

NATIONAL PROGRAM TO ASSIST CHILDREN UNDER THREE - WAWA WASI (STAGE I)

(PE-0167)

EXECUTIVE SUMMARY

BORROWER AND GUARANTOR: Republic of Peru

EXECUTING AGENCY: Ministry for the Advancement of Women and Human Development (PROMUDEH)

AMOUNT AND SOURCE:

	<u>Stage I</u>	<u>Stage II</u>
IDB:	US\$46.6 million	US\$57.0 million (OC)
Local counterpart:	US\$20.0 million	US\$25.3 million
Subtotal:	US\$66.6 million	US\$82.3 million
Total	US\$148.9 million	

FINANCIAL TERMS AND CONDITIONS:

Amortization period:	25 years
Grace period:	3 years (stage I)
Disbursement period:	3 years (stage I)
Interest rate:	variable
Inspection and supervision:	1%
Credit fee:	0.75% per annum
Currency:	United States dollar under the Single Currency Facility

OBJECTIVES: The general objective of the program is to promote across the country services and actions to foster the integrated development of children under three, particularly children at risk. The specific objectives of the program are: (i) to provide quality integrated care for children under three living in extreme poverty through formal establishment of the PROMUDEH program; (ii) to develop and promote a suitable culture of nurture in conjunction with parents and the community; and (iii) to promote organized community participation in providing support for children under three.

DESCRIPTION: The Wawa Wasi program will provide continuity for the pilot project financed in part by the Bank since 1993. A five-year program has been designed to be carried out in two stages, of which one will last three years and the other two. The new Wawa Wasi program has the following characteristics: (a) focus on areas of extreme poverty; (b) government financing

of the bulk of the costs of the program (85%) with parents covering only the remaining 15% through a supplementary payment to caregivers; (c) a significant change in the program's operating structure, with the community participating in the delivery of services and being actively involved in their management and supervision.

The project has five components:

- a. **Integrated child care** (US\$28.1 million - Stage I). This is the main component and will absorb close to 40% of total program funds. It consists of full-time daycare for children in a safe environment that provides affection and stimulation. The care is complemented with psychosocial and motor stimulation, meals and health services. The integrated care will be provided in the home of a caregiver who will take in six to eight children, or in a Wawa Wasi community home to be financed under the program to accommodate about 24 children.
- b. **Training** (US\$1.5 million - Stage I). All people involved in the program will be trained in order to establish qualified teams to lead the program and/or provide basic integrated care to boys and girls and to educate families in rearing children. There are three main items in this component: (i) training events for program executors; (ii) production of training materials; and (iii) organization of learning resource centers in the coordinating unit and in the regional program offices.
- c. **Promotion and dissemination** (US\$1.6 million - Stage I). Includes actions to develop and implement a communications strategy, understood as a series of institutional promotion activities to disseminate the program among the different population groups and to consolidate its image, and encourage parents to adopt a culture conducive to integrated child development. Funding will be provided for designing and producing materials (brochures, videos, radio programs, guides for parents, etc.) and for training in social marketing.
- d. **Infrastructure** (US\$21.1 million - Stage I). To make up for the lack of suitable infrastructure, Wawa Wasi community homes will be built in public spaces to look after an average of 24

children, i.e. the equivalent of three individual Wawa Wasis. One thousand communal Wawa Wasis will be built in stage one.

- e. **Support for execution capacity (US\$6.7 million - Stage I).** Includes: (i) technical assistance; (ii) monitoring and evaluation; and (iii) administration.

**THE BANK'S
COUNTRY AND
SECTOR STRATEGY:**

The Bank's country strategy includes: (i) support for modernization of the economy; (ii) poverty reduction and increased coverage of social services and more efficient delivery of these services; and (iii) support for modernization of the State.

This project will contribute to poverty reduction and an improvement in the coverage and efficiency of social services. By fostering more equitable development for a larger number of children, it will provide them with greater chances of success in school and in their future working lives. The project will also increase family income, since it makes the situation easier for working mothers and provides jobs for caregivers and for program managers on the local level.

In addition to technical-cooperation activities to support the Wawa Wasi program, in October 1996, the Bank approved a project to improve the quality of education (PE-0116) which earmarks a large portion of its funding to boost the coverage and quality of early education for five-year-olds, which would complement the Wawa Wasi program. That project does not include funds for children under three.

