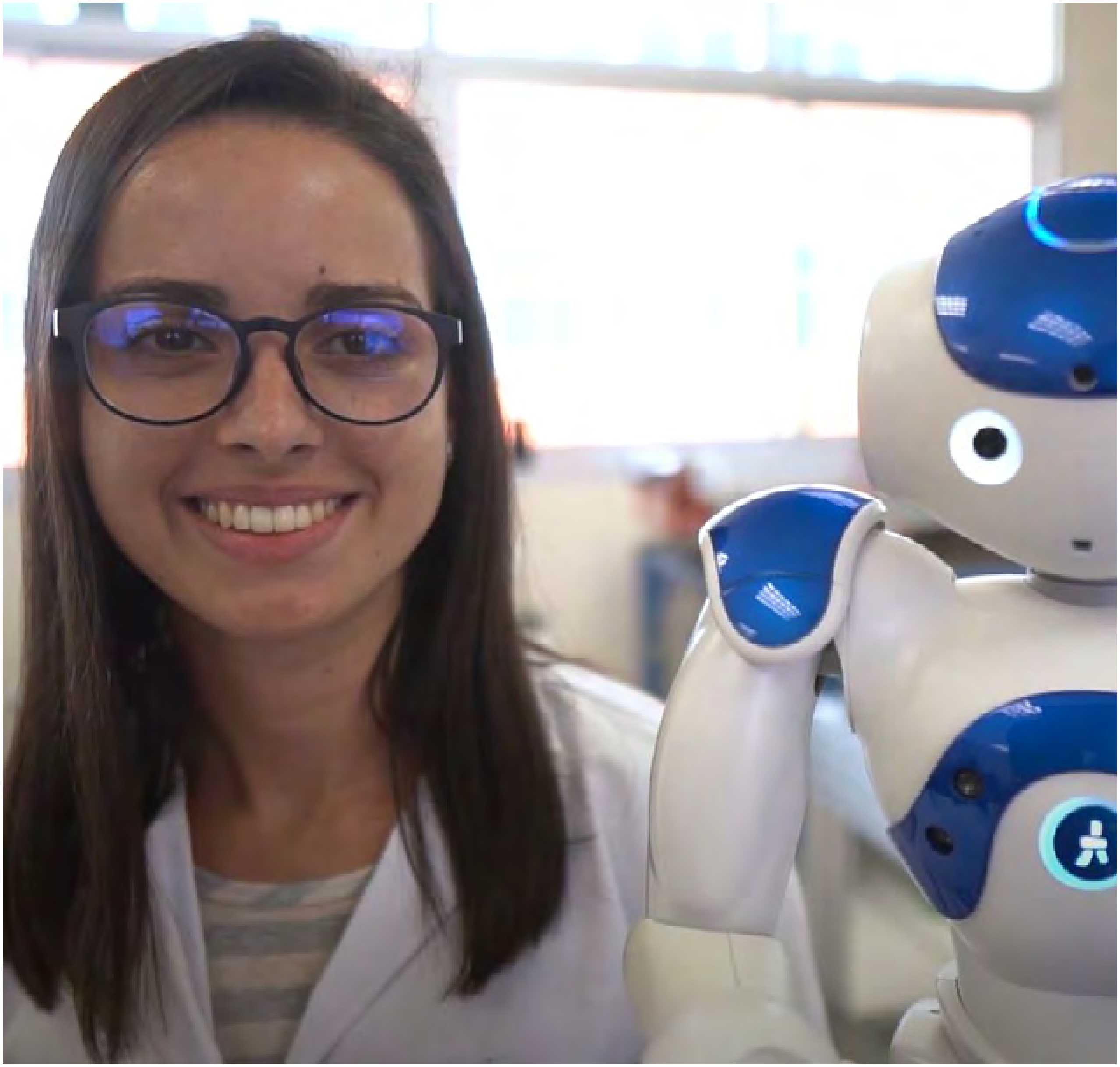
The main project beneficiaries are (i) 114,000 students enrolled and aspiring to attend the four CONARE universities; (ii) students who graduated from 140 accredited programs and who now benefit from higher productivity and increased earnings as a result of their improved education quality; (iii) higher education institutions that benefited from increased program quality, improved managerial and planning capacity, and/or a larger number of accredited programs; (iv) 792 Indigenous students who benefited from higher access to, retention in, and graduation from their universities and from ongoing institutional support; and (v) firms, institutions, and society in general, all of which benefited from a higher number of graduates with sought-after skills in in-demand subject areas.

Eduardo Sibaja Arias, Director for the Higher Education Planning Office at CONARE, remarked, "I express on behalf of the state university system, my gratitude to the Government of the Republic and the World Bank for their support, as well as special recognition to the staff of public universities who were part of the negotiation and execution processes of this visionary project.... [Their work] was key in achieving the goals of this project, which represents the strengthening of the State University Education System and contributes to the construction of a more competitive, prosperous, stable, inclusive, and environmentally sustainable nation."

TEC University residence building, Costa Rica. Video still. CONARE

MOVING FORWARD

Beyond its direct investments and results, the project has promoted a culture of continuous improvement at the universities. All participating universities have prepared sustainability plans, approved by the respective university rectors, for ensuring the continuation of project-supported investments and processes, including maintenance. The universities' relevance is ensured, based on well-designed initiatives that in most cases involve cutting-edge technology, an increased number of faculty with higher, post-graduate degrees, new facilities, and upgraded and more market-relevant programs. However, going forward, the public universities face a critical challenge in terms of improving spending efficiency, particularly in relation to curtailing already high costs of faculty salaries. At the same time, universities are exploring alternatives for increasing income from research activities, service provision, and other initiatives.



Autonomous Robots and Control Systems (ARCS) Lab. Costa Rica. Video still. CONARE

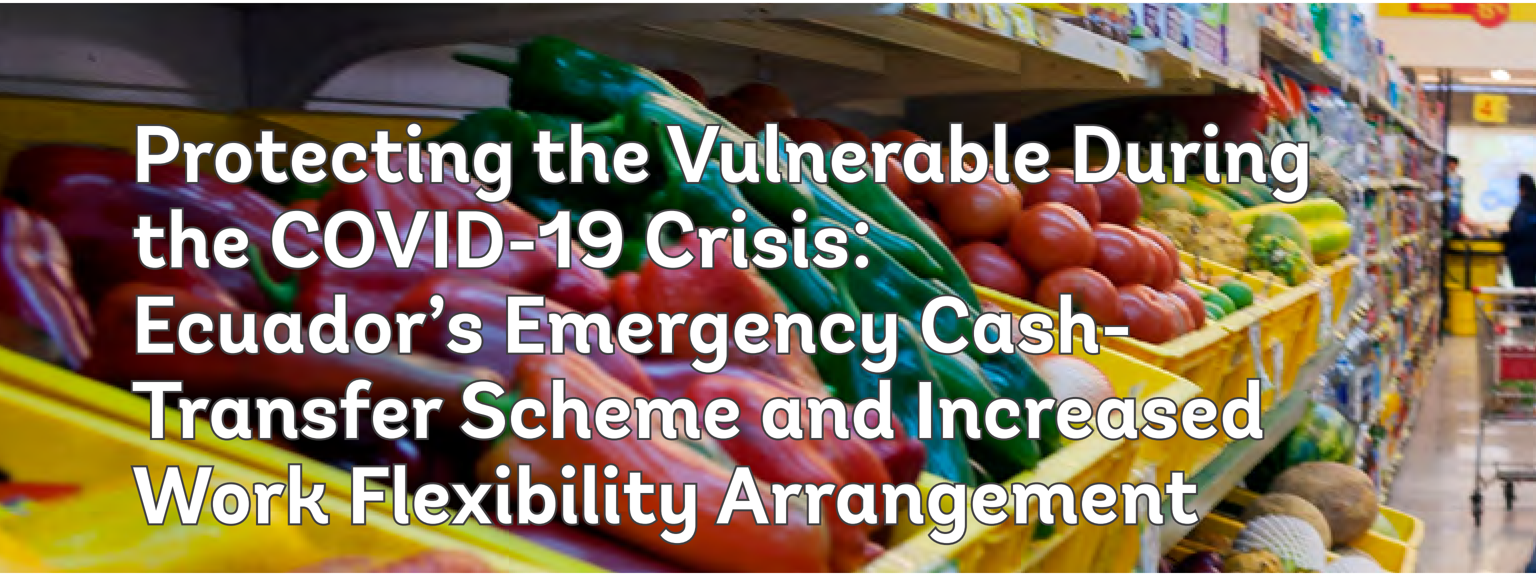
ECUADOR

GDP

(billions)
US$ 107.43

GNI per capita

(atlas method)
US$ 6,090



Protecting the Vulnerable During the COVID-19 Crisis: Ecuador's Emergency Cash-Transfer Scheme and Increased Work Flexibility Arrangement

In response to the crisis created by COVID-19, Ecuador took action to protect vulnerable segments of its population from the impacts of the pandemic by using well-targeted social programs with the potential to reach up to one million households. Additional actions addressed the need for more flexible labor regulations; additional fiscal space to create spending priorities; and expressions of solidarity toward the migrant population, composed mainly of newly arrived Venezuelans.

Population	Land
17,373,662	(sq. km) 256,370

IBRD/IDA lending commitments approved in FY20: 520 million

Active projects: 12

New and supplemental projects approved in FY20: 2

Supermarket in Quito, Ecuador. Photo: Paul Salazar / World Bank

CHALLENGE

In early 2020, the COVID-19 pandemic erupted, affecting the entire world. In Ecuador, the impacts of the COVID-19 crisis were expected to be particularly severe on poor and vulnerable households. This effect did indeed materialize, with an estimated 1.5 million residents pushed into poverty and worsening conditions for those who were already poor. The vulnerable included a large Venezuelan migrant population that had arrived in Ecuador in recent years.

Ecuador's rigid labor market regulations had already contributed to an increase in the share of informal workers since 2014. Such rigidities included high firing costs, limited work modalities, and rigid working hours, which left little room for firms to adjust to economic shocks like the COVID-19 crisis. When formal workers lost their jobs, they faced long wait times and cumbersome processes to access unemployment benefits, which were available only for a relatively short period of time. Finally, the country's weakened fiscal position and limited access to external financing constrained the government's ability to respond to the crisis.

Intensive care unit COVID-19 patient, Ecuador. Photo: Paul Salazar / World Bank

APPROACH

The World Bank had been working with Ecuador in a development policy financing (DPF) series to support the government's structural reform program for strengthening its fiscal position and promoting sustainable growth. The first development policy loan (DPL) in this series was approved in June 2019. The COVID-19 crisis erupted during the preparation of the second operation. The DPF series was quickly restructured to support Ecuador's response to the emergency, while preserving the bulk of the medium-term reform agenda, such as reductions in energy subsidies, which will be even more critical to Ecuador's economy during the post-crisis recovery. Adding flexibility and expanding social protection was critical to help ensure the survival of productive firms and formal jobs. In this context, the second DPL supported these efforts: (i) creation of an emergency cash transfer scheme for vulnerable households not covered by existing social assistance programs; (ii) regulation of telework and flexibility in work arrangements to allow for emergency adjustments or suspension of work shifts while maintaining the employment link; and (iii) extension of amnesty to and facilitated regularization of irregular migrants.

