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# THE WORLD BANK IN ACTION



stories of development

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Stories of Development

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**T**he World Bank's efforts to reduce poverty and foster development are as diverse as the people and landscapes in the more than 100 countries in which we work. The Bank has helped rebuild homes in Turkey after an earthquake, provide cattle to farmers in East Timor, protect rainforests in Brazil, build roads in Indonesia, fight HIV/AIDS in Uganda, and support women establishing their own small businesses in Pakistan.

In producing "The World Bank in Action: Stories of Development," we hope to offer a glimpse of the people from the local communities, governments, civil society, the private sector, international institutions, and the World Bank who are working together to create opportunities around the world.

## Rebuilding Lives in Bosnia and Herzegovina

During the war in Bosnia and Herzegovina, a grenade hit and devastated Milada Macanovic's family business. Today the 30-square-meter grocery store that Milada and her husband rebuilt in the southern Bosnian city of Konjic is stocked with cabbage, green beans, potatoes, peppers, pasta, candy, cookies, juice, soda, water, and ice cream.



Milada is one of many beneficiaries of the World Bank's Local Initiatives Project, which over the past five years has helped to sustain more than 170,000 jobs in Bosnia and Herzegovina. In a country burdened with a 30 to 40 percent unemployment rate, the Bank has dispersed more than \$130,000 in small-enterprise loans.

Though the store hadn't grown in size, Milada used the credits to keep it fully stocked for the neighborhood, and the income derived from it supports her family of five. She has already paid back most of the DM20,000—about \$10,000—she had been lent over the last three years.

Milada and her husband are among 3.5 million Bosnians across the country who are slowly putting their lives back together and trying to create a stable future for their families.

## Combating HIV/AIDS in Uganda

At one bleak point in the early 1990s, it might never have been imagined that Uganda would be the first country in Sub-Saharan Africa to curb the spread of the HIV virus. Uganda's HIV/AIDS prevalence rates had reached a staggering 14% a decade ago, with infection rates as high as 30 percent in some urban areas.

Since the confirmation of the first AIDS case in Uganda in 1986, it is estimated that more than 2 million Ugandans have been infected with the HIV virus. Of these, 800,000 people have died, leaving 1 million children orphaned. At its height, heterosexual transmission accounted for 75 percent to 80 percent of new infections. Mother-to-child transmission constituted almost all other cases. It is staggering to imagine but the toll could have been worse had the Ugandan government not enlisted international help to contain and finally reverse the spread of the disease.

To fight its epidemic, Uganda developed one of the most comprehensive HIV/AIDS programs in Africa. In support of Uganda's efforts, the World Bank provided \$73.4 million for the Sexually Transmitted Infections Project in 1994, the cornerstone of the government's program to control HIV/AIDS between 1994 and 2000. The project included efforts on several fronts to combat the spread of the virus, including help for prevention of the sexual transmission of HIV through increased awareness and promotion of safer sexual behavior, mitigation of the personal impact of AIDS on the people who are infected and their families, and assistance with central and local government management of the response to the epidemic.

By the end of 2001, adult prevalence had fallen to 5 percent from 8 percent in 1999. While the decrease in prevalence has been achieved across all age groups, it is most notable among 15 to 24-year-olds. Some of the achievements that are associated with the decline in the overall prevalence include increased knowledge and awareness of HIV/AIDS and change in sexual behavior. There has been a significant drop in casual sex across all ages, especially among young people.

The most significant changes in sexual behavior have been recorded in the young adult age groups. This has important implications for the long-term reduction in HIV/AIDS, as this is the most sexually active group, and it represents the next generation that will be responsible for the country's future economic and social development.

## Educating Girls in Bangladesh

As recently as 1991, the educational attainment of Bangladeshi women was among the lowest in the world. Eighty percent were illiterate. Equipped with few skills and uninformed about health care, family planning, and nutrition, they were trapped in a cycle of dependency.

To ensure that school-age girls, especially those in rural areas, receive an education, the Female Secondary School Assistance Project was set up in the early 1990s by the World Bank and the government of Bangladesh. The project provided incentives to keep girls in schools and resulted in a sharp rise in the number of girls enrolled in grades six through ten.

The girls brought into the program, mainly from poor rural families,



receive a small cash stipend to ease the financial burden of their education. To further encourage schools to enroll girls, a tuition assistance payment has also been provided to schools that choose to participate in the program.

In the areas targeted by the project, female enrollment more than doubled to more than 1 million in 2001 from 462,000 in 1994. The overall proportion of females who married at an early age in areas served by the project declined between 1992 and 1995, to 14 percent from 19 percent for 13 to 15-year-olds, and to 64 percent from 72 percent for 16 to 19-year-olds.

The benefits of educating girls have reached far beyond increasing individual opportunity. Higher education levels for girls have been shown to alleviate problems such as high birth rates, poor health practices, and high infant mortality. This project is providing continued support to a very effective effort on the part of the Bangladeshi government to enable poor rural girls to improve not only their own lives, but the well-being of the country.

## Controlling Tuberculosis in China

Today, tuberculosis (TB) is surpassed only by HIV/AIDS as a leading killer of adults worldwide and, as with the AIDS epidemic, the poorest bear the brunt of this disease. Although the incidence of TB in China is moderate relative to other countries in Asia and Africa, it is home to more than 1.3 million new TB sufferers each year—16 percent of the world's TB cases.



To contain TB, the World Health Organization (WHO) recommends that governments adopt a strategy known as Directly Observed Treatment, Short-course (DOTS). This plan involves not just finding and curing infectious TB patients, but ensuring that they receive free care, and that they take their full six-month treatment.

In 1992, the Chinese government received a World Bank credit of \$130 million for an infectious and endemic disease project which included more than \$50 million for TB control. In partnership with the World Bank, WHO, and the UK Department for International Development (DFID), the Chinese government sought to implement DOTS in 13 provinces that account for roughly half of the Chinese population. This involved the purchase of low-cost, high-quality drugs, the training of staff, and the provision of free diagnosis

and treatment to infectious TB patients. The project also included performance-based incentives for health providers, who have foregone any income in order to provide free care to patients.

By the end of 2000, nearly 1.2 million infectious TB patients had been diagnosed and cured as a direct result of the DOTS program. In March 2002, the World Bank provided \$104 million, augmented by a \$37 million grant from DFID, to expand China's national TB control efforts and reach more of the country's poor population.

China's remarkable treatment success rate of 95 percent is the best of any country undertaking a large-scale national TB control campaign.

## **Providing Legal Aid for Poor Women in Ecuador**

Twenty percent of households in Ecuador are headed by women—women who are more vulnerable to the threat of poverty than any other group in society.

The economic crisis of the 1990's brought them new risks. Women seeking to collect social welfare benefits, to escape abusive home situations, even to register their newborn children faced increasing obstacles and petty corruption.

In 1996, Ecuador launched a judicial reform project to provide legal services that respond to the needs of women. The "Law and Justice" component of the project, which was partially financed with a \$10.7 million World Bank loan, undertook reforms that lent support to non-governmental organizations working to provide free legal services to disenfranchised women. This was the first World Bank-financed project to include a legal aid component aimed squarely at poor women and their children.

"Legal Aid for Poor Women" provided legal consultation and representation, counseling, and dispute resolution services to almost 17,000 poor women. It also assisted another 50,000 indirect beneficiaries, most of whom were the children of women making use of these services. Through this program, women gained a greater awareness and understanding of their rights. The evident success of the program has inspired other governments to examine similar initiatives, and plans are underway to replicate it in Sri Lanka and Jordan.

## **Rebuilding After Disaster Struck Turkey**

On August 17, 1999, a massive earthquake devastated Turkey's Marmara region. Seventeen thousand people were killed in the quake, which measured 7.4 on the Richter scale. Hundreds of thousands more lost their homes and livelihoods. Turkey's industrial heartland was extensively damaged.

The international community reacted swiftly. The World Bank provided \$252 million for emergency recovery assistance. Another \$505 million was provided for the construction of 11,502 new homes in eight different sites throughout the devastated region.

Thousands of people were involved in the rebuilding effort. Fourteen contractors built low concrete buildings that were designed and constructed to withstand future tremors. Duzce, in Western Turkey, was the first of the affected communities to rise again, being rebuilt around a combination of new apartment buildings, a new school for 240 students, and a new health center. More than 8,000 housing units have been built for survivors of the quake.

Together, the World Bank and Turkish authorities also are taking steps to safeguard people against any future quakes. Two million earthquake insurance policies have been issued through the Turkish Catastrophic Insurance Pool, and the Turkish Emergency Management Agency has been established to respond effectively to future crises.

