CITIZEN SECURITY IN CENTRAL AMERICA

Fighting Back Together

Last year, nearly 20 people a day were victims of homicide in the streets of Honduras. The story was not much better in Guatemala, where everyday more than 15 people died violently or El Salvador, where the daily murder rate was nearly 12. Indeed, according to the latest figures from the United Nations Office on Drugs and Crime (UNODC), Honduras has the highest murder rate in the world (91 per 100,000 inhabitants), while El Salvador ranks second with 69. To compare, the homicide rate in the United States is 4.2.

Crime and violence represent today a tremendous social burden for Central America. Their negative impact on these countries’ social fabric, institutions and investment climate, as well as on their governments’ ability to attend to other social needs, is profound. They have become the main obstacles to development in the region, undermining efforts to reduce poverty and provide better opportunities for all.

To respond to this citizen security crisis, the World Bank has stepped up its support, further deploying its knowledge, financial and convening services in search of possible answers to this growing problem. Given the complexity of the issue, the World Bank has aimed to bring all relevant actors to the table to discuss solutions, and to strengthen partnerships with governments, civil society, private sector and the international community. The Bank is an active member of the Washington-based Inter-American Coalition for the Prevention of Violence (IACVP), and the “Group of Friends of Central America,” created to increase coordination among donors working on citizen security.

Health, security, material and institutional costs related to crime and violence add up to almost eight percent of the gross domestic product in Central America.

A highlight of this work last fiscal year was a conference hosted by the Bank in Washington to learn from successful experiences on crime prevention across the region and to identify practical solutions. The conference—a product of collaborative work with the Central American think-tank INCAE and the Washington-based Woodrow Wilson Center—brought key voices to the dialogue, including those of the private sector. The discussion helped build consensus on the need for multi-sector action, including public-private partnerships, to address crime and violence. A series of similar events are scheduled to take place in Central America and Washington to continue building partnerships with civil society and the private sector and work together on the region’s security agenda.

Furthermore, the World Bank increased its technical assistance to the Central America Integration System (SICA) in developing and implementing the Regional Citizen Security Strategy (presented in June 2011), with special emphasis on prevention, and in strengthening the regional violence observatory (OBSICA).

In 2012, the World Bank also helped to build capacity in crime and violence prevention throughout Central America. One notable contribution is the launch of the School-Based Violence Prevention Toolkit, developed by the World Bank, which provides methodologies for schools to take the lead in designing safe school spaces.

Other highlights of the World Bank’s engagement to promote citizen security in Central America in fiscal year 2012 include investments in Honduran urban upgrading; grants for crime prevention initiatives in El Salvador; and Public Expenditure Reviews for Honduras, El Salvador and Guatemala, with a focus on government spending on citizen security.
Putting More Dollars in Poor Hands

Every month hard working immigrants in the United States take a chunk of their earnings and send it back to their countries of origin. It is a moment filled with satisfaction, one that helps justify an often painful decision to emigrate and leave loved ones behind in search of better opportunities in a foreign land.

That monthly flow has come to represent a key source of income for thousands of poor families in Central America. But in the remittance process a substantial portion is siphoned away by transaction fees.

The price of sending a remittance transfer is frequently made up of a fee charged to the sender, a margin taken on the exchange rate, and, sometimes, a fee applied to the recipient of the funds. Sending US$200 from the United States to Central America can cost up to US$34. Users of remittance services often face the challenge of adequately identifying and quantifying remittance prices from various providers due to lack of information.

In order to promote transparency, competition and a reduction in costs, the World Bank, the Inter-American Development Bank and the Center for Latin American Monetary Studies developed www.enviacentroamerica.org, a free online tool that allows users to compare providers, costs and exchange rates when sending remittances from the United States to Central America and the Dominican Republic.

The website publishes a comparison of remittance service providers that includes location, speed of service, fees and exchange rates. The user can check how much money the beneficiaries will receive, depending on the provider. It is free, relevant information for the consumers.

DISASTER RISK MANAGEMENT

Reducing Vulnerabilities to Natural Disasters

For over a decade, the World Bank has provided support to the region in developing comprehensive strategies for disaster risk management, both nationally and regionally. This past year was particularly significant as the region developed and started to implement a regional policy known as the Integrated Disaster Risk Management Policy (PCGIR). This comes as the result of the strong alliance developed over the years between the World Bank and the Center for the Prevention of Natural Disasters in Central America (CEPREDENAC), the regional agency in charge of advancing the regional policy. With continuous technical and financial support from the World Bank, CEPREDENAC has strengthened its capacity, and, on the occasion of the Summit of Central American Presidents in December 2011, two new cooperation agreements were signed to support its implementation.