**ENVIRONMENTAL AND
SOCIAL ASPECTS:**

The negative impacts of the project are small and are limited to the infrastructure to be built. To alleviate any effects, the project cycle for the construction of works includes a mechanism for environmental quality control (see paragraphs 2.48 and 4.15). The social impacts are positive. In indigenous areas, the integrated care service will be provided by a local indigenous mother (paragraphs 4.16 and 4.17) and all the materials for promoting the program and fostering a culture of child nurture will be adjusted as necessary to the different cultural and linguistic characteristics of each region, and will include the ethnic elements needed for their acknowledgement and acceptance by indigenous communities.

BENEFITS:

The national program to assist children under three (Wawa Wasi) will bring major benefits to the direct beneficiaries (children and their families) as well as to the communities where it is implemented. Three types of benefits are involved:

i. Benefits for early child development

- a. Integrated care will result in better development of the child's intelligence, personality and social skills which will have a considerable impact in the medium and long terms on his cognitive and motor skills and his school performance and on his adjustment to society. The integrated care services will be extended to 95,000 children under three during Stage I of the program, with the coverage increasing to 150,000 children in Stage II. The program is expected to result in proper motor, cognitive, and socioemotional development for 90% of the beneficiaries.
- b. The education campaigns for parents and the mothers of small children will provide sustainability for program interventions and permit other children not being served directly by the program to benefit as well. This component is expected to benefit 190,000 children in Stage I and 300,000 in Stage II.

ii. Economic benefits

- a. The program will facilitate access to jobs for women who wish to join the workforce, since they will have access to child care services.
- b. The program will create work for people living in extreme poverty through demand for services and local purchases of products and goods for its components. Approximately 12,000 caregivers will be employed in Stage I and 19,000 in Stage II.

iii. Community benefits

- a. Grass-roots community organizations will be strengthened through their inclusion in different stages of the program - implementation, administration and supervision - and through the training they will receive to enable them to provide adequate services. Approximately 800 management committees will be formed to handle the program at the local level

in Stage I, with the number rising to 1,200 in Stage II.

RISKS:

The following risks have been identified:

- a. Slow implementation of the program owing to the lack of capacity of grass-roots organizations to perform the different tasks assigned to them. To mitigate this risk, the program includes activities to strengthen the capacity of the organizations involved in administering and supervising the program.
- b. Dependence on other public institutions for the provision of the nutrition and health care components. The following measures will be taken to reduce this risk: (i) PROMUDEH will assemble all the financial resources needed to finance the nutrition component and transfer them to the National Food Assistance Program (PRONAA); they can be redirected if the quality and timeliness of the service is inadequate; (ii) an agreement will be signed with the Ministry of Health (MINSA) prior to the first disbursement of the loan, setting forth the ministry's responsibilities under the program; and (iii) the direct transfer of funds to purchase, prepare and distribute food will be tested with 50% of the management committees, which will mean that PRONAA will not have to be involved in those cases.
- c. Possible difficulties in execution owing to the large number of participants (communities, parents, communal kitchens, private enterprises, PRONAA, MINSA). To alleviate this risk: (i) the transparency of the program will be ensured through the promotion and dissemination campaign, particularly with respect to the responsibilities and rights of each of the players; (ii) the execution mechanism spells out the functions and actions to be performed by each participant; and (iii) the program will be monitored continuously through: (a) a monitoring system that will regularly collect data on the quality of services delivered to the direct beneficiaries; (b) annual internal and external evaluations of program management and the quality of services; and (c) program management meetings to be held semiannually in the first year and annually thereafter, which will review the results in the preceding period and adjust future execution plans.

- d. Lack of continuity in government investments in the sector. This risk appears to be small for the following reasons: (i) the proposed program is a continuation of the pilot project being partly financed by the Bank since 1993, which confirms the government's commitment to the sector; (ii) a five-year program divided into two loan operations has been planned, reflecting the government's intention to gradually expand the program, monitoring and adjusting its execution; and (iii) promotion of the program on various levels and strong community participation are partial guarantees of sustainability and pressure for continuing with it in the future.

**SPECIAL
CONTRACTUAL
CONDITIONS:**

Precedent to the first disbursement:

- a. Evidence that a national Wawa Wasi program office has been established as an independent administrative and budgeting unit within PROMUDEH and from commencement of the process of selecting incremental staff for the coordinating unit (paragraph 3.3).
- b. Opening of the bank accounts required to manage program funds (paragraph 3.14).
- c. Agreement between PROMUDEH and the Ministry of Health establishing the functions and responsibilities of the partners in the Wawa Wasi program (paragraph 2.27).
- d. Presentation of the monitoring and evaluation indicators to be used for the program (paragraph 2.58).