"I wish never to live again with the fear that my house might collapse on top of me," says Havva Cosar, a Turkish woman who received a key to a new house. Kenan Karadeniz, an accountant in the rebuilt town of Duzce, also moved into a new home built with funds from the World Bank. "I can't recognize this as the same place I walked through after the earthquake when the streets were destroyed," Karadeniz said. "The city is being rebuilt."

## **Connecting Isolated Villages to Markets in Peru**

"Before, we had to walk four or five hours each way to go to the market in Cuzco. Now it is one hour by bus," says Julia Juana Viuda de Guamán, a widow and the sole provider for her six children who lives in the village of Ccorca in Central Peru.

A small town of about 700 poor families, Ccorca is located high atop the Andes. To help the residents of this region have access to markets and basic services, the Peruvian government got together with the World Bank, NGOs, and the Inter-American Development Bank to create the Peru Rural Roads Program. Under this initiative, the 20 kilometers between Cuzco and Ccorca can now be covered in just one-tenth of the time it took on the old roads.

In addition to buying food, medicine and clothing in the town, and selling their own products in the market, the people of Julia Juana's village are now going to Cuzco to do part-time work in the city's buoyant tourist industry, which is benefiting from its proximity to Macchu Picchu.

Ccorca is not the only indigenous village in the area benefiting from a new road and greater access to basic services. Around 3 million people in the Andean region are reaping the benefits of the expansion and rehabilitation of some 13,000 kilometers of rural roads and highways.

## Fueling Economic Growth in Mozambique

After more than 17 years of civil war, Mozambique emerged during the 1990s as one of the world's poorest, most debt-ridden countries. To offer better lives for its people, the government of Mozambique understood the need to create jobs and attract investment in ways that would help rebuild a shattered society.



Today, Mozambique is the home to the single largest industrial investment in southern Africa, the \$1.3 billion aluminum smelter called Mozal. Built in the years after the end of the civil war, Mozal has involved a number of investors and lenders, including the Industrial Development Corporation of South Africa, which was backed by a \$40 million guarantee from the Multilateral Investment Guarantee Agency (MIGA), an arm of the World Bank Group.

Yet it is not the project's size that makes Mozal so notable, but the tremendous impact it has had on the development of the host country. In 2001, the facility contributed an estimated 10 percent to Mozambique's GDP growth, brought in new technical skills, created thousands of jobs, and contributed to much needed local infrastructure development.

Mozal also contributes by adhering to good environmental and social practices. Working in partnership with the government, NGOs, and local communities, a special Mozal Trust is providing more than 17,000 local families with a host of services, including community infrastructure, education and training, and health care services that aim to fight AIDS and malaria.

"Mozal's shareholders believe that the measure of a successful project should go beyond world-class construction and operational performance, to include world-class environmental and social ethical performance," says Alcido Mause, head of the Mozal Trust.

The Mozal project also has played an important role in creating a blueprint for assessing and processing foreign direct investment proposals, strengthening the government's capacity, and fostering a more responsive regulatory framework and investment climate. Thanks to the Mozal's "demonstration effect," foreign investors are considering several new developments of more than \$1 billion.

## Empowering Women in Pakistan

In Pakistan, the World Bank is working with a number of groups to help poor women find new sources of income. In many cases this involves backing the flow of microcredit loans to those who want to take the initiative to improve their own lives.

Sadeeqan, the mother of a family of seven living in Lahore does not own land or livestock, and for years she relied on her husband's income of 1,500 rupees a month,



earned through his work as a gardener. The family was deeply indebted, and a loan of 2,000 rupees from a local money lender had to be paid back in one lump sum. Sadeeqan and her husband had been paying a monthly interest of 200 rupees for almost a year, making the loan's repayment seemingly an impossible task.

For help, they turned to the Kashf

Foundation, one of a number of intermediary organizations supported by the World Bank-financed Pakistan Poverty Alleviation Fund, which provides microcredit services and community infrastructure development. Kashf provides microfinance services to poor women, enabling them to buy things as varied as gas stoves, school books for their children, roof tiling or flooring for their homes, cattle and draught animals, and fruits and vegetables to sell in small shops.

Kashf advised Sadeeqan to initiate a quick turnover business so that she could pay back her loan from her earnings. With a small loan from Kashf, Sadeeqan bought 13 mounds of rice paddy at a price of 4,000 rupees. Once she had husked the paddy, she sold the rice for 6,000 rupees. She made sure that the rice was sold in cash rather than credit so she could reap the profit immediately. She used the 2,000 rupees to clear her debt to the money lender, and she invested the rest in setting up a carpet weaving loom in her house. While Sadeeqan runs the paddy husking business with her husband, she also manages the carpet weaving business on her own.

Like any entrepreneur, Sadeeqan has plans to expand her business. With another loan from Kashf, she aims to buy a bigger carpet weaving loom.

## Striving for Peace in Sierra Leone

With the onset of civil war in 1991, Sierra Leone plunged to last place in the world's Human Development Index, measured each year by the United Nations Development Programme. Half of the country's population was displaced, and it was impossible for humanitarian or development aid to reach into half the country's war-battered territory. However, working with the World Bank and other international partners through the Disarmament, Demobilization, and Reintegration (DDR) program, the government of Sierra Leone has been able to strive for a lasting peace.

The DDR program was part of a long-term effort initiated in 1997 by the World Bank and the UK's Department for International Development. It was shaped by a UN-supported peace agreement based on reconciliation, and it included all the parties to the conflict. Coordinating with international supporters, the World Bank managed a \$31.5 million Multi-Donor Trust Fund while the UN oversaw the disarmament process as part of a the broader effort to cement the new peace initiative.

By January 2002, the war was officially declared over. Altogether, some 72,500 combatants have been disarmed and demobilized, and 42,330 weapons and 1.2 million pieces of ammunition have been collected and destroyed. With the restoration of a lasting peace, development aid is returning to Sierra Leone to support the government's efforts to foster reconciliation and the reintegration of those who fought in the civil war.

## Helping Women Combat Poverty in Kyrgyzstan

Sononya Zhanazarova, or Sonya, comes from Naukat, a farming town in the red hills of Kyrgyzstan some 40 kilometers from the regional capital. Until recently, she and her husband had been living on a pension equal to just \$51 a month, which Sonya tried to supplement by selling pistachios at the local produce market.

Sonya started her business with a small bag of nuts. Unable to afford a stall in the produce hall, she sold pistachios from a small table outside the building—even during the freezing winter months—until she got together with 11 other women to form a village banking group. Hoping to find the capital to help grow her business, Sonya turned the Foundation for International Community Assistance (FINCA), a micro-finance provider supported by the World Bank's private sector arm, the International Finance Corporation (IFC). A \$40 loan from FINCA allowed Sonya to buy more pistachios and begin expanding her own business.

Entrepreneurs like Sonya need ongoing, reliable access to loans at fair interest rates to take advantage of market opportunities and to improve their own livelihoods. Supported by the IFC, FINCA is helping ensure that even the smallest businesses can flourish by giving them access to additional funds. FINCA has set out to help low-income urban and

rural women in particular and now 90 percent of FINCA's clients in Kyrgyzstan are women who borrow an average of \$120. FINCA uses a lending technique that relies on group guarantees—such as that provided by Sonya's banking group—instead of traditional collateral like property. Experience with such programs has shown that women in low-income areas are more apt to translate these kinds of earning opportunities into better health and education for their families, multiplying the benefits of such a small initial loan.

Over time, Sonya's loans and business have grown so that she was able to add new products to her inventory and rent a table inside the market hall. Today, she is not only doing well for herself, but she has even hired new staff—her daughters-in-law.

## Pumping Water to Brazil

Over the last decade, the World Bank set out to work with others to help tackle Brazil's two major water resource management challenges: the scarcity of fresh water and of sewage services. Millions of poor people in Brazil's northeast were living on lands parched by years of drought. At the same time, millions of Brazilians living in urban and industrialized areas, particularly in the southeast, were facing an unhealthy environment blighted by water pollution.

Between 1991 and 1994, the World Bank approved \$2 billion in loans to support the Brazilian government's water resource activities.

As a result, the number of people with a reliable access to clean water has jumped by 30 percent in rural areas since 1986. Over the same period of time, the percentage of people with access to reliable, drinkable water sources has climbed to 96 percent in urban areas. Altogether, more than 1.3 million people have benefited from Bank-supported water projects in Brazil over the last 16 years.