At the national levels, the World Bank has also provided assistance to enhance governments’ capacity to implement disaster risk management programs, thus reducing the impact of natural hazards on populations and on social and economic assets. In October 2011 the World Bank approved a US$66 million innovative financial instrument in support of Panama’s Disaster Risk Management Program.

Known as a Catastrophe Deferred Drawdown Option (CAT-DDO), this instrument is a contingent credit line that offers timely funding in case of a major natural disaster.

Similar loans had been approved for Guatemala, Costa Rica and El Salvador. In the wake of Tropical Depression 12-E, the Government of El Salvador was able to draw down on its US$50 million CAT-DDO to address emergencies. The storm, which battered the country for ten days in October 2011, caused 194 deaths and forced more than 50,000 people out of their homes, leaving an estimated US$1.5 billion in damages and losses.

In February 2012, with a social media campaign that attracted over one million hits and thousands of visitors to the website. Meanwhile, as more remittance users are informed about their options to send money, it is expected that the savings they will achieve will translate into greater incomes for Central American families.

In 2011, Central America received an estimated US$13.1 billion in remittances from migrants abroad, which is equivalent to about four times the amount of official development assistance and nearly three times as much as foreign direct investments.

A reduction of 1 percent in remittance costs can amount to an additional US$150 million directly received by Central American families.

Central American countries are prone to natural disasters of all kinds – including hurricanes, floods, and earthquakes. According to the World Bank’s Natural Disaster Hotspot, Costa Rica, Guatemala, El Salvador, Panama and Nicaragua rank among the top 15 countries in the world with the highest economic risk exposure to three or more natural hazards.

Add to that the fact that rapid urbanization and a changing climate are making these disasters more frequent or more costly (or both), and some may feel tempted to throw up their hands in resignation. But make no mistake, much can and must be done to mitigate the effects of future disasters.

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Today most jobs in Central America are still found in sectors with low productivity and limited technological development. This translates not only in lower incomes for Central American workers but also in low growth for the region as a whole, which undermines efforts to reduce poverty, inequality and social exclusion.

To turn this around, Central American countries need to focus on developing a better educated workforce. Countries must have a skilled labor force if they hope to attract more investment—and more jobs—in high-productivity sectors.

To explore actions that could help meet this challenge, the World Bank published in May 2012 the study “Better Jobs in Central America: The Role of Human Capital.” Its findings confirm that productivity and real wages have stagnated over the past decade and informal employment continues to dominate the labor market in Central America, with Costa Rica and Panama as the exceptions to this trend.

But how can the region create better jobs?

The preliminary findings of the regional study on how to create better jobs in Central America, and its individual chapters by country, were widely discussed over the last two years with government officials as well as with NGOs, think-tanks and academia. These discussions helped stir the debate on education and training policies and on the need to step up efforts to create an effective jobs policy in the region.

The study offers some possible answers. To increase human capital, countries should intensify efforts to expand coverage of secondary and tertiary education while also improving the quality of education.

A worrisome fact is that about 30 percent of urban youth (ages 15 to 24) in Central America are neither at school nor working. To curb youth unemployment, Central American countries can implement and expand youth training programs, initiatives that have proven successful elsewhere in Latin America and the Caribbean. The goal of these programs is to provide young people (especially those who are at greater risk, such as school dropouts) with basic skills to improve their chances of finding a job.

The study also suggests that Central America has the opportunity to integrate science, technology and engineering into business production processes to favor the production and export of value-added products. This can help stimulate the creation of high-productivity and formal employment.
COSTA RICA

Cooperation for Green Growth

Costa Rica is well known for its strong commitment to the environment, reflected in its aspiration to become the first developing nation to be carbon-neutral. In recent years, the country has endeavored to follow a unique green growth development path that focuses on the development and use of renewable and indigenous natural resources. Costa Rica and the World Bank have a history of successful cooperation in the area of environment and sustainable development.

In May 2012, with World Bank support, Costa Rica became one of just four countries to deliver a clear plan for using market instruments to finance climate change mitigation at the global Cologne Carbon Expo. It is a clear, ambitious path for the country to reduce its carbon footprint in the agriculture, energy, housing, transport and waste management sectors and reduce greenhouse gas emissions. This plan will continue to be financed by the World Bank's Partnership for Market Readiness global trust fund.