RESULTS

To meet the challenges of the COVID-19 pandemic, Ecuador worked with the World Bank to create fiscal space, increase labor flexibility, and protect migrants. Efforts made throughout 2020 included:

- Protecting the vulnerable and poor by expanding emergency transfers, including to those covered by social assistance programs. The first phase of the emergency transfer program delivered two monthly installments of $60 to 400,000 vulnerable households not already benefiting from existing social assistance programs. This was expanded to an additional 422,000 beneficiaries with a $120 one-time payment between May and June 2020.

- Increasing flexibility in work arrangements by reducing the average time needed to access unemployment benefits from 60 days in 2019 to 6 days during the crisis.

- Creating fiscal space for crisis response through increased withholding of income taxes for large corporations in resilient segments while deferring payments from firms in the most affected segments.

The first phase of the program delivered two monthly installments of $60 to 400,000 vulnerable households not already benefiting from existing social assistance programs. This was expanded to an additional 422,000 beneficiaries with a $120 one-time payment between May and June 2020.

- Reducing the costs associated with purchased medical equipment by eliminating import tariffs and restrictions applied to these goods during the COVID-19 emergency.
- Creating a Migratory Registry, based on the information from the Migratory Census, to ensure public services are effectively provided to Venezuelan migrants and refugees. The Migration Registry now covers 165,761 Venezuelan migrants.
- Increasing access to financing by promoting digital banking, including by remote uptake of basic accounts via mobile phones. Basic accounts are a critical entry point into the formal financial sector and were designed to meet the basic payment and savings needs of underserved consumers. Positive impacts on equity in public higher education included increases in first-year enrollments and enrollments of Indigenous students. From 2014 to 2016, the number of Indigenous students taking the admissions exam increased from 468 to 962; those taking the exam increased from 336 to 674; and those achieving scores making them eligible for admittance increased from 107 to 221 students—more than doubling the numbers in each category in only two years. Total enrollment of Indigenous students in all four universities increased from 634 in 2014 to 792 in 2019, indicating that the Indigenous People Plan's (IPP) actions to promote success and continued enrollment were effective.

BANK GROUP CONTRIBUTION

The World Bank, through the International Bank for Reconstruction and Development (IBRD), provided a loan of US$500 million to finance the first DPL. In May 2020, the Bank approved a loan of US$500 million to finance the second DPL, as well as an additional US$6 million in concessional contributions on a nonreimbursable (grant) basis under the Global Concessional Financing Facility (GCFF). Donors to the GCFF include Canada, Denmark, the European Union, Germany, Japan, Netherlands, Norway, Sweden, the United Kingdom, and the United States.

PARTNERS

The design of both DPF operations involved strong cooperation between the World Bank, the other multilateral banks, and the International Monetary Fund (the IMF Board approved a $6.5 billion program in September 2020). Further, the team worked closely with the government of Ecuador and benefited from the coordination efforts of the Ministry of Economy and Finance. The Bank also played a role in leveraging funds through the GCFF, as mentioned above, which was set up to support middle-income countries hosting large numbers of refugees, such as the Venezuelan migration to Ecuador.

Lunches distribution to the homeless and needy in Quito, Ecuador. Photo: Paul Salazar / World Bank

Free transport for health workers and first responders in Quito, Ecuador. Photo: Paul Salazar / World Bank

BENEFICIARIES

Beneficiaries include approximately one million poor and vulnerable households, which benefited from the expansion of the emergency cash program. The first DPL supported the Ministry of Economic and Social Inclusion with the program's first stage, which involved the delivery of two monthly installments of US$60 to 400,000 vulnerable households not currently participating in social assistance programs. The DPL series also benefited workers and entrepreneurs by removing barriers for private sector development, such as by strengthening the enforcement powers of the Competition Authority and improving the minimum-wage-setting process.

MOVING FORWARD

These operations were the first and second in a series of three DPLs. The emergency response approach continued under the third DPL, which was approved in November 2020 and disbursed in December 2020. This third operation will continue supporting measures to help alleviate the impact of the ongoing global COVID-19 pandemic on vulnerable households and those left unemployed, as well as special measures to protect vulnerable refugees. As in the first two operations in the series, the third DPL supports significant structural reforms that will contribute to longer-lasting, growth-enhancing change in Ecuador. Close collaboration between the Bank and the government of Ecuador will continue going forward.

San Roque market with biosafety standards. Quito, Ecuador. Photo: Paul Salazar / World Bank

HAITI

GDP (billions) US$ 14.33

GNI per capita (atlas method) US$ 1,330

Enhancing Haiti's Center and Artibonite Loop Region: All-Weather Roads for Connectivity, Logistics, and Resilience

Haiti supported the development of the Center and Artibonite Loop (CAL) region road network to enhance all-weather connectivity, improve access to markets for producers, and increase resilience to climate change. These road infrastructure improvements benefited about 123,000 people.

Population

11,263,077

Land

(sq. km)
27,750

IBRD/IDA lending commitments approved in FY20: 213 million

Active projects: 19

New and supplemental projects approved in FY20: 5

Haiti. Photo: Ministry of Public Works, Transportation, and Communication

CHALLENGE

In 2014, Haiti was still recovering from the considerable damage incurred from a series of natural disasters over the preceding decade, including Hurricane Jeanne in 2004; Hurricanes Fay, Gustav, Hanna, and Ike in 2008; and the devastating earthquake of January 2010. These natural disasters caused catastrophic damages due to the country's infrastructure vulnerability, high levels of environmental degradation, institutional fragility, and lack of adequate investment to build resilience. As a result, the Government of Haiti recognized the need to reduce the country's vulnerability to natural disasters and achieve spatial redistribution of growth across its national territory.

APPROACH

The Haiti Center and Artibonite Regional Development Project was designed to support this rebalancing process and is aligned with the "Haiti Tomorrow – Center-Artibonite Loop Territorial Strategy for Reconstruction," a report published in 2010 by the Comité Interministeriel d´Aménagement du Territoire (Interministerial Committee for Regional Planning, CIAT). The report framed a multisectoral vision for the development of the Center-Artibonite Loop (CAL) region, emphasizing road connectivity and territorial and human development.

Constructed culvert, Haiti. Photo: Unité Centrale d'Exécution MTPTCn

To help achieve this vision, the World Bank built on its long-standing nationwide support for Haiti's transport sector, which focused on critical spot improvements along the road network to ensure all-weather connectivity and on strengthening the country's road maintenance system to improve resilience and protect assets. The Bank financed improvements of four strategic road sections of the CAL, prioritized based on the Rural Access Index, which measures the proportion of the rural population who live within 2 km of an all-season road, and on potential synergies with infrastructure investments in the CAL region, including the rehabilitation of National Road 3 (NR3) between Cap Haïtien and Port-au-Prince and the construction of the University Hospital of Mirebalais. The Bank also financed spot improvements to the rural road network to allow all-weather connectivity from production sites to markets. Lastly, to ensure sustainability, the Bank supported the development and adoption of a regional road maintenance strategy and financed road maintenance training for local stakeholders.

RESULTS

From May 2014 to August 2020, the Bank supported the development of the Center and Artibonite Loop (CAL) region by financing the rehabilitation of 86 kilometers of rural and nonrural roads and the development of a regional road maintenance strategy, which was adopted by the government in 2017, and the provision of training to 284 people in basic rural road maintenance. The road works were carried out on road sections Hinche to Maissade, Saint Michel to Saint Raphael, Titanyen to Saut d'Eau, Dessalines to Saint Michel, and across the rural road network of Petite Rivière Bayonnais and Bas de Sault. Together, these outputs contributed to achieving key outcomes, despite a challenging context, including:

1. Enhanced all-weather connectivity to the CAL between key urban centers on the loop as well as within the loop, by increasing the share of rural population with access to an all-weather road from 39 to 44 percent.
2. Improved logistics for producers, increasing the number of producers and users served by an all-weather road accessing urban and rural markets by 123,500.
3. Increased resilience of the CAL region to climate change, reducing the share of roads classified as vulnerable to natural events and climate change impacts by 16 percent and by improving the sustainability of road investments.

BANK GROUP CONTRIBUTION

The World Bank, through the International Development Association (IDA), provided a grant in the amount of US$50 million to finance this project. Additionally, a US$8 million grant from the Climate Investment Fund's (CIF) Pilot Program for Climate Resilience was leveraged to co-finance the climate-proofing of CAL's road infrastructure. The CIF is a US$8 billion fund that accelerates climate action by empowering transformations in clean technology, energy access, climate resilience, and sustainable forests in developing and middle-income countries.

PARTNERS

The project was implemented by the Haiti Technical Execution Unit of the Ministry of Economy and Finance and by the Central Execution Unit of the Ministry of Public Works, Transportation, and Communication. Project implementation was supported by the Executive Secretariat of CIAT and by the Ministry of Agriculture, Natural Resources, and Rural Development. To ensure complementarities between projects in the CAL region, the project was prepared in collaboration with the agriculture, disaster risk management, and transport practices of the Bank and in coordination with key donors involved in the region, including the Inter-American Development Bank and the European Union.

BENEFICIARIES

Producers, investors, and organizations involved in agriculture and other sectors in the CAL region benefited from the rehabilitation and construction of markets. Additionally, inhabitants from 14 municipalities benefited from improved climate-resilient transportation infrastructure, including increased year-round access to markets, and from improved local governance including transparent and participatory decision-making mechanisms. Moreover, approximately 123,500 road network users transiting in-and-out or through the CAL region (especially between the capital and the North or the Dominican Republic), benefited from the Project-financed investments in all-weather road access, namely via improved transportation and connectivity.

A November 2020 survey of 131 people conducted in four markets affected by road improvements completed under the project found that 96 percent of respondents (including producers, transporters, merchants, and consumers) declared that the road works had positively impacted their activities. Road improvements were found to have increased the reliability and speed of the delivery of goods and supplies: 84 percent of respondents declared that supply regularity was enhanced, and 93 percent said their travel time was reduced due to road improvements. In addition, two-thirds of respondents noted that road improvements had led to enhanced product quality, and 61 percent of respondents experienced an overall increase in sales volume.

MOVING FORWARD

The Bank-financed Rural Accessibility and Resilience Project (RARP), approved in June 2020, continues the Bank's engagement in the CAL region and is expected to strengthen the outcomes of this project. The RARP finances the rehabilitation of 95 additional kilometers of roads that were designed, procured, or partly executed under the project to further enhance all-weather connectivity and resilience across the region. The RARP also finances the construction and rehabilitation of five regional and rural markets, thus further improving logistics for producers.