## Supporting Communities in Malawi

Until last year, students at Njewa Community Day Secondary School in Lilongwe, the capital of Malawi, attended classes for only three hours a day. They were forced to spend the greater part of the day at home because they were using classrooms meant for a primary school.

To address these kinds of challenges, the Malawi government several years ago established the Malawi Social Action Fund (MASAF), a facility backed by the World Bank. The MASAF was established specifically to bring social services to the smallest communities across Malawi.

Thanks to this initiative, the people of Njewa now send their children to a new secondary day school. Students who used to attend classes outdoors now have proper classrooms, complete with chalkboards, desks, and chairs. Teachers who once rented houses far from their respective schools can now stay at the school, saving them time and the cost of travel.

What makes MASAF-funded projects unique is that the beneficiaries are able to supervise their projects through a democratically elected Project Management Committee. The Njewa committee oversaw the construction of the new school and housing for its teachers, and reported back to the community on the project's progress. MASAF asks communities to contribute 20 percent toward the total cost of each project—whether a school, clinic or market—which can be partly in the form of building materials and labor. The Njewa community raised the equivalent of \$100, made 16,000 concrete blocks, and collected sand before they approached MASAF for funding.

Since its inception in 1995, MASAF has funded 4,697 classrooms throughout Malawi. It also has supported the drilling of fresh water bore holes, the construction of community health centers, and the establishment of new markets across Malawi.

## Fostering Good Nutrition in Bangladesh

Malnutrition levels in Bangladesh remain the highest in the world, providing the starkest evidence of the barriers to its economic and social development. Nearly 700 children die of malnutrition-related causes in Bangladesh every day. Among those who survive, nearly 60 percent are seriously underweight. Malnutrition costs the country roughly \$1 billion per year in treatment costs and lost productivity.

In 1995, the government launched the Bangladesh Integrated Nutrition Project (BINP) with support from UNICEF and a \$59.8 million credit from the World Bank. It is one of the largest nutrition programs of its kind operating in the developing world today. By the end of



2001, the project had reached more than 3 million households in over 13,000 villages across Bangladesh, providing such services as child growth monitoring and food supplementation for those most at risk—children under the age of two, women who are breast-feeding, and pregnant women.

In the areas served by the program, severe malnutrition among children under two years of age declined to 2 percent from 13 percent over six years. The number of low birth-weight babies fell 30 percent, and at least half of all pregnant women in the targeted areas have gained weight.

In 2000, the World Bank approved another \$92 million for a broader-reaching National Nutrition Program, aimed at expanding community-based nutrition services and activities. This new initiative is seeking to ensure diverse and nutritious food is provided to a group comprising nearly one-third of the Bangladeshi population. The BINP project has been successful in feeding and restoring the health of over 1.2 million teenage girls; 191,000 lactating women; 158,000 pregnant mothers; and 718,000 children under two years of age.

## Boosting Self-Reliance in East Timor

The birth of the world's newest independent nation, East Timor, came at tremendous cost to its people. The violence of 1999 destroyed much of East Timor's rural sector, with farms destroyed, processing machinery smashed, tools stolen and farm animals killed. Food and seed stocks were looted. Overall, economic production dropped by 49 percent in 1999 from the year before.



Through the First Agriculture Rehabilitation Project, the World Bank-administered Trust Fund for East Timor has helped communities get farm animals and farm tools, repaired small irrigation schemes and roads, and trained agriculture staff. A second phase of this initiative, approved in June 2001, aims to build on the successful community-based activities of the first project by improving food security for farm families and increasing agricultural production.

So far, the project has helped vaccinate more than 100,000 cattle and buffalo, and nearly 250,000 pigs. In addition, more than 71,000 chickens have been given to farmers and poor women of

some 14,000 families. More than 3,000 Bali cattle and buffalo have also been provided to farmers who lost their livestock during the violence in 1999.

The First Agriculture Rehabilitation Project helped to establish three agricultural service centers to boost rice and coffee production and marketing, and has supported the processing of candle-nut into tung oil. The project has provided community grants for the rehabilitation of 7,742 hectares of small irrigation fields and 109 kilometers of rural access roads. More than a thousand radios have been given away to people living in 14 separate communities to ensure they can stay in touch with the issues facing their new nation.

## **Empowering Citizens of Russia**

As Russia began to reform its legal system in 1996, changing the cultural climate surrounding the judiciary was as important as tackling traditional components of legal reform. Having spent 70 years circumventing the system and experiencing drastic social and economic changes, the majority of Russian people distrusted their legal and judicial systems and did not know how to make use of them.

One of the goals of Russia's legal reform was to make justice accessible to everyone. With the support of a \$58 million World Bank loan, a series of public information campaigns was designed to address some of these challenges.

The campaigns included a public education program in secondary schools that would use competitions on legal subjects, pamphlets and brochures on legal topics, and visits by legal professionals to reach out to students.

From the 55 schools that participated in the first phase of the program, today there are 600 schools actively involved. More than 120,000 Russian children, between the ages of 12 and 18, have taken legal courses in their schools and have learned about their rights both as citizens and as children.

The project also has provided support to legal practitioners, enabling them to undergo training in order to improve their professional conduct. Eight law schools have updated their class syllabus with 53 new courses; 90 judiciary public information officers have been taught how to improve communication with the public on legal matters. And, 200 journalists have taken legal journalism courses to improve their reporting skills.

## **Registering Minority-held Land in Colombia**

Afro-Colombians make up 90 percent of the population in the rainforest-covered Chocó region along Colombia's Pacific coast. Largely dependent on fishing, hunting, and traditional farming, these groups are among the country's poorest.

In 1994, the World Bank approved a Natural Resources Management Program to help the Chocó region's Afro-Colombian and indigenous groups obtain titles of land ownership while preserving their cultural and ethnic identities. The \$65.3 million project funded the implementation of a law recognizing Afro-Colombian communities as ethnic groups with collective territorial rights.

Workshops, training courses and village councils raised awareness in the community about land ownership, and with the active participation of regional Afro-Colombian and indigenous organizations, the project set up regional committees between the government and the communities to ease ethnic conflicts and develop titling standards.

By 2001, the program had helped 58 community councils gain titles to 2.4 million hectares of land for households together comprising more than 100,000 people.

## Providing Basic Services to Isolated Villages in Yemen

Remote mountain villages in Yemen, one of the world's poorest countries, often lack the most basic services such as schools and clean water. The Social Fund for Development (SFD) was established in 1997, with support from the World Bank, to help reduce poverty, provide basic health and social services to remote and poor communities, and provide economic opportunities.



In remote mountaintop villages, the SFD has worked with communities to restore traditional water-harvesting systems and also increased girls' school enrollment by constructing new classrooms. In some communities, the SFD has supported new health centers and connected remote villages with marketplaces by building new roads.

Education projects amount to more than 50 percent of the SFD's activities, followed by water and healthcare projects. Since its establishment, the Fund has signed contracts for over 2,420 projects, of which some 1,115 have been completed, benefiting more than five million people across Yemen.

## Expanding Education in Armenia

For Ani, a fifth grader in Capan, a city in the Armenian valley, going to school these days is fun. Her new textbook has plenty of colorful pictures and up-to-date information. Her school offers lots of creative activities such as theatre, dance and music. Ani is learning how to use a computer and is connected to students all over the world through the Internet.

But in 1998, few textbooks could be found in classrooms in Armenia, and those that were available were old and shabby leftovers from the Soviet era. The World Bank, together with UNICEF and the United Nations Development Programme (UNDP), gave the government \$15 million for the Education Financing and Management Reform project that currently covers all Armenian schools up to tenth grade.

Under this initiative, a foundation was created to share the cost of textbooks among the schools, the government, and the students' parents. Since then, new classes have been added and students can now learn Armenian history and literature, civic education, information technology, and the arts.

When the project started, Armenia's education system was on the verge of collapse. The textbook foundation was the first step in a quest to have the right to a good education for an entire generation of children. For children like Ani, this has already made a real difference to their lives.

## Fighting Riverblindness in Africa

Onchocerciasis, or riverblindness, is a disease that has long brought suffering and misery to millions of Africans. But now, riverblindness is being effectively tackled by a alliance of governments, the private sector, and international agencies, including the World Bank. The disease, borne by blackflies that breed in fast-flowing rivers, causes blindness in about 10 percent of its victims and has forced the depopulation of large tracts of arable, river bottom farmland.

In a swath of Africa from Senegal to Ethiopia and from Angola to Mozambique, nearly 500,000 people have severely impaired vision, 350,000 more are blind, and 6.5 million are infected with riverblindness. Ongoing control programs have reduced these totals to less than half of what they were in the early 1970s.