For more than ten years, the World Bank supported Costa Rica's Payment for Environmental Services program which pays landowners to conserve and reforest their land. In 2012, through support of the Bank's Forest Carbon Partnership Facility, Costa Rica will now have a system to measure the greenhouse gas emissions of forest conservation (REDD+) and access international carbon finance markets. This will provide the government with new resources to compensate rural landholders for protecting national forests and take the country closer to its goal of carbon neutrality.

Global Input on Innovation and Tertiary Education Reforms

In recent years, the World Bank has stepped up its work on tertiary education in Central America. A highlight of this work was the International Conference “Engineering and Applied Sciences in Central America: How to Develop the Next Generation of Innovators” held in San Jose, Costa Rica (February 2012) and hosted jointly with the Ministry of Science and Technology (MICIT). Participants from across the region, including university authorities, private sector leaders and policy makers gathered to discuss global trends and tertiary education reforms on engineering and applied sciences.

One of the outcomes of the conference is the establishment of working groups with representation from different sectors, which will continue working on the design and preparation of specific projects to enhance engineering and applied sciences education. More specifically, participants started to discuss and to work on the following initiatives:

- Improving the pipeline for engineering and applied science education: MICIT’s project Talento Joven (Young Talent), aimed at promoting scientific and technological vocations among teenagers aged 12-19, could be extended to other Central American countries. Another initiative could be the adaptation to the Central American reality of Evoke, a World Bank educational game focused on youth social innovation and development, and its dissemination among the region’s youth.

The Conference also fostered networking, particularly the creation of a Central American chapter of the Global Engineering Deans Council to be included in the 2012 global meeting in Monterrey, Mexico. The event also facilitated industry-university collaboration, with discussions on how to better foster broader collaboration, communication and understanding between these sectors.

Highlights of the World Bank’s work
Ensuring Financial Sector Stability

Is the Salvadoran economy prepared to withstand shocks that would affect its financial sector? Are the agencies in charge in a position to minimize the impacts of such a shock and preserve the stability of the financial system? These are some of the questions underlying the crisis simulation exercise that a World Bank team conducted jointly with the authorities of El Salvador this year. As part of the exercise, the World Bank provided technical know-how to improve the coordination and contingency planning of key government agencies. World Bank teams also helped develop amendments to the Banking Law and Cooperative Bank Law to improve responses to failing institutions. Furthermore, in order to strengthen the supervisory capacity, the Bank helped design the structure of the new Integrated Financial Superintendence.

The crisis simulation exercise is part of the World Bank's contribution to support the Government of El Salvador's efforts to formulate and implement a medium-term strategy to ensure sound financial sector development. The outcome highlighted progress achieved thanks to joint Government-World Bank work to improve not only the overall financial crisis preparedness, but also the legal framework for action in the face of failing banks.

Full-Time Schooling to Benefit 80,000 Youth

The notion that educational results can improve if children spend more time in school has caught a lot of attention lately in Central America. El Salvador has taken the lead by adopting the Inclusive Full Time School model in 2011, with the aim of increasing access, retention and graduation rates for secondary students. This model involves an extensive pedagogical reform, incorporating academic and extra-curricular activities and extending the school week from 25 to 40 hours for secondary education. An additional benefit of this intervention in the Salvadoran context is that it could play a role in preventing crime and violence through better schools, lower drop-out rates, and less gang activity.

To facilitate the learning exchange of Full-Time Schooling experiences, the World Bank co-hosted an International Workshop in San Salvador in January 2012. This event brought high-level policy-makers from Argentina, Uruguay, Costa Rica, Spain, Cuba, and Italy to discuss their experiences in implementing extended schooling models and to share lessons learned with Salvadoran officials, parent-teacher associations and civil society representatives.