Resurfaced road, Haiti. Photo: Unité Centrale d'Exécution MTPTCn

HAITI

GDP

(billions)
US$ 14.33

GNI per capita

(atlas method)
US$ 1,330

Furthering Economic and Social Inclusion for People with Disabilities in Haiti

Haiti's State Secretary for Integration of Disabled People is supporting a productive inclusion and labor market activation program for people with disabilities and integrating them into the social registry to facilitate access to social assistance benefits. Results have been impressive, including the training of 127 disabled individuals, more than half of whom now pursue revenue generating activities, including nine who have created their own businesses and three who have established associations.

Population

11,263,077

Land

(sq. km)
27,750

IBRD/IDA lending commitments approved in FY20: 213 million

Active projects: 19

New and supplemental projects approved in FY20: 5

Market fair. Photo: BSEIPH, Les Cayes, 2020

Of the 280,000 people injured during the earthquake, 25% were severely injured and 7% incurred at least one permanent disability, including both physical disabilities, such as loss of a limb, as well as mental disabilities. The prevalence of disability was higher for women than for men and increased with age.

CHALLENGE

The 2010 earthquake caused nearly 10 percent of Haitian households to experience loss of, or injury to, a family member, increasing the number of persons with disabilities (PwDs) in the country. According to a 2012 study in the Port au Prince metropolitan area, disability, defined as some difficulty in at least two functional domains or serious difficulty or incapacity in one domain, now affects an estimated 4.1 percent of people aged five and over. The results of the 2012 household survey indicated that of the 280,000 people injured during the earthquake, one quarter were severely injured and 7 percent incurred at least one permanent disability, including both physical disabilities, such as loss of a limb, as well as mental disabilities. The prevalence of disability was higher for women than for men and increased with age. Around 16 percent of households had at least one member with disabilities.

In addition to the earthquake, the most commonly cited causes of disability were birth or congenital anomalies or noncommunicable diseases. These trends were confirmed in the 2016–2017 Demographic and Health Survey, which found 3 percent of the population over the age of five had a lot of difficulty in one domain; 1 percent were incapable of functioning in one domain; and 20 percent of the population over the age of 60 were considered disabled. Visual disability is the most prevalent form of disability, followed by cognitive disability.

PwDs in Haiti are likely to experience adverse socioeconomic outcomes, including unemployment, living in extreme poverty, and facing numerous barriers to entering the workplace. While unfortunately there are no reliable or representative estimates, a 2012 study conducted in the Port-au-Prince Metropolitan Area found households with PwDs to be larger than average, with a higher economic dependence ratio, and the share of PwDs active in labor market much lower than average (33 vs. 67%).

APPROACH

The Project entitled Promoting Inclusion of PwDs in Social Protection and Employment Programs aims to promote the inclusion of PwDs in social protection and employment programs in Haiti through: (i) registering PwDs in the social registry, commonly known as SIMAST (Systeme d'Information du Ministere des Affaires Sociales et du Travail, Information System of the Ministry of Social Affairs and Labor), to identify them for social benefits; (ii) promoting PwDs' access to the labor market through professional training and job placement services; and (iii) disseminating knowledge through outreach activities, including a communications campaign. SIMAST is a key tool for the government and its partners for designing social protection interventions as well as targeting beneficiaries.

Testing of the Surveys for PwDs. Photo: BSEIPH, Les Cayes, 2020

RESULTS

- In 2020, in collaboration with the Association for the Promotion of Education and Training Abroad (Association pour la Promotion de l'Education et de la Formation à l'Etranger), the Institut National de Formation Professionnelle provided 127 PwDs in the departments of the South and Southeast with vocational training, certificates, and kits containing tools to pursue gainful employment in the fields of cooking/baking, agricultural techniques, or motorcycle repair. The trainees are supported in their job searches by the project's implementing agency, the Office of the State Secretary for Integration of Disabled People in Haiti (BSEIPH, Bureau du Secrétaire d'État à l'Intégration des Personnes Handicapées). More than half (67) of graduates are now considered active workers (either as proprietors of their own businesses or as employees); nine micro enterprises and three associations have been created by the graduates; and discussions are ongoing to secure supplier contracts with local businesses, such as supermarkets. The fairs organized at the end of the training allowed PwDs to earn profits from the sale of their products.

- A communication campaign started in 2020 and is ongoing to engage the public and employers on the issue of labor market integration of PwDs through social media and the press.

- Workshops with employers from 40 firms and representatives of the Chamber of Commerce have been held to promote inclusion of PwDs in the labor force. A ceremony was organized in May 2020 to distribute equipment to 49 young PwDs recruited by the public administration. Hearing aids, adapted hardware and software, and walking aids helped equip these PwDs to start their new assignments.

- Data collection for a new SIMAST module is currently underway, in collaboration with the Coordination Nationale de la Securite Alimentaire (CNSA), relying on adapted methodology to survey persons with different types of disabilities. The data collected will allow households with PwDs to be added to the social registry, or for their information be updated to include PwDs. This methodology, based on the Washington Group on Disability Statistics, was tested and adjusted during a workshop with PwDs to ensure that the survey instrument was adequate.

Motorcycle repair training. Photo: BSEIPH, Les Cayes, 2020

BANK GROUP CONTRIBUTION

The World Bank, through the Japan Policy and Human Resources Development (PHRD) Trust Fund, provided a grant of US$2.29 million to the BSEIPH to finance this project. The same trust fund provided the World Bank with US$140,000 to supply technical assistance. The PHRD fund, financed by the Government of Japan, was the World Bank's first programmatic trust fund to help boost the skills, know-how, and expertise of government institutions in developing countries so they can better address their key development challenges.

PARTNERS

The World Bank has collaborated with Humanity and Inclusion (previously known as Handicap International) to leverage their expertise and inform the design of the training programs and of the survey methodology. The project is collaborating with CNSA to collect the necessary data and register Haiti's 50,000 PwDs in the social registry and with the Association for the Promotion of Education and Training Abroad to conduct the professional training.

Baking Training. Photo: BSEIPH, Les Cayes, 2020

BENEFICIARIES

127 PwDs - 63 women and 64 men - have received certificates acknowledging their completion of the training. One of these participants is Bruny.

Bruny lost an arm during the devastating earthquake of January 12, 2010. As the father of two boys, he relied on selling food purchased on the Haitian-Dominican border to ensure the livelihood of his family. With previous experience working in agriculture, Bruny seized the opportunity to participate in a training course on Agricultural Products Transformation offered by BSEIPH. This course taught participants how to process and increase the value of cultivated products, thus adding to their incomes to gradually become economically independent.

Following the training, Bruny partnered with another student, Benitho, to form Bruny Pwodwi Lakay, a small business turning cultivated bananas into papita chips. As of January 2021, thanks to the production, marketing, and sales of papitas, Bruny and Benitho earn about G5,000 (Haitian gourdes) in profit per week, representing a significant revenue source that allows them to take better care of their families. They have hired four additional workers to support the production and marketing of papitas in schools, churches, markets, etc. Building on this success, Bruny is now an agent for local development and offers training on agricultural product processing to twenty young individuals in his community. He and Benitho also plan to expand their business to produce guava jelly, papaya jam, and peanut butter. Today, thanks to this activity, Bruny and Benitho are filled with hope. Determined to build a better future, they dream of becoming leaders in their field in Haiti and are grateful for the support of the project.

MOVING FORWARD

Before the project closes in June 2021, further training and job fair opportunities will be organized, including in cellphone repair, web design, massage therapy, and sewing. The BSEIPH is looking for partners to continue offering the project's job placement and professional training services, which are in high demand.

Support to PwDs in Haiti will continue under the new Bank-financed Adaptive Social Protection for Increased Resilience (ASPIRE) project, financed with a $75 million grant from the Bank's International Development Association (IDA). This project will provide financing to establish the first safety net program run by the Ministry of Social Affairs and Labor, Klere Chimen, in Haiti. This project will provide much needed finance and technical support to establish safety nets in Haiti and will provide cash transfers to PwDs identified in SIMAST and through the PHRD grant.

MEXICO

GDP

(billions)
US$ 1,268.87

GNI per capita

(atlas method)
US$ 9,480

Expanding Financial Access for Mexico's Poor and Supporting Economic Sustainability

Financial access, a top priority for the Mexican government, has received further emphasis due to the COVID-19 economic fallout and relief and recovery efforts. Mexico's efforts to deepen financial inclusion and expand access to finance, a critical bottleneck for growth and poverty reduction, have started to show progress. Financial access for poor and rural populations, women, youth, and Small, and Medium Enterprises (SMEs), widened between 2016 and 2019 through programs extending 174,000 credits for productive purposes to 140,000 rural producers and Micro, Small, and Medium Enterprises (MSMEs), mainly in vulnerable areas of the country's southern region. Critical policy and institutional measures have helped ease firms' and individuals' financial sector access, particularly

Population	Land
127,575,529	(sq. km) 1,964,375

IBRD/IDA lending commitments approved in FY20: 1,230 million

Active projects: 12

New and supplemental projects approved in FY20: 3

Cotton producer in Mexicali, Mexico. Photo: Jessica Belmont / World Bank

among underserved groups like youth and women; fostered financial education; and enabled a digital finance ecosystem and payments, increasing innovation and competition in the industry, supporting COVID-19 recovery efforts, and strengthening economic sustainability.

CHALLENGE

Mexico lags in terms of financial inclusion. Only 37 percent of adults have accounts, and just 32 percent have made or received digital payments, both significantly below numbers in countries with similar levels of development. Moreover, an 8 percentage point gender gap in access has been measured. In 2019, credit to the private nonfinancial sector was just 42 percent of GDP, far below the 143 percent average for emerging markets worldwide. MSMEs provide 70 percent of the employment, but only around 11 percent use bank credit due to affordability and access issues. The financial access gaps by gender, region, and urban-rural setting are also significantly larger in Mexico than in the Latin America and Caribbean Region and OECD countries. The lack of credit in rural areas depresses rural economic activity, perpetuating economic inequality. According to the 2017 Findex, only 7 percent of adults in rural areas borrowed from a financial institution the preceding year, the same level as in 2014 and below the 10 percent LAC average and 19 percent for OECD countries; 90 percent of credit is given in urban areas, although more than 20 percent of the adult population lives in rural areas. The unequal access to credit also has a regional dimension, with the poorer states in the south being particularly underserved. The COVID-19 crisis has worsened this trend as Mexico has experienced supply and demand shocks to its economy that impact firms, employment, and households. In this context, implementing economic policies to improve the business environment and enable new job creation over the recovery period is critical.

Cotton farm in Mexicali, Mexico. Photo: Jessica Belmont / World Bank

APPROACH

As highlighted in the most recent Systematic Country Diagnostic for Mexico (2019), gaps in access, among other factors, have a significant impact on economic inequality of individuals and on productivity, growth, and employment of MSMEs in Mexico. For several years, the Mexican authorities' reform programs have aimed at deepening access to the financial sector for individuals and firms, reducing inequality in access, and promoting innovation and competition in the industry. Increased access to financial services can lead to a significant increase in income, particularly among low-income individuals and those in areas with lower preexisting bank penetration. In the context of COVID-19, the authorities are implementing reforms to support a more resilient and sustainable economic recovery over the medium term. For its part, to support Mexico's development and recovery efforts, the Bank has supported projects including Mexico Strengthening Economic Sustainability DPF, COVID-19 Financial Access DPF, Mexico Financial Inclusion DPF, and the Expanding Rural Finance Project. These have enabled a wider reach and more efficient operation of the digital finance ecosystem and payments while expanding digital finance and bridging access gaps among population groups and MSMEs. In particular, Bank lending has supported Mexico's legal and institutional framework for Fintech, the first of its kind worldwide, which provides an opportunity to expand financial services access through innovation and to increase competition.