In 1974, the Onchocerciasis Control Programme (OCP) was established, bringing together the World Bank, the World Health Organization, the United Nations Development Programme, and the Food and Agriculture Organization. Since then, OCP has halted transmission and eliminated the disease as a public health problem in a region that covers 40 million people in 11 West African countries. In its 28 years, OCP has prevented 600,000 cases of blindness and eighteen million children born in now-controlled areas have been spared the risk of



the disease. Twenty-five million hectares of fertile land have been made safe for cultivation and resettlement. By the end of this year, a total of 5 million years of labor will have been added to the economies of Benin, Burkina Faso, Cote d'Ivoire, Ghana, Guinea, Guinea-Bissau, Mali, Niger, Senegal, Sierra Leone, and Togo.

The remarkable success of OCP led in 1996 to the establishment of the African Programme for Onchocerciasis Control (APOC), which includes the continent's remaining 19 riverblindness-endemic countries: Angola, Burundi, Cameroon, Central African Republic, Chad, Democratic Republic of Congo, Republic of Congo, Equatorial Guinea, Ethiopia, Gabon, Kenya, Liberia, Malawi, Mozambique, Nigeria, Rwanda, Sudan, Tanzania, and Uganda. A key feature of the APOC initiative is Merck & Co. Inc.'s donation of Mectizan, a drug that relieves the symptoms of riverblindness and stops transmission when taken community-wide. By distributing Mectizan in partnership with non-governmental organizations and national governments, APOC already treats 25 million people a year, more than one third of the eventual target population of 60 million.

## Giving Villagers a Voice in Indonesia

"We used to be half-dead when we arrived in the morning at our rice paddies. Now we get there in minutes," says one North Sulawesi villager. "Of course, it is at harvest time when we reap the greatest benefits of the new road. Carrying the rice while treading on the tiny zigzag path that was here before was an act of acrobatics and of endurance. Now we do it by motorcycle taxi in no time at all."

In villages across the Indonesian archipelago, similar projects are being developed under the World Bank-funded Kecamatan Development Project (KDP), a community-empowerment initiative. Villagers living in kecamatans, or sub-districts, receive grants for projects they themselves choose. A village assembly has to meet and assess the needs of the community. In addition, a notice board must be set up centrally in each village to show where every rupiah is going, and to announce who is accountable for the money, and for the implementation of the project.

According to one Sulawesi women's group, KDP has had significant liberating effects for women, whose time and effort have been freed up by many of the village projects. According to another, the most important thing is that KDP leaves the decision up to those affected by the project.

"Before, a development project could consist of us being told to produce goods for the market, and given resources to do so, without any help with marketing or selling," says one Sulawesi woman. "We ended up with many unsold goods in our homes. Production in itself is not enough. With KDP it is now we who decide what—and if—to produce."

Over the past four years, the project has built roads stretching over 19,000 kilometers, and erected or rehabilitated some 3,500 bridges. It has constructed 5,200 irrigation systems to improve crop yields, and has supplied 2,800 communities with clean drinking water. For the children of these villages, KDP has financed the construction of 285 new schools. KDP has also provided over 25 million man-days of paid labor in rural, poor parts of the country, paying the wages of nearly five million people.

## Delivering Universal Primary Education in India

In a nation as sprawling and diverse as India, offering even a few years of education to all boys and girls is a daunting prospect, but one that the government is confronting with the aid of the international community.

Initiated in the early 1990s, the District Primary Education Program (DPEP) was designed to facilitate India's efforts to achieve universal primary education and it has since become the world's largest education program, reaching 60 million children.

While the World Bank is the single largest contributor to this initiative, having provided \$1.2 billion, the program is also supported by many other donors, including the European Commission, UNICEF and the governments of the Netherlands and Sweden. Spread over 271 districts in 18 states in India, the program operates where female literacy levels are below the national average.



The focus of DPEP is children between the ages of six and 14, and its target is to provide at least four or five years of quality primary education. The project also aims to reduce the number of school dropouts and improve the overall quality of primary education. In addition to girls who were formerly prevented from attending school, the beneficiaries include children with mild to moderate disabilities, and working children.

Enrollment in general has increased, and in a three-year period enrollment of girls increased to 43 percent from 38 percent. The recently instituted national education program is using DPEP as a blueprint for its overarching aim of delivering universal primary education across India.

## Empowering the Remote Communities of Ethiopia

With a population of more than 60 million and an average per capita income of \$100 a year, Ethiopia is one of the world's poorest countries. In 1995, life expectancy in Ethiopia

was just 48 years, and 117 of every one thousand infants died within their first year. Almost 700 women died in childbirth for every 100,000 births. More than 70 percent of the country was susceptible to malaria, and tuberculosis was the major cause of hospital-registered death.

In 1996, the Social Rehabilitation and Development Fund Project was created to help remote communities address these tragedies, backed by a commitment from the World Bank to finance half of the project's \$240 million total cost.

Since then, the project has enabled 600,000 children, 49 percent of them girls, to attend school. Four million people now have easier access to health and sanitation facilities. Some 66,800 Ethiopians enjoy higher crop yields due to improved irrigation.

## Stemming the HIV/AIDS Epidemic in Brazil

In 1990, Brazil had one of the world's largest numbers of reported AIDS cases in the world. By 1995, AIDS was the number one cause of death among young women in the State of São Paulo, and second among men. A crisis of such proportions required an approach that would combine



both prevention and treatment, and the Brazilian government turned to the international community for help.

Now, UNAIDS sees Brazil a success story among nations struggling to contain the AIDS epidemic, and to provide for its victims.

In 1993, the World Bank approved \$160 million for the AIDS and Sexually Transmitted Diseases (STD) Control Project in Brazil. The

program focused on prevention efforts, but also covered treatment and testing. Between 1993 and 1997, the project helped 175 non-governmental organizations carry out more than 400 grassroots campaigns educating high-risk groups such as injecting drug users and sex workers about unsafe or harmful behaviors. They handed out more than 180 million condoms, raised AIDS awareness among more than 500,000 people, and trained 3,800 teachers and 32,500 students in promoting AIDS and drug abuse prevention.

According to surveys, condom use among men has surged dramatically, with a tenfold increase reported between 1986 and 1999.

Aided by another \$165 million World Bank loan in 1998, the Control Project, now in its second phase, is helping Brazil's Ministry of Health reduce the spread of HIV/AIDS while making it possible for Brazilians with AIDS to live longer, healthier lives. The program has contributed to a 38 percent drop in the number of AIDS-related deaths since 1993.

While supporting 145 specialized AIDS care units, 66 hospital-based care units, and 50 home-care teams, the focus of the Second AIDS and STD Project remains prevention. It has helped set up a nationwide network of 141 AIDS testing and counseling centers. Through a partnership with the National Business AIDS Council, 3,000 companies are now providing AIDS awareness training to 3.5 million workers.

## Doubling Rural Incomes in Turkey

More than 70 percent of Turkey's land area faces soil degradation from erosion, resulting in low productivity and low rural incomes.

In 1993, the World Bank approved the Eastern Anatolia Watershed Rehabilitation project, which has since improved the lives of farmers in more than 300 mountain villages, by enabling them to grow new cash crops and by teaching them new farming techniques that have boosted agricultural production dramatically.

The project was designed to increase the productivity of forest land, promote the sustainable use of marginal farmland, and increase the involvement of local communities in planning and managing their own natural resources. Smaller projects have been carried out in 11 provinces, covering 617,000 hectares and benefiting 227,000 people.

Since its launch, rural incomes have at least doubled, and satellite images reveal a marked difference in vegetation, which will help reduce floods and sedimentation.



## Eliminating Iodine Deficiency in China

In countries where iodized salt consumption is low, such as China, children are at risk of iodine deficiency disorders (IDDs) like goiter. Medical research also shows that IDD can result in a child's IQ level being up to 13 per cent lower. Studies have shown that there is a direct correlation between children's performance in school and the incorporation of iodine in their diets.

Working with UNICEF and other partners, the World Bank supported the Chinese government's National Iodine Deficiency Elimination Program by providing aid for physical plants for iodized salt production, packaging, and distribution, and by establishing effective quality control in the salt industry. The project also included the training of laboratory staff and the improvement of laboratory facilities.

Since the start of the national program in 1993, goiter rates for children nationwide in China have declined significantly—to below 9 per cent from 20 per cent in 1995. The decline was initially a result of both distribution of iodine oil capsules and increased consumption of iodized salt. The national average distribution of iodized salt reached 93.9 per cent in 1999, compared with 80 per cent in 1995.