To support the Salvadoran Government’s efforts, a Bank team designed a new education project (US$60 million, approved by the World Bank in December 2011) which will support the implementation of the Integrated System of Inclusive Full-Time Schools. Approximately 450 primary and secondary schools (almost 10 percent of all public schools in the country), will be covered by the project. The expected number of beneficiaries is about 30,000 students in lower secondary grades (7-9) and upper secondary grades (10-11). Furthermore, approximately 1,500 teachers of primary schools will take part in general training and orientation activities which will in turn benefit about 50,000 students in the first and second cycle of basic education (grades 1-6).
Knowledge and Partnerships to Enhance a Gender "Revolution"

Female participation in the labor force has traditionally been very low in Central America, with only 4 out of 10 women officially employed. Progress on this front has been slow, but there are some encouraging signs of improvements, as highlighted in the World Bank study "A Gender (R)evolution in the Making? Expanding Women’s Economic Opportunities in Central America", published in 2011.

The study was presented in Guatemala City on International Women’s Day (March 8, 2012) to a large audience including government officials as well as representatives from civil society organizations, academia, private sector and the international community. It analyzed the evolving economic role of women in Central America, describing progress made in gender equality in recent years while putting the spotlight on prevailing gender gaps. Two encouraging trends emerged from this analysis: First, women in the region have increased their ability to earn an income, thus reducing the gender earning gaps. Notably, for the first time, women are earning more than men in Central America. Second, women are contributing more than ever before to their economies and households: 1 in 3 dollars earned in Central America today is earned by a woman. Over the last decade, this contribution has grown at an annual rate of up to 3 percent, with poor women benefiting the most.

The study launch was the result of collaboration between the Bank and the UN Women’s Office in promoting gender discussions in Guatemala and across the region. Not only did this event put the World Bank on the map as a key expert and valuable partner in the area of gender issues but, more importantly, it helped stimulate the dialogue among key stakeholders on gender issues in Guatemala and on potential entry-points to address them. A follow-up event took place three months later and the dialogue on gender in Guatemala is both ongoing and lively.

Learning from Bolivia’s Experience on Improving Disadvantaged Neighborhoods

In June 2012, a Guatemalan delegation visited the city of La Paz, Bolivia on a mission to learn about “Barrios de Verdad” (“Real Neighborhoods”), a successful World Bank-sponsored program to improve the lives of families in disadvantaged neighborhoods through urban infrastructure improvements. The program has benefited more than 45,000 people living in 55 poor neighborhoods in La Paz over the past seven years.

This knowledge exchange, sponsored by the World Bank, served to foster discussions between Guatemalan and Bolivian authorities on urban infrastructure improvements. It also covered other important topics such as citizen security, crime prevention, local transportation, financial management, open government, and citizen participation.

While in La Paz, the Guatemalan delegation, comprised of representatives from several local governments, visited three neighborhoods where Barrios de Verdad has been at work. Guatemalan officials also learned about “Actitud Cebra”, an innovative social program for youth from disadvantaged communities. The youngsters participating in the program direct traffic at street corners and help keep pedestrians safe. In exchange for their service, these youth receive university scholarships.

The Mayor of Villa Nueva, one of the six Guatemalan municipalities that participated in the south-south exchange, quickly adopted some of the successful programs from La Paz. Less than a month after the visit, the Mayor started a neighborhood improvement program similar to Barrios de Verdad and an initiative to include at-risk youth in programs for traffic control.

Highlights of the World Bank’s work
HONDURAS

Strengthening the demand for good governance continues to be one of the World Bank’s key objectives in Honduras. In 2011 and 2012, the World Bank supported several initiatives to empower citizens and strengthen the capacity of civil society organizations in order to enhance their role in the demand for good governance and promote an improved linkage to government efforts.

The contribution in this area was primarily in the form of grants from the World Bank’s Civil Society Fund 2012, which supported:

- The National Campesino Association (Asociación Campesina Nacional, ACAN) in providing training to men, women and youth from indigenous Lenca communities on mechanisms to access public information, social auditing tools and citizen participation strategies. This contributed to empowering citizens who had never before actively engaged in the public sphere, or even considered themselves actors in development. As a result, they have created local citizen transparency commissions to monitor key aspects of local budgets and government projects in the area. Another benefit is the promotion of gender equality, as women (and youth) now actively participate in spaces traditionally limited to men.

- The Social Forum on External Debt and Development (Foro Social de Deuda Externa y Desarrollo, FOSDEH), which trained several non-governmental organizations and community-based organizations in “budget literacy.” They have learned how to identify and access information on public financial management, how to interpret the data, and how to engage in order to promote enhanced social accountability (at the national and local levels). They have also approached the government with specific proposals on how to make the national budget more transparent and efficient.