Subsequent to loan eligibility:

- a. Evidence that, within three months after the operation has been declared eligible for disbursement, the program monitoring system is functioning (paragraph 2.58).

**POVERTY TARGETING
AND SOCIAL SECTOR
CLASSIFICATION:**

This program qualifies automatically as a poverty-targeted investment, since its focus is the early development of children living in extreme poverty.

PROCUREMENT:

International competitive bidding will be used for construction works valued at more than US\$3 million and for the procurement of goods and services valued

at more than US\$250,000. Procurement is not expected to exceed those thresholds.

**PROCEDURES FOR
APPROVAL OF STAGE
TWO:**

Each of the stages will be supported by a separate Bank loan (US\$46.6 million and US\$57 million), with the first being executed in three years and the second in two years. Approval of stage two will be contingent on verifying that at least 80% of the funds for stage I have been disbursed and that satisfactory progress has been made on the basis of the indicators agreed upon. At that point, a memorandum showing disbursements and the progress made, with a request that approval be given to continue with stage two, will be presented to the Board of Executive Directors.

I. FRAME OF REFERENCE

A. General demographic characteristics

- 1.1 Peru has an estimated population of 24 million, which is growing at a rate of 1.7% a year. It is distributed unequally among the country's three geographic regions (coast, sierra and jungle). The coast, which occupies 11% of the country's total area, is home to over one half of the population (51%). Most (71.7%) live in urban areas.
- 1.2 Women of childbearing age (15 to 49 years) account for 24% of the total population (or 5.7 million) and 49% of Peru's female population. Close to 37% of the economically-active female population is employed. Forty-four percent of all Peruvian women live in poverty and 18% in dire poverty. As a consequence of that poverty, women work for many hours a day and receive low wages owing to their lack of education. An estimated 18% of the country's women are heads of households.
- 1.3 Basic services are still not available to all Peruvians. Some 65% of households have electricity, 62% are connected to public water-supply systems, and just 48% have sewer service.

B. Macroeconomic development and poverty in Peru

- 1.4 Following a period of stabilization between 1990 and 1992, the Peruvian economy experienced sustained growth from 1993 to 1997. GDP grew by 7.3% a year on average, accompanied by low inflation, rising foreign investment and political stability. In 1998, the El Niño event, coupled with the Asian crisis, led to a slowdown (estimated growth in GDP of about 3%), an increase in the balance of payments current account deficit, and more expensive borrowing on world markets.
- 1.5 Macroeconomic growth and higher social spending have caused social indicators to evolve positively. However, poverty continues to be a serious problem. Social spending grew by 335% between 1990 and 1995, rising from 3.2% of GDP in 1990 to 7.5% in 1995. Annual per capita social spending increased from US\$12 in 1990 to US\$158 in 1996, which is still below the Latin American average.
- 1.6 The unequal distribution and high concentration of income that mark Peru remained unchanged between 1991 and 1995. Twenty-three percent of total annual national spending went to the poor, who account for close to 44% of the population (19% in extreme poverty), with the remaining 77% going to non-poor households which make up 56% of the population. Fifty-four percent of all the country's poor live in urban areas, while 70% of the extreme poor live in the countryside and the remaining 30% in the cities.

- 1.7 Poverty affects indigenous communities disproportionately. While 42% of Spanish speakers are poor, the figure rises to 60% for Quechua speakers and 86% for Aymara speakers. The 1993 population census reported 119,000 children under 14 belonging to 48 ethnic groups.

C. Children living in poverty

- 1.8 Children under three represent 14.6% (1,750,000) of the total population. Approximately 51% of these children (900,000) live in poverty or extreme poverty.
- 1.9 The infant mortality rate (children under 12 months) was reduced by 25% between 1986 and 1996, dropping from 57 per mil live births to 43. However, this rate is still among the highest in Latin America. The sharp differences that exist between one region and another are reflected in the infant mortality rate (for example 21 per mil live births in Callao province as compared with 137 per mil in Canas province). Acute respiratory infections, perinatal disease and acute diarrheal diseases are the main causes of infant mortality.
- 1.10 Chronic malnutrition (low weight and height for age) has been diminishing in recent years but is still extremely high, affecting 26% of children under five. Chronic malnutrition is more intense among rural children, particularly in the departments of Cuzco, Ayacucho, Apurimac, Pasco and Huancavelica, where over 40% of children under five are affected. This level is four times higher than for children in metropolitan Lima, Tacna and Moquegua, where the figure is 10%.