## Recovering from Civil War in Rwanda

In 1995, the Rwandan post-war government started liberalizing the trade and currency regimes and also key product markets. Following the massive return of more than a million refugees to Rwanda, the World Bank in June 1997 approved a \$50 million Economic Reintegration and Recovery interest-free credit to support the government's reform program and assist in the resettlement and reintegration of those returning to their homeland.

Some 1.3 million people have been resettled and reintegrated by the government, with the help of this project. The credit has also been used to stimulate economic recovery and stability by providing foreign exchange for imports, and by boosting private sector production and employment. The effects have been widespread.

The return of refugees to their communities during 1996 and 1997 boosted agricultural production, which rose 14 per cent between 1996 and 1998. Dependency on emergency assistance, such as food aid, has waned. Children went back to school in large numbers and primary school enrolment rose to 88 per cent in the 1998-1999 school year. Health centers are functioning. The reforms spurred a rapid recovery of the private and financial sectors. Real GDP, which declined by 50 per cent in 1994, rebounded by 24 per cent between 1996 and 1998.

## Improving Education Quality in Tunisia

By the mid-1990s, Tunisia had succeeded in enrolling almost all of the country's six-year-olds in first grade. Despite this effort, the school system was still burdened with high drop-out and repetition rates in later grades. As part of a larger reform project, the Tunisian government requested World Bank assistance to build on a UNICEF-supported "learning improvement" project.

The Bank's \$99 million funding has contributed to the development of new school curricula, the creation and distribution of new textbooks, and the implementation of new tools to measure students' performances. In addition, an extensive training program for teachers was created to equip them with the skills they need to incorporate new teaching methods in their daily instruction. The new methodology aims to provide each child with basic competencies in a range of core subjects, and requires teachers to focus on each student's needs and be accountable for the pupil's progress.

The Priority Schools Program now covers some 600 primary schools and 100 middle schools, and kindergarten classes have been created in over 400 schools to cater to the most disadvantaged children.



## Responding Quickly to Natural Disasters in India

When an earthquake struck Gujarat in January 2001, it killed about 13,800 people, and injured another 167,000. The quake smashed to rubble some 220,000 houses and damaged nearly a million others, besides disrupting power and water supply, and the road, irrigation, and telecommunication networks. Thousands of schools, hospitals, administrative buildings, and markets collapsed. Families, livelihoods, and social networks were destroyed.

"Nothing had prepared us for the devastation that was to come," says Fatima Behn, a resident of Dabhi village, in the Patan District of Gujarat. "But as mothers, we soon realized that we had to get a firm hold on our feelings and deal with the other realities—children who were terrified and had to be fed, no houses available. One of the first things that we wanted was a makeshift school for our children."

The international community, Indian civil society, and the World Bank responded swiftly. Relief and rescue teams, food, tents and medicines, cash and donations, and long-term offers to help in reconstruction flowed in. As a result of this collaboration, over 800,000 houses have been repaired and reconstructed to a higher standard than before. Some 5,000 engineers and 24,000 masons have received training in building seismically safe houses. About 1,400 primary schoolrooms have been completed by non-governmental organizations, and another 1,000 are in progress. In addition, repairs of about 7,000 public buildings are now complete.

## Improving Medical Treatment in Bosnia and Herzegovina

Impaired kidney function is often a life-threatening problem that can only be managed by renal dialysis, an artificial method of maintaining the chemical balance of the blood. Access to quality treatment is an acute problem for residents of Republika Srpska in Bosnia and Herzegovina, where kidney disease is endemic. With the country's faltering health care system in further disarray after the war, until recently there was little hope that local citizens suffering from the disease would receive adequate treatment.



That all changed in April 2001, when the International Dialysis Center BV (IDC) of the Netherlands injected several million dollars into a new, state-of-the-art dialysis facility in the city of Banja Luka in Bosnia and Herzegovina. The investment marked the first infusion of foreign cash in the country's health sector.

The quality of treatment is estimated to have improved three-fold. And now, more than

half the patients can work, compared with 20 percent before. "No one can believe the difference," says Vlastimir Vlatkovic, the clinic's medical director. "After three months of proper treatment, patients no longer have complications."

The Multilateral Guarantee Agency (MIGA), an arm of the World Bank Group, made the investment possible by providing a \$1.3 million guarantee, made available through a special trust fund financed by the European Union. The insurance was key to the investment going ahead, easing the investor's concerns about potential threats to the stability of the economy and wider society.

## Extending Credit to the Rural Poor of Vietnam

Increasingly, microfinance is proving to be the key that unlocks the potential of poorest in many developing countries, as shown in Vietnam where farmers have been able to raise the funds to expand and where mobile bankers now offer communities fair financing for their own fledgling ventures.

Between 1998 and 2001, a World Bank-assisted Rural Finance project provided nearly \$650,000 to 250,000 rural Vietnam households. Almost a third of the borrowers were women.

The loans, averaging \$360 each and provided through seven participating banks, were used to expand farm production, agricultural processing, and trading. To date, the repayment rate is 98 percent—very high compared to trends in the wider banking system.

“This project has brought valuable new financial resources to Vietnam to fight rural poverty,” says Dr. Nguyen Van Giau, Deputy Governor of the State Bank of Vietnam. “Not only has it made the participating banks stronger, it has enabled thousands of farm households and small-scale enterprises to borrow small amounts at commercial rates and expand their businesses. Without the project, most of these borrowers would have turned to money lenders, whose costs are much higher.”

The total credit provided by the Bank for this project was \$110 million. The project has supported several financing initiatives, reflecting the various challenges facing Vietnamese communities. One of these is mobile banking, which provides services to remote areas without bank branches, using specially equipped vehicles. Since the inception of the program, each mobile bank visits an average of 62 remote locations monthly, adding more than 200 new savings accounts and more than 500 new borrowers every month.

Already, the benefits of mobile banking exceed the costs, highlighting the need to provide more and better banking services to people in remote areas who until now have had no formal banks to serve them. According to a study conducted by the Microfinance Resource Center of the National Economic University in Hanoi in 2001, 99 percent of the borrowers increased their income significantly after borrowing.



## Reducing Telecom Costs in the Caribbean

As in any society, access to information and the ability to communicate are essential if people are to participate in economic development.

In five countries of the Organization of Eastern Caribbean States (OECS)—Dominica, Grenada, St. Kitts-Nevis, St. Lucia and St. Vincent—an expensive and erratic telephone system held back development as the information age unfolded in the 1980s and 90s. Cable & Wireless, a British multinational company, enjoyed what was effectively an unregulated monopoly over telecommunications services among the islands.

In 1998, the World Bank helped the OECS countries set up a regional telecommunications authority, which ultimately negotiated the terms for liberalization of the eastern Caribbean's telecom market. So far, the telecommunications project has reduced telephone and internet charges by nearly half. Lower rates have helped to stimulate new, more diverse businesses in these small economies. Low costs have also enabled the OECS countries to connect their businesses across national borders, through increased communication via the Internet, fax, phone, and teleconferencing.

## Helping Children Lead Healthier Lives in Bolivia

In 1999 confronted by some of the most bleak health indicators in Latin America, the Bolivian government asked the World Bank to help it with a program to bring better health care to poor families throughout the country.

The World Bank responded by approving a \$25 million Health Sector Reform Program that had as its priority reducing high maternal and infant mortality rates.

Adopting a results-based approach centered on yearly targets for eight basic health indicators, the project quickly made immunization more widely available and helped the poor gain better access to health care services. Coordination between Bolivian officials and donor agencies improved, resulting in more effectively targeted health care delivery.

Immunization coverage jumped to 86 percent in 2000 from 75 percent in 1998, with government spending on vaccines soaring to \$3 million in 2000 from \$500,000 in 1999. At the same time, the number of births attended by trained health workers climbed to 51 percent from 36 percent, and the number of children treated for pneumonia increased by 65 percent.

In response to these results, the World Bank in June 2001 approved \$35 million for the project's second phase. This second phase of the initiative has as its overall goal a reduction of infant mortality to no more than 48 for every 1,000 babies born by 2008, versus 67 for each 1,000 in 1998. The program also will expand health coverage to an additional 25 percent of the population, or about 2 million people, by assigning new health teams supported by indigenous community agents to the poorest regions of the country.

## Teaching Women to Read and Write in Senegal

It is widely acknowledged that educating women—given the pivotal role they play in teaching children and keeping them healthy—is one of the most effective ways to reduce poverty.

In Senegal's countryside, the majority of women aged 15 to 39 cannot read or write. Not surprisingly, children of illiterate mothers in Senegal are more likely to die young and less likely to attend school.