The civil society coalition Transformemos Honduras (“Let’s transform Honduras”), which helped train local parent associations in the Municipality of Comayagua on how to perform social audits on key aspects of public education, focusing initially on teacher payrolls. The findings identified several irregularities, and a constructive dialogue has been initiated among parents, teachers, municipal authorities and education directors. Furthermore, these parents have created a new structure to enhance their own advocacy efforts, and to support similar emerging initiatives for the promotion of meaningful engagement, not only in their own municipality but in the broader Department of Comayagua.

Improving the Nutritional Status of Young Children

Chronic malnutrition levels in Honduras are even higher than in Haiti, the poorest country in the Western Hemisphere. This situation has a negative impact on human and economic growth. Losses to gross domestic product due to under nutrition are estimated to be as high as US$400 million—roughly 2 to 3 percent of the country’s GDP, according to the 2010 World Bank study “Scaling Up Nutrition: What will it cost?”.

In response, the World Bank is supporting the Community-Based Integrated Health for Children Program (AIN-C) as part of a US$20 million commitment made in 2005. The AIN-C Program which aims to prevent undernutrition in children under two years of age has had a significant, positive impact on nutrition and on feeding and care practices for young children, especially among poorer households. After one year of participating in the program, beneficiaries in Honduras registered a reduction of 8.3 percentage points in chronic malnutrition, a 12-percent increase in exclusive breastfeeding rates, and a 7-percent increase in breastfeeding of children until two years of age.

In 2011 and 2012, in support of the AIN-C Program, the World Bank helped carry out a series of nutrition-themed activities, including: a regional workshop on nutrition, presenting community models (including AIN-C) and the use of mobile technology in tracking data; a conference in Honduras where the AIN-C Program was showcased as a good model for community-based nutrition programs; and the public dissemination of a video documenting simple, cost-effective interventions to combat malnutrition.

The video has had a significant impact on key audiences, including Honduran policy makers. “The video profoundly touched my heart,” said Minister of Health Arthur Bendaña. “I am now convinced more than ever that all children have the same growth potential no matter their ethnic or cultural background. The difference depends on the quality of the nutrition services they receive and the involvement and commitment of parents in caring for their children.”

Engaging Civil Society to Improve Social Accountability

The findings identified several irregularities, and a constructive dialogue has been initiated among parents, teachers, municipal authorities and education directors. Furthermore, these parents have created a new structure to enhance their own advocacy efforts, and to support similar emerging initiatives for the promotion of meaningful engagement, not only in their own municipality but in the broader Department of Comayagua.
NICARAGUA

Jumpstarting a new Education Strategy

In 2010, "Sin educación, el país no progresará" ("the country will not move forward without education") was a weekly clamor in the Nicaraguan press. The Ministry of Education was languishing and losing support. When a Presidential Advisor was named, the World Bank invited him to Washington to discuss different innovative projects in Latin America and around the world. A meeting with the Early Childhood Development Unit was especially fruitful, spawning work on a new early childhood education strategy for Nicaragua, which is now a model for the region.

Since then, the Government and the World Bank have worked together through several technical assistance initiatives, to broaden this into a new Education Strategy for the sector at large.

The result in 2012: A new World Bank project and multi-donor trust fund for almost US$80 million, reflecting the return of other donors to the sector, and attracting local private foundations to line up and contribute their efforts to the Strategy.

Measuring and Improving Customs Performance

The Customs Assessment Trade Toolkit (CATT) is an integrated tool developed by the World Bank for measuring customs performance across countries and over time. The tool provides relevant information on customs performance by collecting data and information from different countries against a set of indicators and benchmarks.

It is well known that customs procedures are often a significant barrier to trade within Central American countries. Recognizing this fact, a customs pilot evaluation was completed in Nicaragua during 2011 using the methodology of the Customs Assessment Trade Toolkit (CATT).

The exercise identified the relative strengths and weaknesses of the Customs Administration in Nicaragua and compared them to known good practices. In support of an Action Plan developed following the Customs Assessment, the World Bank hosted, in 2012, a week-long training for customs agents and over 25 representatives from private freight companies.

This training, originally planned only for customs agents and to be based on general principles, was amended by Nicaraguan authorities to be based on actual case studies of disputed valuations. The training was welcomed by all sectors and will form the basis of further work by the World Bank on customs across Central America.
PANAMA

A Strategy for the Development of Panama's Reverted Areas

How can Panama obtain the best results from use of its remaining "Reverted Areas"? This was the subject of the development strategy that a World Bank team formulated at the request of the Government of Panama for the remaining tracts of land around the Panama Canal waterways that became property of the state after they were transferred by the United States in 1999. The development strategy lays out options for the optimal use for the land, leveraging the Canal, integrating development needs, and maximizing the positive spillover effects of investments on these lands.