MSMEs provide 70% of the employment, but only around 11% use bank credit due to affordability and access issues. The financial access gaps by gender, region, and urban-rural setting are also significantly larger in Mexico than in the Latin America and Caribbean Region and OECD countries.

RESULTS

- Expanding Rural Finance Project (2016–2020). A total of 192 participating financial intermediaries (PFIs) provided 174,000 credits to 140,000 rural producers and MSMEs with an average loan size of US$1,850; 81 percent of credit recipients are women (project target was 60 percent).
    - Seventeen percent of credit recipients are in communities classified as marginalized or highly marginalized by the National Council for Population (CONAPO) (project target was 15 percent), 40 percent in towns with less than 15,000 inhabitants, and more than 50 percent in towns with an indigenous population. In addition, 76 percent of subloans were provided in the southern states with the highest levels of poverty in Mexico. Twelve percent of credit recipients are first-time borrowers from formal financial institutions.
    - The number of loans and number of final beneficiaries exceed the original target of the project because more microfinance institutions were included as PFIs than anticipated. About 80 percent of about 141,000 subloans were microcredit (less than US$1,000), with an average loan size of US$294.
    - During the last months of project implementation, it is estimated that Mexico's rural development agency, using its own resources, has provided about US$200 million in more than 100,000 subloans to about 80,000 local producers in rural areas that comply with project eligibility criteria. As a result, about US$500 million were channeled by the agency through PFIs in rural areas during the life of the project.

- Financial Inclusion DPF (2019). The Bank supported a comprehensive legal and regulatory framework for Fintech in Mexico that enables the authorization, operation, and supervision of Fintech institutions, (Instituciones de Tecnología Financiera, ITFs), focusing on two particular types: crowdfunding institutions (IFC) and electronic payment funds institutions (IFPE).
    - Mexico's legal and institutional framework for Fintech, the first of its kind worldwide, is expected to provide an opportunity to expand financial services access through innovation. As of January 2021, 93 requests for authorization to operate as ITFs are in progress: 59 requests to operate as IFPEs, and 34 requests from IFCs; 69 of these companies are already operating in accordance with the transitory provisions of the Eighth Transitory Provision of the Fintech Law.

Maria Morales, toles craftswoman in Chiapas, Mexico. Photo: Jessica Belmont / World Bank

- COVID-19 Financial Access DPF (2020). This DPF supported measures to enable a wider reach and more efficient operation of the digital finance ecosystem and payments while expanding digital finance and bridging access gaps among population groups and MSMEs to support the recovery. Moreover, the project supported policy reforms to contribute to the construction of a robust and unique identification system for millions of citizens. Results include:
    - Enactment of a law allowing people 15 to 17 years of age to open and manage bank accounts under their own names, critical to the ability to receive social payments, is expected to lead to a significant share of youth being financially included for the first time. The number of minors opening their own bank accounts is expected to increase from a baseline of zero in March 2020 to a target of 1.2 million by December 2021.

    - The reform to the Credit Institutions Law supported the government's efforts to promote financial inclusion and literacy among women, as well as to increase women's access to productive financing. It is expected that the percentage of women among beneficiaries of state development banks' financial access programs will increase from 46 percent in March 2019 to 60 percent by December 2021.
    - The adoption of bilateral agreements with civil registries in all 32 states of the country serves as an instrument to achieve nationwide common rules addressing biometric data collection, interoperability, efficiency, and the institutional capacity of the national identification registry. It is expected that by December 2021 the civil registry offices of 25 states, covering over 65 percent of the population, will have rolled out the ID service to record vital events in a standardized manner, compared to 6 states covering 18 percent of the population in March 2020.

- Mexico Strengthening Economic Sustainability DPF (approved January 2021). The DPF aims to reinforce the government's program to facilitate economic resilience and strengthen fiscal and environmental sustainability. The reforms supported include establishing climate change budget allocations tagging that, through enhanced prioritization and accountability, can significantly affect this critical challenge over the medium and long terms.
    - These reforms include establishing a new framework and institutional process to issue Sustainable Development Goal (SDG) Sovereign Bonds, with proceeds linked to sustainable expenditures to help fulfill the most pressing SDGs.
    - Mexico has established an innovative framework and an institutional process for issuing SDG sovereign bonds in international markets, a first in Latin America. Under this institutional setting, the SDG sovereign bond proceeds must be linked to eligible expenditures set out in the federal budget that include green, resilient, and sustainable social projects.
    - The first issuance, a seven-year SDG Bond for a total value of US$890 million, inaugurated Mexico's sustainable financing program and placed the country at the forefront of innovation in sustainable financing instruments. The transaction reached a demand of US$5.6 billion, equivalent to 6.4 times the allocated amount, and 267 global investment firms participated in the operation.

Maria Dominguez, ambar jewelry craftswoman in Chiapas, Mexico. Photo: Jessica Belmont / World Bank

BANK GROUP CONTRIBUTION

The World Bank program aligns fully with the Country Partnership Framework (2020–2025), based on the findings of the 2016 Financial Sector Assessment Program (FSAP), tackling some of the key recommendations for developing a more inclusive and competitive financial sector in Mexico. The DPFs are also supported by technical work developed under the thematic Programmatic Approach (PA) for Mexico, the Financial Inclusion Global Initiative technical assistance program (FIGI) funded by the Bill and Melinda Gates Foundation, and other analytical work. The operations also benefited from technical assistance from the International Finance Corporation (IFC), in particular on reducing business regulation and improving access to credit for SMEs. The IFC has an important portfolio with financial intermediaries to support credit to SMEs, and it works with the Bank on the Fintech policy agenda. Moreover, the program, aligned with the WBG Maximizing Finance for Development (MFD) approach, encourages sustainable private sector financing for productive activities and improved financial inclusion. The most recent DPF, in response to the challenges brought by the COVID-19 pandemic, also supports upstream policies to make IFC support to commercial banks and Fintechs more effective. The DPF supports actions with short-term relief aspects, but it also lays out critical actions to support solid economic recovery and growth.

PARTNERS

The World Bank has further intensified its traditionally close dialogue and collaboration with development partners in Mexico in the wake of the COVID-19 pandemic. The loan programs complement efforts of the Inter-American Development Bank (IDB), the Development Bank of Latin America (CAF), and several bilateral development partners across issues. Together with the Foreign, Commonwealth & Development Office of the United Kingdom (FCDO), the World Bank supports reforms to reduce regulatory costs for firms and to foster more competition at the subnational level, and technical assistance on open banking and regulatory sandboxes contributes in the Fintech arena. Finally, together with the French Development Agency (AFD), the World Bank supports Mexico's efforts on climate change and green finance. The Bank exchanges views and information and collaborates very closely with the International Monetary Fund (IMF) on macroeconomic and structural issues.

Espiridion de los Santos, mango producer in Oaxaca, Mexico. Photo: Jessica Belmont / World Bank

BENEFICIARIES

The beneficiaries of the Bank's support for expanding financial access include women, youth, indigenous populations, and people living in marginalized and underserved areas of Mexico. Approximately 140,000 MSMEs received 174,000 credits from about 200 eligible PFIs: 12 percent of credit recipients were first-time borrowers from formal financial institutions, and over 80 percent of the credit recipients through the Expanding Rural Finance Project are women. In marginal areas, 17 percent of credit recipients are in communities classified as marginalized or highly marginalized, 40 percent in towns with fewer than 15,000 inhabitants, and more than 50 percent in towns with an indigenous population. In addition, 76 percent of subloans were provided in southern states with Mexico's highest levels of poverty. Greater access to finance has helped many beneficiaries such as Maria Dominguez and Maria Morales to expand their businesses, increase earnings, and better support their families. Moreover, policy actions under the approved DPFs should help close gender gaps in financial inclusion, helping women smooth consumption, provide security, increase savings and investment rates, and manage economic risk.

MOVING FORWARD

The program supported by the Bank has helped create a path toward effective recovery as well as supporting a longer-term development agenda in financial sector development. In March 2020, Mexican authorities launched the 2020–2024 National Financial Inclusion Policy (PNIF) delineating objectives and actions to increase financial inclusion. This program supports specific reforms aligned to four of the six PNIF objectives. By the end of 2024, among other goals, Mexico intends that 77 percent of the adult population will have at least one financial product and more than 90 percent of municipalities will have at least one financial access point (including agents). Following the objectives of the Mexico Country Partnership Framework (CPF), the Bank expects to continue supporting institutional, policy, and financial access reforms, including among underserved groups and regions, through policy dialogue and lending underpinned by strong analytics and advisory work. Faster progress in access to traditional financial services, coupled with innovative approaches to leveraging technology, represent a great opportunity to meet the current COVID-19 crisis and achieve a faster, sustained recovery.

PANAMA

GDP

(billions)
US$ 66.8

GNI per capita

(atlas method)
US$ 14,950

Clearing a Path Toward Transparency, Inclusion, and Sustainability in Panama

The government of Panama is working to strengthen social inclusion, service delivery in water and energy, and public financial management. Additional efforts, following the infamous “Panama Papers” leak of April 2016, focus on reforms in international tax transparency and financial integrity.

Population	Land
 4,246,439	 (sq. km) 75,420

IBRD/IDA lending commitments approved in FY20: 20 million

Active projects: 5

New and supplemental projects approved in FY20: 1

Construction works for the Panama Canal expansion project. Panama. Photo: Gerardo Pesantez / World Bank

Panama had left many groups behind, with just 37% of the extreme poor benefiting from any social assistance programs. In addition, high energy subsidies were swallowing fiscal resources and encouraging energy inefficiency.

CHALLENGE

In 2014, even after a decade as one of the fastest growing economies worldwide, Panama continued to face several challenges. In particular, Panama had left many groups behind, with just 37 percent of the extreme poor benefiting from any social assistance programs. In addition, high energy subsidies — worth $320 million — were swallowing fiscal resources and encouraging energy inefficiency. At the same time, the expansion of the Panama Canal increased demand for water. Following the April 2016 leak of the "Panama Papers," new challenges related to anti-money laundering and tax transparency were revealed. The government urgently sought to address these key challenges.