The Senegal Pilot Female Literacy project developed an approach for non-governmental organizations to expand their programs with the aim of lowering the illiteracy rate to about 40 percent overall in Senegal, and to 47 percent for women. The project succeeded in surpassing Senegal's target of teaching 135,000 adults to read and write.



The project proved to have a positive impact on the social conditions of communities and in increasing female involvement in civic life. Over 80 percent of all participants were women, and the dropout rate has greatly improved over traditional programs. Helped by the World Bank and other donors like the Canadian International Development Agency, the Senegalese government is on track toward its goal of halving the female illiteracy rate by 2005. The government is stepping up efforts on monitoring and evaluation.

## Combating Drought in Morocco

In the Moroccan countryside, old farming methods, low-value crops, and patchy health care and schooling have kept many people mired in poverty. In 1994 and 1995, a drought that reduced Morocco's agricultural gross domestic product by 45 percent threatened to cause severe long-term damage.

The World Bank responded with a \$100 million Emergency Drought Recovery Project aimed at restoring crop and livestock production, improving rural roads, and supplying drinkable water. A seed distribution program, combined with plentiful rain, enabled cereal production to recover

to 9.7 million tons in the 1995-96 season from 1.6 million tons in the 1994-95 crop. A water supply component brought clean drinking water to 196,000 rural people, and is expected to significantly improve the health of children and elderly people in particular. The project also supported the construction and rehabilitation of 1,650 kilometers of rural roads.

## Protecting the Amazon Rainforests of Brazil

What started as an effort to contain damage within one area of the Brazilian Amazon is now emerging as a blueprint for the protection of the Amazon itself.

In 1999, 40 percent of the deforestation within the Amazon region took place in Brazil's Mato Grosso agricultural state, which spans almost 91 million hectares and is home to 2.5 million people. It is one of nine states that comprises the Brazilian side of the Amazon.



In response, the Brazilian government and the World Bank created the Rain Forest Pilot Program, which has helped reduce deforestation by one-third in Mato Grosso since 1998. The number of fires has been reduced by 38 percent in the year 2000 alone.

Due to the successful results of Mato Grosso, the Brazilian Ministry of Environment decided to expand the program to include the entire Amazon. The licensing of rural properties will begin in 43 municipalities in the states of Mato Grosso, Pará, and Rondônia, all of which accounted for 60 percent of total deforestation in the Amazon between 1997 and 1999.

In September 2002, the World Bank joined with the World Wildlife Fund and the Brazilian government to launch the Amazon Region Protected Areas Program, a 10-year initiative that will triple the amount of Amazonian rainforest under protection to an area twice the size of the United Kingdom.

## Fighting HIV/AIDS in Chad

As in other parts of Africa, the AIDS epidemic has led the government in Chad to reassess its national health priorities, and in particular focus on the difficulties facing Chadian women who have long suffered from a lack of access to education and proper health care.

Roughly three quarters of women in Chad aged 15 to 49 have no schooling, 80 percent marry while in their teens, and more than half have had their first child before turning 18. The use of modern contraception is virtually non-existent. Only one in four Chadian women have access to trained assistance while giving birth, so that maternal mortality in Chad, estimated at 827 per 100,000 live births, ranks among the highest in the world.

In response to these challenges, the Chadian government with outside donors developed a National Health Strategy, and a National AIDS Control Strategic Plan. To support these plans, the World Bank is providing the government \$41.5 million under a Health Sector Support Project and a \$24.6 million for a population and AIDS control project.

An initial population and AIDS project, which became effective in 1995, helped the government to put in place a multi-sector AIDS prevention plan and trained more than 40 local non-governmental organizations in project development and management. The second project, building on the results of the first, is currently carrying out population control and HIV/AIDS prevention initiatives at the community level.

Knowledge about modern contraception methods, the existence of AIDS, and how the HIV virus spreads, is steadily growing. More than 300,000 condoms are now sold every month, about 15 percent more than expected at the start of the project.

## Backing Entrepreneurs in Latvia

Agris Smelteris employs 28 people in a small business that makes plastic window frames. He also runs a café and two shops. What makes him unusual is that he lives in the Latvian countryside, where he is one of a growing number of farmers whose entrepreneurial flair is changing the way of life for people in rural areas.



In the absence of any private sector interest, the Agricultural Finance Company (AFC) was set up in 1993 with support from the World Bank. Its credit officers took financial services to the farmers—an approach that helped overcome farmers' lack of transportation. The success of the AFC was impressive. In its first five years, with just 42 staff, it approved some 2,860 loans for a total of \$43 million. Repayment performance was high, and it remains at over 90 percent. The AFC helped establish a rural financial system based on commercial lending terms, and conditions that were later adopted by commercial banks.

## Cultivating Eco-Friendly Coffee in El Salvador

Since traditional coffee cultivation can harm the ecosystem, efforts have been made to develop methods that will help maintain biodiversity. Shade-grown coffee seems to be one answer.

As part of a Coffee and Biodiversity Project in El Salvador, a group of World Bank experts recently concluded that this type of coffee cultivation is not only a plus for the environment, but it can also be a profitable source of income for small and medium-size producers.

Some Salvadoran farmers recently switched to shade-grown coffee techniques and turned their agriculture project into a lucrative venture, placing their product on gourmet world coffee markets. The project has shown that a comparatively small investment, \$750,000 in this case, can have a significant effect, because the project can be extended and replicated in the future. As an outcome of the project, 224 coffee plantations will be certified with the ECO/OK seal, which the Rain Forest Alliance grants to farmers who cultivate coffee in a manner consistent with biodiversity preservation. Four coffee processing plants will be certified as well. There are more than 130 coffee species on certified plantations, while only five species have been recorded in areas where coffee is grown under the sun.



Producers who took part in the project had to satisfy a variety of criteria, ranging from shade density to a minimum number of trees, to receive their certification. They chose to participate in the hope that becoming certified would bring favorable economic returns, in addition to helping to preserve the ecosystem.

## Improving Public Services in Uganda

In May 2001, Uganda became the first country to benefit from a Poverty Reduction Support Credit, a new approach to World Bank lending aimed at improving the delivery of basic social services. A year later, noticeable strides have been made in improving the quality of education, health care, and water and sanitation services. Having struggled in recent years to recruit teachers, the

Ugandan government now is adding 1,000 teachers to the payroll each month. New health care reforms, such as greater advocacy of contraception, have helped to reduce the number of people infected with HIV. The rate of tuberculosis infection is also decreasing.

Water availability has steadily improved both in rural and urban areas. In the past two years, 1.5 million rural people have been provided with access to water, under one of the largest rural water and sanitation programs in Africa. Also, more than 6,000 new water connections a year have been recorded in 12 major towns, many of which are home to Uganda's poor families.

## Forming a Partnership for Farmers in Pakistan

Climatic conditions in Pakistan's largest and least developed province, Balochistan, range from merely dry to extremely arid. Soils are mostly thin, low in organic matter and prone to erosion. Yet agriculture is the mainstay of Balochistan's economy, employing 67 percent of the labor force, and the lack of water is severely constraining agricultural development.

In this challenging environment, the Pakistani government is responding through the Balochistan Community Irrigation and Agriculture Project. Funded primarily by the World Bank and the government of the Netherlands, the project is designed to benefit about 7,000 mostly poor families, who farm roughly 4,800 acres of land in the rugged terrain of southwestern Pakistan.

Typical of the project's success is the experience in Pandran, an isolated village in a hilly, barren region, 200 kilometers from Quetta, the capital of Balochistan. Before the project began, farmers had to dig channels along and across a dry riverbed to bring spring water to their fields.



Today, much water was lost along the way, and flash floods often washed away the channels. The villagers still get water from the same spring, but now it is conveyed to the fields through masonry-lined channels and across the riverbed by three aqueducts. A siphon and a raised channel provide water to new areas, and diversion boxes have been installed to allocate water equitably among users. In addition, a pipeline with 46 standpipes has been laid to provide clean drinking water to the village. There is now an assured water supply to about 200 acres and 79 families benefit.

Thanks to the improved irrigation system, farmers in Pandran are switching to commercial orchard crops, and the piped water supply has helped to reduce the incidence of water-borne diseases. The farmers constructed 25 percent of the channel works themselves, and a local contractor built the rest. The government granted the funds for the piped water supply, while the farmer's organization paid 17.5 percent of the capital cost for the irrigation system. Altogether, the entire plan cost the equivalent of only \$385,000.