D. Primary and preschool education in Peru: investments and coverage

- 1.11 Ninety percent of children between the ages of 6 and 11 are provided with primary education. There are high repeater rates in the initial grades (in 1994, some 20% of children in grade one and 15% in grade two failed). This is partly due to the poor quality of education and to learning difficulties which are largely attributable to poor nutrition and lack of cognitive stimulation in the early years of life.
- 1.12 Peru has several early education programs (for children under six). However, they focus on children between the ages of three and five. There are only a few programs with very low coverage for children under three.
- 1.13 The types of early education financed in full or in part by the government are:
 - a. Informal early education program (PRONOEI). It provides children between the ages of three and five with an educational

program intended to facilitate their entry into the formal school system. It is operated by a facilitator from the community itself and the system is very flexible in terms of content, organization, personnel and evaluation. It serves close to 300,000 children.

- b. **Early education center (CEI).** The program serves three- to five-year-olds in schools built expressly for this purpose and is part of the formal education system which is linked to grade one. It serves close to 660,000 children.
- c. **CUNA.** This is a high-cost formal program for children under three. It provides education and meals in premises designed expressly for this type of service (including individual kitchens) with multidisciplinary staff (teachers and aids, administrative personnel, physicians, nurses and psychologists). It serves about 24,000 children.
- d. **Integrated care program operated by mothers' groups (PAIGRUMA).** The program trains groups of mothers who have organized for different activities (literacy, production workshops, etc.) in child nurture to enable them to use the information they receive to improve the upbringing of their small children. It targets mothers with children under six and its coverage extends to just 5,700 children.
- e. **Integrated family-based early stimulation program (PIETBAF).** The program involves personalized work by promoters in each of the households in the community with children under two, to provide stimulation and follow-up on the development of each child (serving 2,600 children).

E. The Wawa Wasi program

- 1.14 The national home child-care system (Wawa Wasi) arose in needy communities in Peru as a proposal to establish a space for a home-like setting that would offer children comprehensive development in a safe and loving environment. The space is the home of a caregiver, where the child receives affection, meals, health care, and stimulation (cognitive, motor and socioemotional).
- 1.15 In 1993, the Peruvian government introduced a pilot integrated care program for children under three in urban areas [the Wawa Wasi community educational homes program (HEC)], with financial support from UNICEF. In late 1993, the Bank approved a nonreimbursable technical-cooperation program (ATN/TF-4344-PE) which provided US\$3.15 million to support the program. Later, the European Union donated food for the nutrition component.
- 1.16 The Wawa Wasi program is now a government program that provides integrated care for children under three.

- 1.17 The program is based chiefly on a network of services, with strong community participation on the local level, through the use of community kitchens and homes that provide child care. User families pay the caregiver and finance part of the cost of meals, which represents about 60% of the total cost of the program. The remaining 40% has been financed thus far by the government (22%), the European Union (9%) and the Bank (9%).
- 1.18 From the outset, the program has been supported by other government agencies, mainly the Ministry of Health which checks the children's growth and development (weight and height) and provides vaccinations, and the National Food Assistance Program (PRONAA) which distributes food (donated and purchased) to community kitchens. The Ministry of Education was responsible for the stimulation component and for guiding the program on the national level.
- 1.19 Today the program is organized in 32 regional offices across the country, that administer the Wawa Wasis through field personnel (monitors and coordinators).

1. Focus and organization of the Wawa Wasis

- 1.20 Thus far, the program's focus has been quite decentralized. The zone and field coordinators identify possible sites in their localities for setting up Wawa Wasis.
- 1.21 Before a Wawa Wasi is established, the field coordinator studies demand through direct observation, visits to homes, and community contacts. The study identifies the number of children under three who could benefit from the program and the number of caregivers available.
- 1.22 The next step consists of informing the beneficiary community about the service and establishing a local support network with entities (health post, community kitchens, community organizations) which take responsibility and become involved in project dynamics.
- 1.23 The coordinators then select caregivers who have volunteered or who have been proposed by the institutions that support the program and begin the training process, which consists of providing basic information on the service and its functions, and the use of techniques and materials for early childhood stimulation.
- 1.24 Based on preestablished criteria, the field coordinators also approve the premises to be used for the Wawa Wasis. They establish agreements with the caregivers and provide equipment for the homes where the program will be implemented. The caregivers and monitors then begin to promote the service among parents.
- 1.25 Since its inception, the program has focussed on testing the feasibility of the proposal and on expanding coverage. The number

of poor children assisted by the program has risen from less than 17,000 to 35,000 today.