APPROACH

The Programmatic Shared Prosperity Development Policy Loan (DPL) series aimed to address some of the key weaknesses Panama was experiencing despite its recent fast growth, including the need to improve the lives of those "left behind" by the economic growth as well as challenges related to global public goods. Thus, the series supported expanded social assistance coverage and improved targeting, increased ease of access to social assistance, improved education access and the effective use of educational data, reduced energy subsidies, and improved the set-up of water management institutions. In addition, the series was adapted to include reforms aimed at bringing Panama closer to global best practice in tax transparency and anti-money laundering. The series was built on lessons learned from previous engagements in Panama as well as experiences from other upper middle-income countries. The analytical work underpinning the operation included the 2015 Panama Systematic

Country Diagnostic, the 2015 Panama Public Expenditure Review, and the 2015 Assessment of social spending for Central American countries including Panama. The latter analyzed the fiscal sustainability and effectiveness of social programs, providing recommendations for short- and medium-term reforms.

RESULTS

This series of three DPLs supported legislation that (i) strengthened financial integrity and tax transparency; (ii) improved social inclusion in social assistance and education; and (iii) enhanced the regulatory and sustainability framework in the energy and water sectors. Between 2015 and 2019, Panama took significant steps forward in several areas, including the following:

- Panama began exchanging taxpayer information on request and automatically with other countries under global tax agreements.
- Panama implemented better banking supervision and began money-laundering investigations.
- Panama improved its public financial management by channeling funds through a single treasury account.
- Panama expanded the percentage of extreme poor who benefit from social assistance from 37 percent to 81 percent.
- Panama implemented new education programs and succeeded in training nearly twice the number of new teachers originally envisioned (6,260 versus 3,500 envisioned).
- Panama significantly reduced energy subsidies from $320 million per year. These declined only by a little over half, however, less than originally hoped for, due to a mixture of external (oil prices) and internal (demonstrations) factors. Nonetheless, this represented a considerable step forward.

Indigenous boy. Panama. Photo: Gerardo Pesantez / World Bank

BANK GROUP CONTRIBUTION

The World Bank, through the International Bank for Reconstruction and Development (IBRD), provided loans totaling US$700 million to finance the series of DPLs. The first and second DPL operations were US$300 million each; the third was US$100 million.

PARTNERS

The World Bank's support focuses on strengthening tax transparency, social protection, and education systems; improving energy and water sector management; and enhancing fiscal management. Reform implementation across all pillars of this operation is supported by advisory activities and technical assistance from various other development partners, including the International Monetary Fund, the Inter-American Development Bank, the Organization of Economic Cooperation and Development, and the Latin American branch of the Financial Action Task Force (Grupo Accion Financiera Internacional Latinoamérica). One example is the Bank's coordination efforts to complement Panama's legal framework for the automatic exchange of financial information in tax matters through a multilateral agreement housed within the OECD.

BENEFICIARIES

This series supported reforms that aimed both to help those left behind during Panama's strong growth period and to contribute toward global public goods. Panama's extreme poor were the major beneficiaries of the first goal, with large increases in social assistance coverage as well as reforms to expand access to education. Positive global externalities beyond Panama include contributing to the international community's fight against abuses of the global financial system and helping to combat terrorism and other illicit activities, as well as reducing energy subsidies and improving energy efficiency standards to help lower carbon emissions.

MOVING FORWARD

Continuing ongoing engagement following the DPL series will be important for policy continuity and reform sustainability. A follow-up series of DPLs was designed by the Bank to ensure ongoing dialogue at both the technical and the policy levels. The first operation of these series was approved by the Bank's Board of Executive Directors in December 2020 and disbursed shortly thereafter. The operation supported reforms designed to help the country navigate the COVID-19 crisis, including health coverage, reductions in out-of-pocket expenditures for patients, expansion of emergency aid for households impacted by the crisis, and further structural reforms to increase transparency in public procurement and support renewable energy.

Student at school in Panama. Photo: World Bank

PERU

GDP

(billions)
US$ 226.84

GNI per capita

(atlas method)
US$ 6,740

Increasing Awareness and Resources to Prevent Violence Against Women in Peru

Violence against women is the most widespread form of violence in Peru, and it occurs across regions, income levels, education levels, and age groups. The government has been exploring new approaches to identify gaps in prevention and protection to effectively end violence against women. Engagement from key decision makers, including the President, the Minister of Women, and the Minister of Economy and Finance, has highlighted and heightened the importance of this agenda, leading to increased resources, a results-based approach, and a focus on preventing violence against women as well as on protection and attention to women's needs following an assault.

Population

32,510,453

Land

(sq. km)
1,285,220

IBRD/IDA lending commitments approved in FY20: 229 million

Active projects: 15

New and supplemental projects approved in FY20: 4

Violence against women in Peru, "Worsens In The First Years Of Living Together". Video still . World Bank

Violence against women is the most widespread form of violence in Peru, and it occurs across regions, income levels, education levels, and age groups. The consequences of violence against women are far-reaching, including physical and psychological wounds or even death, as well as broad social and economic costs.

CHALLENGE

One in three women in Peru will likely suffer physical and/or sexual violence from an intimate partner in their lifetimes, according to the United Nations. Violence against women is the most widespread form of violence in Peru, and it occurs across regions, income levels, education levels, and age groups. The consequences of violence against women are far-reaching, including physical and psychological wounds or even death, as well as broad social and economic costs. Violence often becomes a barrier preventing women and girls from fully participating in the social and economic life of their communities; estimates of lost productivity range as high as 3.7 percent of GDP.

APPROACH

In 2018, the government of Peru established an Emergency Commission to address the growing severity of gender-based violence (GBV) and to tackle this public health and human rights problem. In line with this work, the Minister of Economy and Finance requested the Bank's support to deepen understanding of how Peru invested in the agenda to combat gender violence and to strengthen the evidence base on GBV to inform policy discussions and decision making.

The resulting Peru Gender-Based Violence (GBV) study was the first of its kind in both methodology and approach. The study created a new, one-of-a-kind database using 2018 and 2019 administrative and public investment data from the Ministry of Economy and Finance along with an extensive review of administrative and ministerial resolutions. The database was then used to analyze and gain insights into how, where, and to whom money was targeted and allocated, at both the central and the subnational levels, to address gender-based violence in Peru. Through data and literature analysis, the study: (i) explored what is known about GBV in Peru; (ii) mapped interventions aimed at combatting GBV; (iii) identified gaps in knowledge and recommendations for addressing them; and (iv) provided suggestions on how to better promote a policy dialogue around GBV. The team offered precise analysis and recommendations for GBV prevention framed in the evidence and academic knowledge of what works and what doesn't. Moreover, to capture the magnitude and pluralism of the problem, the study included a wide range of consultations with multiple stakeholders, including governmental and nongovernmental organizations.

RESULTS

The Peru Gender-Based Violence study found that:

- Between 2018 and 2019, Peru doubled its investment to combat GBV, but that two-thirds of this public investment went to attention and protection. These investments financed more than 100 different actions or programs, with different focuses and in different sectors, including attention services to women survivors, 50 new one-stop emergency attention centers for women, a registry of processed offenders, and training for the 1,500 staff in the Ministry of Women.

- Only 20 percent of the resources went toward prevention activities, and those were more recent and limited in scope, ranging from communication strategies at the family level to interventions to develop women's self-esteem, agency, and economic empowerment. Most of the spending (75 percent) was directed toward adult women rather than adult males or adolescents.

- More work was needed to improve (i) prevention efforts by including children, adolescents, and men in various strategies, and (ii) the quality of care and protection for women by increasing coverage and implementing case monitoring protocols and mechanisms. Across the GBV agenda, the study found that investing in systematic monitoring and evaluation can increase the impact of the interventions and services and the efficiency of resource use.

Violence against women in Peru, "The Attack Can Be Physical, Psychological Or Sexual". Video still. World Bank

From the June 2019 launch of the study to February 2021, the study has already had remarkable results, some of which are highlighted below:

- The study findings helped identify the drivers and risks of GBV and led to recommendations, in line with national and international lessons, for preventing GBV and attending to survivors' needs. In addition to addressing the human rights issue, the report also centered the economic impact of GBV.
- At the June 2019 launch of the report, Peru's president, Martin Vizcarra, was joined by a high-level panel of key policy makers, including the Ministry of Women and Vulnerable Populations, and the Minister of Economy and Finance, giving the study high visibility and directly impacting policy making. At the event, President Vizcarra highlighted the importance of the results of the analysis and emphasized the Peruvian government's total commitment to fighting violence against women.
- The Peruvian authorities have considered the study a key input for the design of a multisectoral strategy to maximize public spending on fighting GBV in Peru. Specifically, the activity has had an impact on the definition of the country's first ever results-based GBV budgeting program (launched December 2019), led by a multisectoral team headed by the Ministry of Economy and Finance.
- Moreover, the government responded strongly to the study's urgent emphasis on the importance of a prevention agenda in addition to previous efforts toward attention and protection. The government fully incorporated a National Prevention Strategy as a key pillar of its GBV agenda. For instance, whereas

only 20 percent of the total budget for fighting violence against women had previously gone to prevention, the newly approved 2020 budget increased that percentage to 50 percent, according to the Minister of Women, who noted that the government followed the report's recommendations in doing so.

- Finally, the report received widespread press coverage in Peru's main print media, El Comercio and La República, and interviews were held and reported in both the written and the broadcast press, giving the findings broad reach beyond the agencies immediately involved.

BANK GROUP CONTRIBUTION

The World Bank provided financing in the amount of US$90,000 to conduct the study.

PARTNERS

The study sought to incorporate diverse views by including various rounds of consultations with a varied range of government and nongovernment stakeholders. Development partners (including representatives from the Canadian government, the German Development Agency, the United Nations, the European Union, and the Pan American Health Organization), multisectoral government officials, academics, Peru's ombudsman's office, the police, and many others contributed their views and validated the report's findings. These efforts have continued, opening a dialogue of trust among team members from the Ministry of Women, the Ministry of Economy and Finance, and the Presidential Council of Ministers, among others.

Whereas only 20% of the total budget for fighting violence against women had previously gone to prevention, the newly approved 2020 budget increased that percentage to 50%, according to the Minister of Women, who noted that the government followed the report's recommenda-tions in doing so.

BENEFICIARIES

The key beneficiaries of the study are (i) the public institutions that have been able to use the study's findings and best practices to refine their budgets and programming to more effectively combat GBV; and (ii) Peru's population of 33 million people, who are expected to benefit economically, socially, and psychologically from the government's more comprehensive, multisectoral approach to addressing GBV.

"We were very pleased to see their warm reception and their commitment to the message. Their involvement has amplified the impact of the study, which in fact, has become the basis for multisectoral planning in the fight against gender violence agenda."
Alberto Rodriguez, former Country Director for Peru, referring to the participation of the President of Peru, government ministers, and other top officials.

The Minister of Women at the time, Gloria Montenegro Figueroa, stated that the government of Peru followed the report's recommendations to make especially targeted investments in prevention.

Outside the Luis Negreiros Hospital, in Callao, Lima, Peru, a city heavily impacted by COVID19. Photo: © Victor Idrogo / World Bank

MOVING FORWARD

The report and its launch positioned the World Bank, for the first time in Peru, as a key development partner for the GBV agenda and opened an avenue of dialogue with the government. Requests for additional support have followed, including for preparing a communications campaign to tackle GBV. The Presidential Council of Ministers plans to replicate the report's methodology to continue monitoring public investments in line with the World Bank report.