## **Extending Social Services throughout the Philippines**

In the aftermath of the Asian Financial Crisis, the Philippines' health and education sectors were scrambling for resources. In 1998, spending on education—textbooks, classroom desks and chairs for students, and training programs for teachers—dwindled to a new low. The Department of Health spent only 25 percent of its budget on drugs and medicine. These developments led to a serious deterioration in the quality and accessibility of basic social services.

The World Bank-funded Social Expenditure Management Project, approved in 2000, supported the government's provision of basic social services to the poorest parts of the country. About 375,000 families in 3,700 villages have been assisted through the program. The loan also helped to maintain and operate centers, institutions and programs for distressed and disadvantaged groups, serving about 33,000 children; 9,000 adolescents; 40,000 women; and 5,000 persons with disabilities.

Among the outcomes of the project have been the building of 675 new classrooms and the repair and maintenance of another 15,000. Some 25 million textbooks have been distributed. Some 545,000 desks and chairs have been delivered to schools throughout the country. Roughly 5,000 teachers have been trained in teaching methods.

## **Keeping Students in School in Indonesia**

As the East Asian crisis intensified in 1997, it became increasingly clear that the social sectors, including education, were bearing the brunt of the fiscal cost.

To keep students—especially those from poor families—in primary and secondary schools, the World Bank in July 1998 committed \$282 million to help launch Indonesia's Back-to-School program, with additional support from the Asian Development Bank and the government of the Netherlands.

The core of the campaign is a Scholarship and Grant Program, which is handing out scholarships to 6.5 million poor students over the five-year term of the project. Half of all scholarships awarded so far have been to girls. Nearly four million scholarships have been given to children of poor households and 132,000 schools received block grants from the program. The dropout rate among scholarship recipients has been only 2 percent and the post-financial crisis fall in enrollment rates has been much lower than was feared at the program's outset.

## Expanding Health Care in Mexico

Two of the main obstacles to improving public health services for Mexico's poor have been the population dispersion in rural areas, and the difficult geographic obstacles to reaching those in remote villages.

A Mexican government initiative, the Expansion of Basic Health Services Program, has sought to reach these people. The program is backed by a \$660 million loan from the World Bank.



An unprecedented collaboration between the federal and local governments created hundreds of mobile health units that deliver a basic health care package including: basic sanitation, diarrhea control, family planning, prevention and treatment of parasitic diseases, health and nutrition information, immunizations, child delivery, and prevention and control of tuberculosis and cervical cancer. Thanks to the five-year old program, basic public health services were extended to 8.2 million people, mostly in small communities, who previously had no access to basic health care.

## Helping Communities Help Themselves in Benin

Agriculture is the mainstay of Benin's economy, employing 70 percent of its population and accounting for nearly 40 percent of its GDP. To help the rural poor—especially women—utilize their environment in more efficient and sustainable ways, the World Bank in 1998 launched the Borgou Pilot Rural Support project. Its primary goal was to encourage local institutions—village committees in particular—to embrace collective decision-making. As such, it helped communities carry out their own development plans and made it easier for villagers to get access to basic health and education services.

Cutting the red tape by connecting local project staff with villagers has greatly contributed to the project's success. So far, it has funded more than 528 small projects in 262 villages, all of which were identified, designed, and co-financed by the communities themselves.

The results: 79 village schools, 16 village health centers, 16 large wells for community water supply and 44 crop storages have been built. The project has supported 150 basic literacy courses delivered in local languages to 2,200 women and 2,500 men. It has also offered 262 technical training courses on subjects as varied as financial management, bee keeping, fishing, and refining crops.

## Expanding Girls' Education in Turkey



In the early and mid-1990s, falling enrollment rates plagued Turkey's school system. In 1997, the country launched a Basic Education Program, partially funded by two World Bank projects of \$300 million each.

This program has allowed the government to extend the duration of compulsory education from five years to eight years, and to pursue nationwide improvements in the quality of basic education. It includes a number of major initiatives to expand school capacity, to upgrade teaching and learning materials, and to improve school attendance.

During 1999, the program constructed 802 basic education schools and expanded 1,106 existing basic education schools. The additional space brought a 802,000 new students into Turkish schools.

In 2000, another 4,152 basic education classrooms were built, creating space for 125,000 more students. Although total basic education enrollment had declined

during the six years prior to the program's launch, it increased by 900,000 since September 1998—an unprecedented result.

Girls' enrollment in rural areas has made the most rapid progress—with enrollment in sixth grade increasing by 162 percent during the program's first year, and with continuing increases in the years afterward. Coverage, in terms of the proportion of the age group enrolled in basic education, increased by 1.5 million, surging to 91% in 1999/2000 from 76 percent in 1996/1997.

## Improving Children's Health in Madagascar

In Madagascar, children across the country have been afflicted by a remarkably high rate of infection by various intestinal worms, which can cause anemia. A community-based response, supported by the World Bank, has brought action on several fronts, ranging from nutritional supplements to grants for school water tanks. In almost four years, SEECALINE—a community

nutrition program in Madagascar—has treated 1.2 million students, preschoolers and non-enrolled school-aged children for intestinal parasites. The program has provided iron supplements to 800,000-students, funded 71 micro-projects, and trained 20,000 teachers.

Under the same program, parents, children, and teachers—working with local non-governmental organizations—can apply for grants for school water tanks and latrines to decrease the chances of parasite re-infections. Teachers are also trained to provide education in good nutrition and hygiene to children during regular classes, which discourages re-infection and encourages children to include iron in their regular diet.

The program continues to tackle iodine deficiency—another prevalent, but easily remedied problem—which causes mental retardation and poor growth in all children, and can cause younger children to become deaf. Iodine deficiency affects all children's capacity to learn.

In a primary school in the village of Soamierana, children were asked to bring in table salt from their houses to be tested in school using a simple test kit provided by UNICEF. The salt proved to be plain salt without any iodine. With new-found self-confidence, the children informed their parents that they should no longer buy salt from the local merchant. Pressure from parents and the community persuaded the merchant to restock his shop with iodized salt.

## Restoring Agriculture in Sri Lanka

At one time, farming communities in Sri Lanka's northeast region were among the most productive in the country. But 20 years of civil conflict forced a large number of families to flee their lands, causing the social and economic fabric of the countryside to fall apart.

The North East Irrigated Agriculture Project (NEIAP), backed by \$27 million from the World Bank, has enabled farmers to return to their fields and increase the amount of irrigated land by 2,900 hectares—benefiting about 4,700 families.

The project has supported the rehabilitation of 61 kilometers of roads and has provided 225 wells brimming with clean drinking water. More than 100,000 poor people are expected to benefit from the project by the time of its completion in 2005.



## Improving Health Care in Bulgaria

A young doctor from the tiny village of Dorkovo was completing his residency in Pleven, a medical university town in Bulgaria, when he heard of a World Bank-funded project that was to change his life. Soon thereafter, Dr. Nikolay Belev decided to leave his academic work and move back to Dorkovo, together with his wife, to become the general practitioner and primary health care provider to the village's 3,000 residents.

A \$26 million Bank loan has assisted the Bulgarian government in its efforts to restructure the health sector, primarily targeting rural and underserved areas while seeking to improve Bulgaria's health care efficiency and quality.

The resulting project created incentives for physicians like Dr. Belev to open practices in rural and remote regions by providing training and state-of-the-art medical equipment. As a result of the Bank's assistance, some 1,070 general practitioners were trained and over 1,400 medical practices—vacant three years ago—have been filled and adequately equipped. Out of Bulgaria's 8.1 million citizens, over 1.5 million people living in rural and remote areas now have access to quality primary health care services.

An Emergency Medical Services system is now operating in each of the country's 28 emergency centers. The World Bank-supported project provided new equipment and ambulances, better communication systems and improved management, which resulted in a threefold decrease in mortality rates for emergency cases in 2001. The national blood transfusion network now meets European standards for safety and quality.

## Bringing Education to the Poor of Uganda

When the Ugandan government introduced a new universal primary education policy in 1996, enrollment jumped by 70 percent in one year—from 3.1 million in 1996 to 5.1 million in 1997. This dramatic surge in the student body required an immediate and matching increase in teachers and other resources.

With the Education Sector Adjustment Credit, the World Bank and the Ugandan government have successfully tackled this challenge, and in less than three years, the project helped increase access to basic education and substantially reduce the wealth and gender inequity in primary schools.

Household surveys taken in 1992 and 1999 showed that the number of disadvantaged students enrolled in schools rose to 84 percent from 50 percent, while the enrollment of more affluent children showed an increase from 82 percent to 85 percent. Also, among economically disadvantaged 9 to 12-year-olds, female enrollment rose from 59 to 89 percent, while enrollment of boys increased to 91 percent from 67 percent.