A series of studies and multiple consultations and workshops took place in order to produce the strategy. Particularly noteworthy was a workshop held in Washington with Panamanian officials in March 2012 to discuss topics related to tradable development rights, transit-oriented development, smart urban growth and environmental remediation of former military sites.

Studies include an Economic Impact Assessment of "input-output" and "crowd-sourcing" models to analyze which economic activities will have the most positive impact for Panama. The project also carried out environmental audits of eight Reverted Areas sites and provided Panama with a toolkit for doing this analysis going forward.

The project estimated the cost for expanding infrastructure and, in turn, calculated the true value of developing sites as well. In addition, a Residential Development Potential Study was completed for Reverted Areas in Panama City and Colon with recommendations for market-based tools for sustainable urban growth.

Transforming the Public Procurement System

The reform of the public procurement system in Panama continues to deliver tangible benefits. The procurement system has undergone a significant upgrade in recent years, with technical assistance from the World Bank for the design and implementation of PanamaCompra, a fully transactional e-procurement platform.

The PanamaCompra electronic system serves not only as an effective means to promote transparency and efficiency in all government procurement, but also as a business tool for companies interested in competing for public contracts.

The improved efficiency of the public procurement system in Panama has reduced purchase times from 56 days on average to 24 hours and yielded over US$600 million in transaction savings for government purchases since the introduction of PanamaCompra in April 2010.

The World Bank’s work with the Government of Panama also focused on the use of framework agreements, which help deliver improved outcomes such as lower prices, better supplier performance, and more flexibility in delivery and product specifications. Through the use of these purchase agreements, it is expected that the purchase cycle for activities related to Bank-financed projects will be reduced from four months to a few hours.

**Before PanamaCompra**

- Request for Proposals were published in newspapers
- No central location for bid opportunities
- Vendors paid for bidding documents
- Process not transparent
- Government budgets were secret
- Focused on complying with cumbersome procurement laws

**PanamaCompra Today**

- All government agencies required to publish bids in portal
- Substantial direct and indirect savings
- Supports over US$2 billion in purchases
- Prompted government to be more transparent and accountable
- Increased transparency; business participation; visibility of procurement activities, and accountability
- e-Catalogs
- Source of information on procurement activities open for public review

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PARTNERS FOR RESULTS
SOUTH-SOUTH COOPERATION

World Bank-facilitated knowledge exchanges

South-South Sharing on Miskito Land Registration
Nicaragua / Honduras

They traveled by river, dirt road and air. They spoke Creole, Miskito, and Spanish. In August 2011, Honduran Miskito and regional leaders travelled to Nicaragua’s Autonomous North-Atlantic Region to learn from Nicaraguan Miskito communities about their experience with the World Bank-supported project for titling and registration of indigenous lands. In recent years, the project has supported the titling and registration of over 8,500 square miles of indigenous land for 214 communities and five major ethnic groups in Nicaragua. A recent similar project was approved for Honduras in June 2011.

South-South Sharing on Improving Transparency
Georgia / Central America

The Republic of Georgia’s successful experience in battling corruption and improving the delivery of public services is known internationally. In April 2012, through a World Bank facilitated gathering, Central American policy-makers had the opportunity to hear first-hand from Georgian officials, including the Minister of Finance. Participants discussed the main findings of “Fighting Corruption in Public Services: Chronicling Georgia’s Reforms”, a recent Bank publication. Central American participants expressed great interest in the novel use of technology to reduce corruption in providing public services. The Bank also translated the recently-release book into Spanish, making it more readily available to the Spanish-speaking public.

South-South Exchange for Civil Society Organizations
Honduras / Dominican Republic

In June 2012, the World Bank organized an exchange among civil society networks from Honduras and the Dominican Republic, which focused on strengthening the design and monitoring of public policy in transparency, anticorruption and open government. As a result, Honduran participants have taken the initiative to create a new Citizens’ Alliance for Transparency and Anticorruption, which will promote constructive dialogue between government and civil society in this area, oriented towards generating enhanced governance conditions and development effectiveness.