Through its activity "Innovative Approaches to Prevent and Respond to Gender-Based Violence in Peru," the Bank is continuing its support for efforts to combat GBV in Peru through (i) the development of a mobile application that helps protect GBV survivors by providing information on services available, including circles of community support, shelters, and other referral services, including at police stations; (ii) applying behavioral sciences to prevent sexual harassment among Peruvian university students; and (iii) creating comics focusing on GBV as a way to share experiences and information with an adolescent audience.

In addition, the Bank has continued to accompany the authorities in their efforts to better monitor how COVID-19 impacts GBV rates, people, and businesses. With the support of the Australian government through the Australia's Department of Foreign Affairs and Trade, the Bank has implemented a high frequency survey of households and businesses, as well as finalizing the first ever COVID-19 big data observatory to better assess the pandemic's impact through mobility, pollution, and night lights indicators.

URUGUAY

GDP (billions) US$ 56.04

GNI per capita (atlas method) US$ 16,230

Advancing Connectivity and Logistics in Uruguay: Rehabilitating and Maintaining Highway Infrastructure and Improving Road Sector Management

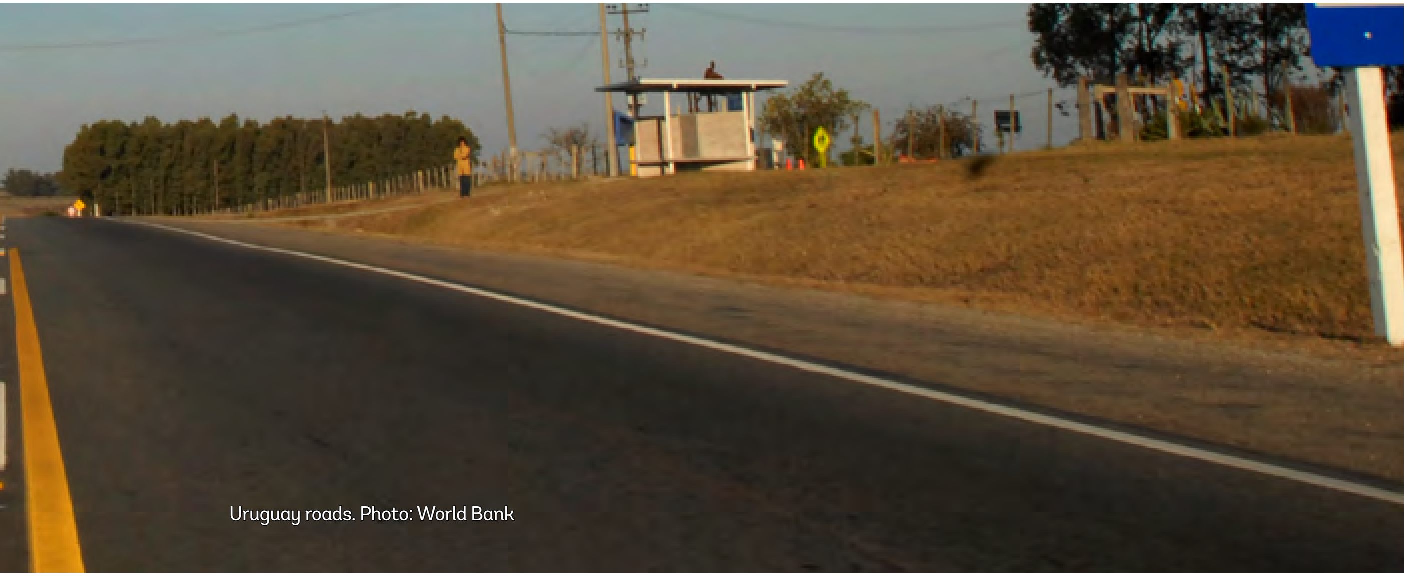
Uruguay has substantially improved the condition of its national roads. In December 2019, 60 percent of national highways were in good condition, up from only 35 percent in 2012. These infrastructure improvements reduced logistics costs and now benefit the thousands of people who use the national highways on a daily basis to go to work, school, markets, or social services facilities.

Population	Land
3,461,734	(sq. km) 176,220

IBRD/IDA lending commitments approved in FY20: 420 million

Active projects: 5

New and supplemental projects approved in FY20: 2



Uruguay roads. Photo: World Bank

Barely 35% of the 8,900 kilometers of Uruguay's national roads were in good or very good condition in 2012. In a country that relies heavily on roads for its exports and internal connectivity, the poor shape of Uruguay's roads drove up logistics costs.

CHALLENGE

Uruguay's national highway network suffered from tornadoes, heavy rainfall, droughts, and heat waves — just some of the violent weather events that have hit Uruguay in recent years. These are not isolated phenomena. Data from the Uruguayan government show a significant increase in rainfall since 2001. These events, combined with years of underinvestment, led to deteriorating road infrastructure: barely 35 percent of the 8,900 kilometers of Uruguay's national roads were in good or very good condition in 2012. In a country that relies heavily on roads for its exports and internal connectivity, the poor shape of Uruguay's roads drove up logistics costs.

APPROACH

The Uruguay Road Rehabilitation and Maintenance Program (Program) was designed to address these challenges holistically. The chosen lending instrument, the first Program-for-Results (PforR) in Latin America and the Caribbean, focused on disbursement against results achieved rather than on inputs. Disbursement indicators covered several key program dimensions, including the number of kilometers (km) of highway rehabilitated, the number of km managed by performance-based contracts, and the number fitted with traffic safety improvements, as well as mapping national network areas prone to flooding to improve roads' climate resilience and improved quality control for all roadworks.

RESULTS

Between 2012 and 2019, the Uruguay Road Rehabilitation and Maintenance Program achieved substantial results.

- Surpassing its target of 1,414 km, Uruguay's Ministry of Transport and Public Works (MTOP) rehabilitated 1,854 km of highways for an overall average of 250 km/year during the program. (The previous year's average was 120 km/year.)
- In 2019, cost-effective performance-based road maintenance contracts covered 3,637 km of highways, surpassing the year's target of 3,000 km.
- Surpassing the target of 263 km, 310 km of highways benefited from safety improvements.

Bridge over Rio Cebollati. Photo: Grégoire Gauthier / World Bank

Surpassing its target of 1,414 km, Uruguay's Ministry of Transport and Public Works (MTOP) rehabilitated 1,854 km of highways for an overall average of 250 km/year during the program.

In addition, the program has made substantial progress in enhancing road sector management through institutional strengthening within the sector:

- MTOP's planning capacity has been strengthened, particularly through the Montevideo seaport planning study and national freight transport modeling.
- Successful engineering and technical efforts included recategorizing national roadways to define differentiated levels of road service. A manual of standardized technical solutions by pavement type was adopted to attain further cost efficiency. Similarly, a roadworks supervision manual contributed to improving the efficiency of roadwork field supervision.
- Environmental compliance was strongly reinforced by adopting the Roadworks Environmental Manual, and roadworks environmental auditing was streamlined and environmental data management improved.
- MTOP adopted the Manual of Expropriation Procedures and Social Management and established the Citizen Attention Center (CAC), both of which helped strengthen social functions.
- Road safety audits have become standard practice. MTOP set up a road safety management tool to prioritize and monitor road safety investments.
- On climate resilience, MTOP mapped areas along Uruguay's national road network prone to climate and developed a methodology to assess bridge resilience to climate risks. The mapping allows public policy decision makers to develop strategic

Highway rehabilitation. Photo: Grégoire Gauthier / World Bank plans for the medium and long term on how and where to invest, how to avoid unnecessary expenses, and how to develop infrastructure resistant to climate impacts. These improvements generate concrete benefits: globally, as estimated in the 2019 World Bank report Lifelines: The Resilient Infrastructure Opportunity, a return of US$4 is expected for every US$1 invested in resilience.

BANK GROUP CONTRIBUTION

The World Bank, through the International Bank for Reconstruction and Development (IBRD), supported the Uruguay Road Rehabilitation and Maintenance Program through two loans: the first, for US$66 million, was approved in 2012, and an additional loan for US$70 million was approved in 2016 to scale up program results.

Bridge over Santa Lucia river. Photo: National Roads Corporation

PARTNERS

The Uruguay Roads Rehabilitation and Maintenance Program was co-implemented by MTOP and the National Roads Corporation (CVU). IBRD loans were complemented by US$345 million in co-financing from several international financing institutions, including the Inter-American Development Bank (IDB), the Development Bank of Latin American (Corporação Andina de Fomento, CAF), the Fund for the Development of the Plate River Basin (FONPLATA), and Fund for the Structural Convergence of Mercosur (FOCEM).

BENEFICIARIES

Program beneficiaries include the thousands of people who use the national highways on a daily basis to go to work, school, markets, or social services facilities. Highway improvements have also benefited trade and exports, particularly agricultural exports, by providing more reliable roads and reducing logistics costs. In 2019, 247 firms exported almost US$7 billion in agricultural products, almost exclusively using road-based logistics.

MOVING FORWARD

The program, made possible by a considerable increase of funding to the road sector, substantially improved road conditions in Uruguay. Moving forward, the main challenge will be to sustain an adequate level of funding to the road sector to maintain quality, provide needed development, and scale up road safety improvements. In a context of limited fiscal resources, the expansion of user-pay tolling for highways should be explored.

REGIONAL

GDP

(billions)
US$ 5,733.73

GNI per capita

(atlas method)
US$ 8,794

Promoting Climate Change Action in Latin America and the Caribbean

Climate change poses an enormous challenge to development, particularly in Latin America and the Caribbean. Despite contributing less than 10 percent of global greenhouse gas emissions, the region's countries already experience the tip of the climate change spear — from slow onset droughts and floods to sudden-onset disasters — as it disrupts economic activity and livelihoods. In response, the region's countries are leading the way in making the vision of climate-smart development a reality, moving with increasing urgency to develop more sustainable energy and transport systems; to strengthen the resilience of their cities; to enhance nature-based solutions to climate mitigation and adaptation in forests, oceans, and agriculture; and to prepare people, public services, and infrastructure for the climate shocks to come. These countries

Population

646,430,843

Land

(sq. km)
20,425,546

Active projects: 246

New and supplemental projects approved in FY20: 66

Biking in Buenos Aires. Photo : Juan Ignacio Coda. / World Bank

submitted climate action pledges with Nationally Determined Contributions in the run-up to the historic Paris Agreement at COP21, and they are now raising their climate ambitions even further by submitting revised NDCs under the same process.

CHALLENGE

As the Latin America and Caribbean (LAC) region battles the health and economic crises caused by COVID-19, many countries suffer additional impacts from the rapidly changing climate. Heat extremes and changing precipitation patterns are already adversely affecting urban areas, agricultural productivity, hydrological regimes, and biodiversity, with impacts on the Amazon rainforest particularly pronounced and devastating. Ocean acidification, sea level rise, tropical cyclones, and temperature changes are expected to negatively impact coastal livelihoods, tourism, health, and food and water security, particularly in Small Island Developing States (SIDS) in the Caribbean. For many Andean cities, melting glaciers represent the loss of a major source of the fresh water currently used for consumption, irrigation, and hydroelectric power and contribute to rising sea levels. Climate change, coming on top of the nonclimate stressors that currently limit poverty reduction, job creation, and shared prosperity, poses an additional burden for development.