## Bringing Light to Slums of Brazil

For the residents of Rocinha, one of Latin America's largest and oldest slums, the struggle to find work and have access to basic social services is complicated by the threat of fire, electrocution and power outages. These additional risks stem from the often desperate steps residents take to bring electricity to their meager homes, which are often connected illegally—and with extreme risk—to the power network.

Part of the solution is to find ways to deal with infrastructural inadequacies, to provide essential services at a low cost, and to educate residents about proper power usage, in Rocinha and in other slums in Rio de Janeiro.

Such an effort is being undertaken by Light Serviços de Eletricidade, Rio's main power provider, as part of an ongoing program to improve the city's electricity transmission and distribution systems. The latest initiative is made possible by a \$200 million loan, a portion which is insured against noncommercial risks by a guarantee from the World Bank's Multilateral Investment

Guarantee Agency (MIGA). Under the Program for Normalization of Informal Areas, Light is working in the city's low-income communities to establish and upgrade power networks, install transformers and meters, and educate local residents about safe, cost-effective power usage. The company is working hand-in-hand with local NGOs to make sure residents understand the program and to address their concerns. For favela residents, the program does not just provide a steady, safe source of power; it also documents proof of residence, necessary for getting a phone and establishing credit, in addition to other benefits.

Brazil's recent power crunch has added a new urgency to the program, which in 2000 reached out to about 150,000 new low-income clients. By 2005, Light expects to be present in 728 slums and 594 low-income communities and "irregular" areas—those with unregistered connections—adding some 176,000 new connections.

## Helping to Transform Agriculture in Azerbaijan

Chingiz Huseynov, a farmer in Salyan, Azerbaijan, is proud of his thriving cotton plants. He is even more pleased, though, with the tomatoes sown between his rows of cotton. For a farmer in this former Soviet Republic, his success is nothing short of revolutionary. Under Communism,



rule, collective farms grew only state-prescribed crops, and farmers received a monthly income that bore no relation to how much they produced or how hard they worked.

As a result of a farm privatization program funded, in part, by the World Bank, farmers in Azerbaijan have taken farming decisions into their own hands.

The program provides farmers like Huseynov with a piece of land—complete with a title which proves his ownership of the property—and access to fresh capital. It is part of an effort to transform agriculture in Azerbaijan into a dynamic, market-oriented sector based on private farming. The program has helped farmers cope with the country's serious water shortage by making major repairs to canals and pumps, and carrying out construction work on drainage facilities.

In total, 23,000 Azerbaijani farmers have benefited from the project, and most have seen a dramatic increase in their respective crop yields. The farmers say that the incentive of private ownership makes them work harder.

"Now that the land is mine, I put in extra effort to earn more money for my family," said Xeyrulla Mamedov, another successful farmer in Salyan.

Today, Huseynov legally owns his five-hectare parcel of land and uses it however he wishes. He sells cottonseeds and hay to his neighbors, and feeds his livestock with barley harvested from his farm.

## **Improving Living Conditions in Venezuela**

With more than half of its 2 million inhabitants living in unplanned squatter settlements, the Venezuelan capital of Caracas is faced with immense challenge in delivering basic services to its people.

Responding to the government's request for assistance, the World Bank has initiated a \$60.7 million Caracas Urban Upgrading Project, which is among the largest World Bank-financed programs aimed at providing integrated, basic urban services to slum-dwellers.

This project, which began in 1999, is the first of what is expected to be a long-term government program aimed at improving the living conditions of slum dwellers not only in Caracas, but in other major Venezuelan cities as well.

About halfway through the projected five-year implementation period, and following a difficult beginning, the project has begun to show clear and promising results. So far, the project has improved the living conditions of approximately 250,000 residents living in the large slum settlements of Petare Norte and La Vega in metropolitan Caracas.

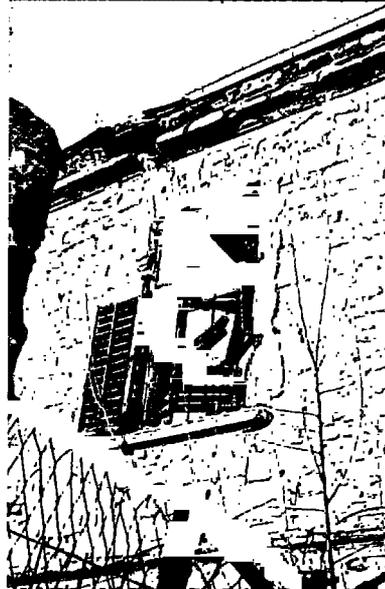
## Banking in Bosnia

The bitter war that rocked Bosnia and Herzegovina brought devastation on many fronts, including the complete collapse of the country's banking system. The loss of people's lifesavings led to widespread distrust, making the operation of most banks unviable. Today, a number of key reforms and the entry of foreign financial institutions, with access to capital and better lending conditions, are helping to restore faith in the system.

The Multilateral Investment Guarantee Agency (MIGA) is contributing to the recovery of the banking sector by providing guarantees to a number of foreign banks, including coverage for the expansion and diversification of an Austrian bank, Hypo Alpe-Adria-Bank, throughout the Federation of Bosnia and Herzegovina and the Republika Srpska.

Hypo Bank offers a variety of services, including corporate and individual lending. The bank is helping to make reconstruction more affordable to everyday citizens and to restore the country's production base by offering lower-interest, longer-term capital to local investors. Its clients are engaged in a variety of sectors, including the production of food, furniture, and construction materials. With most of Bosnia's production facilities destroyed in the war and almost all goods imported at a higher cost, these loans are critical to the country's economic reconstruction.

One of the bank's clients, FeAl, produces aluminum window profiles. "It is very important for companies to have enough liquidity to expand operations and to face the increase in demand; availability of credit is fundamental for the recovery of the local industry," says Mate Cujic, the company's director.



## Restoring China's Loess Plateau

Millions of poor farmers live in China's dry and remote Loess Plateau region, one of the remote areas where incomes are significantly lower than other parts of the country and where population growth, illiteracy, disease are all higher.

Here, centuries of excessive use of natural resources and unsustainable farming practices—combined with huge population pressures—have led to massive environmental degradation, downstream floods, and widespread poverty. Indeed, this region has the highest soil erosion rates of anywhere in the world. Crop yields are dangerously low, and people live in near

subsistence conditions. Roughly 1.6 billion tons of sediment clog the Yellow River annually and pose a serious flood risk in the lower reaches.

Together with the Chinese Ministry of Water Resources and the local population, the World Bank formulated a watershed management approach that offers a sustainable solution to end this vicious cycle. Over a period of seven years, the project has helped 1 million people out of poverty and has fundamentally improved the ecological environment in the region.

Erosion has been substantially reduced through massive reforestation efforts, the discontinuation of farming on steep slopes, and the establishment of large-scale terracing and sediment control structures. The project has also staved off soil erosion and reduced the amount of sediment seeping into the Yellow River.

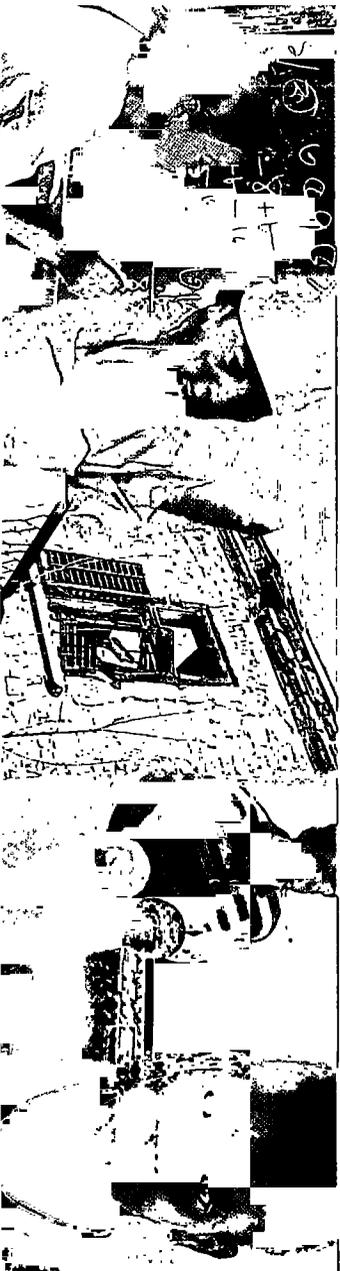
The Loess Plateau Watershed Rehabilitation project is being hailed as a model for water conservation—a model that is increasingly being applied throughout China. This project is one of the largest and most successful erosion control programs in the world.

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