South-South Exchange on Health
Nicaragua / Argentina

Paying for health services is an issue of much debate everywhere. Nicaraguan officials will soon have an opportunity to further discuss with Argentinean counterparts best practices in results-based payments of local health networks and providers. Under the Community and Family Health Care Project, Nicaragua is working to pave the road for moving from per capita-based transfers toward results payments. Argentina’s Plan Nacer offers specific experience for Nicaragua’s Plan Parto on mechanisms to cover maternal and child mortality which remain key challenges in the Central American nation. This exchange of experiences has already sponsored a workshop in Managua, for the Nicaraguans to learn about the Argentinean system, and will sponsor two return visits in 2012 to each country.
LOOKING BACK AT FISCAL YEAR 2012....

The Central America Country Management Unit delivered an extensive program between July 2011 and June 2012, including Country Partnership Strategies for Costa Rica and Honduras and a Country Partnership Strategy Progress Report for El Salvador. In addition, the Bank’s Board approved one development policy credit and seven investments loans. The program of activities also included 17 formal knowledge products/events (Analytical and Advisory Activities).

<table>
<thead>
<tr>
<th>New Analytical and Advisory Activities delivered in FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central America</td>
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<tr>
<td>Costa Rica</td>
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<td>Costa Rica</td>
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<tr>
<td>El Salvador</td>
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<td>Guatemala</td>
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<td>Guatemala</td>
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<tr>
<td>Honduras</td>
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<tr>
<td>Nicaragua</td>
</tr>
<tr>
<td>Panama</td>
</tr>
</tbody>
</table>

EW and TA stand for “Economic and Sector Work” and “Technical Assistance”, respectively.

New Lending Operations delivered in FY12

<table>
<thead>
<tr>
<th>Country</th>
<th>Project Title</th>
<th>Amount (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Salvador</td>
<td>Strengthening Public-Healthcare System</td>
<td>80.0</td>
</tr>
<tr>
<td>El Salvador</td>
<td>Education Quality Improvement Project</td>
<td>60.0</td>
</tr>
<tr>
<td>Honduras</td>
<td>Reducing Vulnerabilities for Growth Development Policy Credit</td>
<td>86.0</td>
</tr>
<tr>
<td>Honduras</td>
<td>Improving Public Sector Performance</td>
<td>18.2</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>Support to the Education Sector</td>
<td>25.0</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>Rural Roads Infrastructure Improvement</td>
<td>30.0</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>Rural Telecommunications – Additional Financing</td>
<td>5.0</td>
</tr>
<tr>
<td>Panama</td>
<td>Disaster Risk Management DPL – CAT DDO</td>
<td>66.0</td>
</tr>
</tbody>
</table>

Regional Portfolio by End of FY12

<table>
<thead>
<tr>
<th>Region</th>
<th>Projects</th>
<th>Net Commitment Amount (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central America</td>
<td>1</td>
<td>12.0</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>4</td>
<td>207.5</td>
</tr>
<tr>
<td>Guatemala</td>
<td>7</td>
<td>400.0</td>
</tr>
<tr>
<td>Honduras</td>
<td>12</td>
<td>367.9</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>14</td>
<td>390.4</td>
</tr>
<tr>
<td>Panama</td>
<td>7</td>
<td>302.4</td>
</tr>
<tr>
<td>El Salvador</td>
<td>5</td>
<td>290.0</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>1,970.2</td>
</tr>
</tbody>
</table>

...AND TO THE FUTURE IN FISCAL YEAR 2013

The program for next year is even more ambitious. Country Partnership Strategies for Guatemala and Nicaragua will help plan our programs in those two countries for the next four years. In Panama, the Progress Report of the Bank’s Strategy will spell out any required adjustments to our current roadmap.

The lending program is likely to include lending operations in a variety of sectors such as higher education (Costa Rica), disaster risk management (Honduras), citizen security (Honduras), land administration (Nicaragua) and fiscal reforms (Guatemala). At printing time, the business plan includes delivery of ten operations totaling over US$750 million, over twice the amount of the previous fiscal year. Non-traditional financial services are also being explored, including the use of guarantees, hedging and insurance products.

On the non-lending side, Bank teams are planning on using a full suite of services to respond to demands. Current plans include technical assistance in the area of regional integration, trade, health, and social protection as well as regional studies on poverty and on trade and logistics for integration in Central America. Country-based analytical works include studies on public expenditures (Honduras) as well as growth and competitiveness (Nicaragua), among others.