The COVID-19 pandemic and the climate crises magnify underlying inequities and negatively affect income distribution, poverty, and country revenues. Every year, on average, between 150,000 and 2.1 million people are pushed into extreme poverty because of natural disasters in the region. By 2030, climate change could push 3 million people a year into extreme poverty. Food and nutrition security could be severely impacted, with projected reductions of around 20 percent of crop yields for beans and maize in Central America and the Caribbean. In cities, the poorest neighborhoods are often the most exposed and vulnerable to flooding. The 160 million people without access to a safely managed water supply and the 350 million without access to safe sanitation are highly vulnerable to increases in vector-borne diseases. These economic impacts also translate at the macroeconomic and fiscal levels. For example, in 2018, Argentina lost an estimated $1.5 billion in tax revenue, mostly due to reduced export tax revenues after a severe drought in 2017. These fiscal risks increase public debts, reduce long-term growth, and hamper response to climate-related crises. As these countries recover from COVID, they need support in making the investments that can spur job creation now, lay the foundations for medium- and long- term growth and competitiveness in a climate-changing world, and avoid locking into sectors in ways that leave them uncompetitive or with stranded assets.

Geothermal plant in Ahuachapán, El Salvador. Photo :César Armando León / World Bank

APPROACH

To help the LAC countries meet the pressing demands of a changing climate, the World Bank Group supports countries in delivering on their NDCs and emphasizes the need to mainstream climate actions into lending operations and high-impact areas, including clean energy, green transport, forest restoration, marine conservation, climate-smart agriculture, and urban resilience; other efforts mobilize the private sector to expand climate investments in developing countries. Within LAC, the Bank continues to provide technical and financial support geared toward scaling up climate change mitigation and adaptation actions and leveraging co-benefits. On mitigation, countries utilize sector actions, including energy, waste, transport, forestry, agriculture, and sustainable use of resources in urban area. Adaptation offers a myriad of opportunities to enhance resilience to climate change impacts through (i) natural disaster preparedness; (ii) enhanced technologies and sector capacities to mitigate risks of extreme weather and hydrology change in agriculture, forestry, fisheries, transport, and energy; and (iii) new financial products to boost resilience.

Specific examples from the past 18 months of the Bank's climate investments in the region include the following:

- Opportunities to address climate and COVID-19 vulnerabilities through health measures for key populations. The source of increased greenhouse gas (GHG) emissions and contributors to climate change also pose health risks that could compound COVID-19 impacts. Empirical findings note that air pollution, which contributes to climate change, can worsen the impact of COVID-19 by increasing its transmission, making individuals more susceptible to infection, and worsening the severity of the disease. In addition, approaches to addressing the health risks from COVID-19 and other viruses can be leveraged to combat vector- or water-borne illnesses as well, which are exacerbated by climate-induced shocks like natural disasters and floods.

- Support for natural disaster response is leveraged to promote climate-responsive recovery. In November 2020, two major hurricanes, Eta and Iota, hit Central America in quick succession, resulting in widespread destruction, interrupting basic services, and impeding recovery, all compounded by the COVID-19 pandemic. Emergency response operations included immediate recovery necessities coupled with improvements to infrastructure and institutional capacity to support medium-term climate resilience. This approach supports the World Bank's priority of building back better following emergencies, including both the COVID-19 pandemic and natural disasters.

- Land-use change and agriculture account for 42 percent of emissions from LAC and are critical sectors for economic stability and growth in the region. Opportunities exist to improve productivity in these sectors by maximizing the use of degraded areas and more consistently and holistically planning and enforcing land use. These efforts will result in economic and employment opportunities for sustainable development as well as reducing emissions. LAC countries are implementing first-of-their-kind programs to reduce emissions from forests at a large scale through investments in green jobs and improved land use and productivity.

- By integrating use of information and communication technologies (ICTs) with climate change policies, countries can set forward-looking courses while working to meet national development and poverty-reduction goals. ICTs can help drive down GHG emissions by improving efficiency in networks and equipment and, at the same time, by monitoring weather events and informing the population about impeding climate-induced disasters, ICTs help the region's countries adapt to observed and anticipated climate change impacts.

- The COVID-19 pandemic has reinforced the countries' need to maintain a focus on long-term development goals and to continue economic transformation through inclusive and sustainable recovery. The COVID-19 crisis presents opportunities for countries to "rebuild better," in greener, more sustainable and resilient ways. Sustainable management of forests and low carbon energy transition can create jobs quickly and can generate long-term benefits by reducing water scarcity and flood damage, lowering carbon emissions, and increasing agricultural productivity and food security.

RESULTS

The Bank supports multiple approaches to climate action extending across all sectors. The following examples highlight ways climate has been mainstreamed into Bank-financed operations over the past 18 months:

- Some health operations designed to respond to COVID-19 incorporate measures to support health emergencies more broadly and to prepare systems for the health impacts that follow climate-induced shocks. For example, a project in Peru under the COVID-19 Strategic Preparedness and Response Program supports the country in strengthening its emergency health response, including to both COVID-19 and the vector- and water-borne illnesses that follow natural disasters or floods. The project incorporates environmental health indicators in its health surveillance program and shares epidemiological and climate indicators with relevant agencies, including those responsible for disaster risk management, to prepare for service delivery following floods, natural disasters, or other climate-induced events. The project also supports trainings and analyses to understand the links between climate change and health outcomes to improve the systems needed to address expected impacts on human health and well-being.

- Natural disaster recovery approaches integrate near- and medium-term measures to improve resilience to impacts from future climate-induced shocks. Two emergency recovery projects in Nicaragua and Honduras support those countries in responding to and rebuilding from Hurricanes Eta and Iota, which devastated the area over 18 days in November 2020. These operations include measures for rapid response and recovery of basic services, the absence of which could result in long-lasting impacts on poverty and human health. Beyond immediate needs, the projects also integrated measures to improve the countries' resilience to future natural disasters or climate-shocks such as floods or heatwaves. Infrastructure improvements to ensure buildings can withstand storms and floods and institutional strengthening — including criticality analysis, improved technical or design standards, and preventative maintenance programs — will help reduce vulnerability to future adverse natural disasters and climate shocks.

- Five countries in LAC are investing in improvements to productive sectors and land-use planning to access over U$210 million in results-based payments for reduced emissions from use of forests and other lands. Eighteen countries in LAC are engaging with the Forest Carbon Partnership Facility (FCPF) to reduce emissions from forests with the aim of engaging in results-based or market transactions (otherwise known as REDD+). Four countries - Chile, Costa Rica, the Dominican Republic, and Guatemala - have developed their programs to the stage where they are entering into first-of-their kind jurisdictional results-based agreements for emission reductions from forests. Colombia is engaging with the BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL) for the same purpose but as well as for land-use more broadly, including emissions from agriculture and livestock. Communities, Indigenous populations, producers, farmers, civil society, government, and private sector actors are participating in and will benefit from these programs. Benefits will be derived primarily through actions that reduce emissions from forests and land use, including improved policies and enforcement; investments in production and restoration, which will result in green jobs; improvements in ecosystem services; and increased production and yields. Results-based payments will be distributed among these stakeholders in ways that reinvest in successful approaches and increase resources available for sustainable development.

- Bank-financed operations to support adoption of digital tools and strengthen critical telecommunications infrastructure are improving the region's resilience and ability to adapt to and recover from climate-related natural disasters and emergencies. For example, in Haiti, a significant part of the Digital Acceleration Project financing (and more specifically infrastructure to be financed) was designed to incorporate climate and disaster resilient features wherever practicable to support the country's transition toward improved, economy-wide digitization. The project was designed with a climate resilience and adaptation lens, identifying country-wide digitization as a key driver of improved resilience and adaptation through improved access to basic services and public assistance in times of emergency.

- COVID-19 financial response in LAC supports these countries' policies and actions in response to the health crisis and, further, supports households and firms, finances the response, and builds foundations for early, sustainable recovery. For example, recognizing the pandemic has brought demand and supply shocks to the Mexican economy, with deep impacts on firms, employment, and households, as well as health and human life consequences, the Bank supported a US$750 million budget operation to Mexico focusing on strengthening policies, institutions, and investments to rebuild better through reforms geared toward greater resilience to climate change shocks while still contributing to a stronger and better medium-term recovery program to enable environmental sustainability and urban resilience. Similarly, to aid Jamaica's COVID-19 response, the Bank built on the analytical and advisory services supporting the modeling work informing its revised Nationally Determined Contribution (NDC), to help the country maintain its strong focus on protecting poor and vulnerable people and supporting sustainable business growth and job creation while strengthening its climate change policies and institutions for resilient and sustainable recovery.

BANK GROUP CONTRIBUTION

The World Bank deploys financing instruments, including investment project financing, development policy financing, program-for-results financing, trust funds, and grant resources to support climate actions in LAC countries. Approximately US$1.72 billion of the US$5.84 billion in lending provided in FY20 by the World Bank's International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA) has been assessed to contribute to climate adaptation and/or mitigation co-benefits. Likewise, the World Bank continues to provide thought leadership to support a suite of knowledge products and analytical work aimed at supporting the region's countries in their climate policies and actions.

PARTNERS

The World Bank engages with several partners to support LAC countries in addressing climate challenges, including client governments, civil society organizations, academia, the private sector, and donors. The World Bank also works closely with other multilateral development banks to monitor and track climate finance flows to client countries.

BENEFICIARIES

Climate change is a threat multiplier, with the potential to push millions into poverty in the coming years and undo hard-won development gains. Countries that invest to set themselves on a sustainable, inclusive, and resilient development path can unlock short-term gains — jobs and economic growth — as well as deliver longer-term benefits for their people, including decarbonization and resilience. For example, investing in resilient infrastructure helps to avoid costly repairs and minimizes the wide-ranging consequences of natural disasters for the livelihoods and well-being of the region's people. All citizens benefit from government action on climate change, including from clean air and water, healthy oceans, resilient cities, and sustainable food and agriculture systems.

MOVING FORWARD

Efforts needed to recover from the COVID-19 crisis and to tackle climate change are, in many cases, complementary. While good progress has been made through the Bank's lending portfolio at large in terms of mainstreaming climate (and through enumeration of climate co-benefits), more is needed to rebuild back better. To this end, the World Bank's 2021–2025 Climate Change Action Plan (CCAP), currently under development, aims to strategically broaden the scope of the Bank's support to climate action in LAC.

Rather than solely capturing efforts to maximize climate co-benefits in pipeline operations, the CCAP will provide an overarching framework to help countries address the many barriers that hamper the successful design and implementation of climate mitigation and adaptation strategies. These include (i) capacity constraints (few countries have universities and think tanks with the tools and methods needed to design long-term decarbonization or adaptation strategies, assess the costs and benefits of such strategies, and prioritize short-term actions); (ii) coordination barriers that impede work between implementing line ministries in energy, transport, agriculture, and others and the policy and finance work of climate change institutions and ministries of economy or finance; and (iii) constraints in access to finance (many countries have requested support to navigate global climate funds and to access concessional finance). In addition, the CCAP will promote a broader engagement focused on defining country work programs to ensure climate action is targeted, to nurture high-impact and targeted sector interventions, and to complement COVID-19 recovery priorities while transitioning to low-carbon economies.

Eolo Wind power farm, Nicaragua. Photo :César Armando León / World Bank

REGIONAL

GDP

(billions)
US$ 8,277

GNI per capita

(atlas method)
US$ 8,794

The Gendered Impacts of COVID-19 on Labor Markets in Latin America and the Caribbean

Progress in Latin America and the Caribbean over the last three decades has improved gender equality, notably in employment. With the onset of the COVID-19 crisis, however, necessary public health measures have put these gains in jeopardy. Throughout the pandemic thus far, women have been more likely than men to lose their jobs and less likely to regain them when conditions allow. Where families have school-age children, many more women than men have withdrawn from or lost work outside the home. By participating in information gathering on the nature and extent of these trends, Latin American and Caribbean countries have gained valuable insights and tools for accurately assessing the situation and preparing to address it as the crisis recedes.

Population

646,430,843

Land

(sq. km)
20,425,546

Active projects: 246

New and supplemental projects approved in FY20: 66

Peruvian women working in the Universal Textil factory. Photo: Dieter Castañeda / World Bank

Women are more likely to take up caregiver or unpaid working roles, particularly given COVID-19-induced school closures and confinement measures, thereby leading to their possible permanent exit from the labor market.

CHALLENGE

Despite 30 years of progress in advancing gender equality in Latin America and the Caribbean (LAC), gender gaps remain. For instance, despite progress made building the female labor force over the past three decades (from 41 percent in 1990 to 53 percent in 2019), men are still far more likely than women to participate in the labor force, to have formal employment, to hold higher-quality jobs, and to work in higher-paying sectors. In addition, women—particularly young women—are more likely to be unemployed.

COVID-19 is expected to disproportionately affect female outcomes in health and education endowments, agency, and economic opportunity. This is because women are more likely (i) to take up caregiver or unpaid working roles, particularly given COVID-19-induced school closures and confinement measures, thereby leading to their possible permanent exit from the labor market; (ii) to be engaged in informal work and other forms of employment (e.g., self-employment in small subsistence businesses or domestic work) that may exclude them from formal social protection measures targeted to workers; and (iii) to be overrepresented in the hardest hit occupations, such as retail, travel, leisure, and hospitality. Without well-informed and timely policy responses, the COVID-19 crisis threatens to further widen these gender gaps in economic opportunities.

APPROACH

The LAC COVID-19 High Frequency Monitoring project conducted high-frequency phone surveys in three waves from May to August 2020, involving 13 countries in Latin America and the Caribbean (LAC) in collecting information to track the impacts of the crisis on households' wellbeing. This real-time monitoring looked at the impacts of the COVID-19 crisis on labor, behavior, health, coping mechanisms, and public interventions. The Latin America and the Caribbean Gender Innovation Lab (LACGIL), conducted analysis on data collected from the participating countries: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Peru, and Paraguay. The first round of surveys was conducted in May 2020 (most LAC countries had declared quarantines two months earlier, in mid-March 2020). The second set of surveys was collected between June 2020 and July 2020, and the third between July 2020 and August 2020. In each country, the surveys covered an average of 1,000 nationally representative individuals aged 18 or older with access to phones and attained 13,152 observations on labor markets, changes in household incomes, access to services, behaviors and knowledge around COVID-19, and demographic and household characteristics.

Medical personnel attending a health center in Peru. Photo: Dieter Castañeda / World Bank

RESULTS

The study findings were compiled into a policy brief that was published in English, Spanish, Portuguese, and French and were covered by several outlets, including the Economist, the World Bank, Foro Económico, and El País. The policy brief was also presented at public events, including a joint seminar by the World Bank and the United Nations, as well as in a public World Bank webinar targeting academia, think tanks, international nonprofits, governments, and civil society in Bolivia, Chile, Ecuador, and Peru.

Survey results showed that at the onset of the COVID-19 crisis women were 44 percent more likely than men to lose their jobs. As the crisis evolved and temporarily unemployed workers started to go back to work, the difference in job losses among women and men persisted. Two reasons emerge most strongly. Highly female-intensive sectors—trade, personal services, education, and hospitality—explain 56 percent of all job losses, and the presence of school-age children at home is linked to a rise in job losses among women, but not among men. Details and additional key findings of the study include the following:

- Job losses from the COVID-19 crisis have disproportionally affected women, and this difference has persisted. The first round of data collection (May 2020) showed that 56 percent of women lost their jobs either temporarily or permanently, a rate 44 percent higher than that for men. Data from the second (June-July 2020) and third (July-August 2020) survey rounds show that, as individuals started returning to work, the gap between men and women remained virtually unchanged. By the third round of data collection, the difference in total job losses between men and women was still 15 percentage points, and the permanent job losses affected one woman in five.

- The depth and breadth of this employment shock for women was observed across all countries in the sample. In all 13 countries, women were more likely than men to lose their jobs between round 1 and round 3, though not all countries were affected equally. In the first round at the onset of the crisis, the highest gender gaps were found in Costa Rica and Honduras, where women were 25 percentage points more likely than men to be unemployed. Bolivia and Peru exhibited the narrowest gap (10 and 11 percentage points, respectively), but also some of the highest overall unemployment rates in the region.

- Women tend to work in sectors that rely more heavily on face-to-face interactions and are thus more vulnerable to social distancing measures. Indeed, the most female-intensive sectors explain most of the observed job losses (56 percent of the job losses were concentrated in trade, personal services, education, and hotels and restaurants, according to the first wave of data collection), and these are four of the five most highly female-intensive sectors, employing 60 percent of females before the crisis. This pattern suggests that gender gaps in labor outcomes are being exacerbated as a result of the COVID-19 crisis. Job losses among females not only widen economic gender gaps but can exacerbate other intrahousehold imbalances by reducing women's empowerment, lessening their intrahousehold bargaining power, and exacerbating intimate partner violence.

- Pre-pandemic wage employment, internet access, and education are found to increase the probability of remaining employed, but effects differ between men and women. Using a multivariate regression approach, the study explored the factors that correlate with the probability of remaining employed across the three survey waves. Relative to self-employment, pre-pandemic wage employment is associated with a greater likelihood of remaining employed after the COVID-19 crisis, and this is the largest difference found in the model. It is likely that pre-pandemic wage employment operates through the increased job security that formal jobs offer and the ability of firms to adapt to the crisis relative to self-employed workers, who are more likely to own informal firms.

- High educational attainment (i.e., at least secondary education) is associated with greater resilience to job loss. This result may be related to the type of work pursued by educated workers. Educated workers may pursue relatively more nonroutine cognitive employment tasks. These results may also be consistent with more educated workers' higher productivity and evidence that unemployment decreases as years of education rise.

- Women are more likely than men to lose jobs because of increased childcare and household responsibilities, given that social norms encourage women to become the primary family caregivers. Results two months after the onset of the COVID-19 crisis (May 2020) showed the presence of school-age children in the household was not associated with the probability of remaining employed. As pandemic-related job losses persisted, caregiving remained a more relevant factor in unemployment for women than for men.

- As of August 2020, most sectors do not show signs of a recovery among female workers, and those that do mostly involve lower-quality jobs. Only 42 percent of individuals who had been employed pre-COVID-19 were working in the same sectors in August 2020. Essential sources of employment among women, such as trade, personal services, and education, remain at considerably lower levels of operation. Also, the distribution of women workers across types of jobs has changed. Before COVID-19, 61 percent of female workers were paid employees and 33 percent were self-employed. By August 2020, 53 percent were paid employees and 38 percent were self-employed.

BANK GROUP CONTRIBUTION

The analysis was conducted by the LACGIL, which works in partnership with World Bank units, aid agencies and donors, governments, nongovernmental organizations, private sector firms, and researchers to support impact evaluations and inferential research to generate evidence on what works in closing gender gaps in human capital, economic participation, social norms, and agency. In addition, the LACGIL disseminates findings to improve operations and policy making in the design of cost-effective interventions that tackle gender inequalities and drive change. The High Frequency Phone Surveys, the main source of data for this study, were collected by the World Bank Poverty and Equity Practice.

BENEFICIARIES

The study raised awareness concerning the unequal effects of the pandemic on women, and it helped produce better-informed policy making by prompting discussion on the unequal adverse effects of the pandemic on women. The dissemination efforts of the report targeted policy makers, World Bank offices, academics, international organizations, the civil society, and the wider community of stakeholders, prompting them to take action for an inclusive recovery. With this effort, the report has triggered discussion on the most effective ways to tackle gender disparities and has furthered the World Bank's role in generating and disseminating evidence promoting gender equality.

Peruvian woman arranging shoes for sale. Photo: Dieter Castañeda / World Bank

MOVING FORWARD

The study provided greater insights into the gender implications of COVID-19 that will be key to informing the design of effective policy responses. Specific policy recommendations arising from the study for future responses and actions include the following:

1. By targeting the women most affected by the crisis, safety net programs can help households to mitigate the pandemic's negative shock and continue to invest in children. The most affected groups include female-headed households, informal and domestic workers who do not benefit from social protection coverage, and unemployed females. Moreover, cash transfer programs may also support self-employed women in restarting their businesses, considering that most female-intensive sectors are also more prone to be affected negatively by social distancing measures. Since cash transfers can

By targeting the women most affected by the crisis, safety net programs can help households to mitigate the pandemic's negative shock and continue to invest in children.

be implemented with limited person-to-person interactions and at a low cost, they are effective measures to implement in a COVID-19 context.

2. In the medium term, policies could aim to raise the resilience of self-employed and less well-educated workers, especially women. This might include providing liquidity and other financial support through lines of credit or financial services for women-owned firms. These initiatives may also be combined with training and mentoring, incentives for formalization, and business plan competitions. In addition, after economic activities outside the household resume, policies might facilitate access to formal caregiving support and elder care and promote measures to recognize, reduce, and redistribute the burden of unpaid work within households.
3. Ensuring the availability of disaggregated and representative data may help when designing more specific and well-targeted policies. Country-specific policies may be needed to maximize the impact of policy actions. HFPS data can be used at the country level to identify specific gender gaps and tailor policy responses. The transmission channels identified in this note focus on women's economic conditions. However, the COVID-19 crisis may also influence their agency and human endowments, such as health care and education. This possibility drives the need for gender disaggregated and representative data that can assist in measuring the impact of the crisis on such dimensions. Dimensions requiring study include school dropouts and educational attainment, early childhood development among boys and girls, access to health care services, time spent doing household chores, potential changes in social norms and attitudes, and the greater risk of violence against women and girls.

Portraits in times of the pandemic in Lima, Peru, a city heavily impacted by COVID19. Photo: © Victor Idrogo / World Bank

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