2. Program execution

- 1.26 The program was executed by the Ministry of Education's National Early and Primary Education Office until December 1996. The Ministry for the Advancement of Women and Human Development (PROMUDEH) was created on October 26, 1996, and became responsible for the Wawa Wasi program. The transfer of the Ministry of Education's program to PROMUDEH was not completed, however, until February 1998. In July 1998, the Wawa Wasi National Program Office was established in PROMUDEH, which took charge of program execution and which reports directly to the minister.
- 1.27 PRONAA, which distributes food to the Wawa Wasis through community kitchens, and which formerly reported to the Ministry of the Office of the President, was also transferred to PROMUDEH.

3. Evaluation of the Wawa Wasi program under way

- 1.28 Recent studies indicate that there is heavy demand for the service and strong recognition by the community of the program's benefits. However, the studies noted the following problems:
- a. Inability of the program to operate in areas of extreme poverty. Owing to the program's design, its financing depends largely on the parents (60%) making it unfeasible for families living in extreme poverty to participate, since they cannot afford to make that contribution.
 - b. Makeshift infrastructure, particularly in the poorest areas.
 - c. High turnover of caregivers (40% on average), promoters and field coordinators. Caregivers withdraw mainly because parents are unable to pay for the service.
 - d. Insufficient training for caregivers (aggravated by the high turnover) owing to the shortage of resources, which leads to poor quality service.
 - e. Scant participation in the program by user families, which limits direct supervision by the beneficiaries. Also, since there is no training for parents in adequate child care or the importance of early child development, the sustainability of program activities is substantially lessened.
 - f. Lack of control by the program over the health care and nutrition components, which form part of integrated child care. Lack of control over the nutrition component, which is the main incentive for participation by children, created a series of shortcomings in the service which could not be overcome by the

program, such as insufficient amounts of food, inadequate distribution, and inefficient quality control.

- g. Weak system of follow-up and monitoring, which prevented timely corrective actions.

F. Government request for a new program

- 1.29 The Bank began its support for the Wawa Wasi program in 1993, when it approved a nonreimbursable technical-cooperation project (ATN/TF-4344-PE) which earmarked half of its total funds (US\$3.15 million) for a pilot project. The funds were fully disbursed in July 1997.
- 1.30 In view of the results of the Wawa Wasi pilot project and the government's interest in offering more and better day care alternatives for children under three in communities afflicted by extreme poverty, the Peruvian authorities approached the Bank for support in redesigning the program in order to: (a) draw on the lessons learned from the pilot project; (b) benefit people living in extreme poverty; (c) provide greater sustainability; (d) offer better service but at a cost per child that would still be better than other care alternatives for children under three (PAIGRUMA, PIETBAF and CUNA); and (e) allow for significant expansion of coverage in the coming years.
- 1.31 To support preparation of the new program and the program already under way, a new nonreimbursable technical-cooperation project (ATN/SF-5596-PE) for US\$100,000 and a project preparation facility (1024/OC-PE) for US\$140,000 were approved in July 1997.

G. Government strategy

- 1.32 The government approved a 1996-2000 national action plan for childhood in May 1997, confirming its commitment to ameliorate the situation of children in the country. The plan links the strategies and actions of the different ministries involved in combatting poverty, particularly PROMUDEH, the Ministry of Health, the Ministry of Education, and the Ministry of the Office of the President. The objective is to promote and ensure full application of the rights of the child and contribute to the strategy for poverty alleviation. It has three main objectives:
 - a. **Survival.** Establishes goals for reducing mortality in infants under 12 months and maternal mortality and for improving access to potable water and sanitation.
 - b. **Development.** Establishes goals for reducing chronic malnutrition in children under five, providing universal basic education and reducing adult illiteracy, with stress on reducing illiteracy among women.

- c. **Protection.** Defines measures to ensure full application of the rights of children and adolescents and to develop programs to promote the rights of the child and to protect children and teenagers at social risk.

1.33 The strategies used to implement the plan are based on: focus on the country's poorest and most vulnerable zones; decentralization and local participation; social mobilization and national commitment; and shared experiences to avoid unnecessary duplication and to learn from the successes and failures of programs.

H. The Bank's country strategy

1.34 The Bank's country strategy is: (i) to support progress in economic modernization, particularly by promoting the second stage of structural reforms in the economy, rehabilitation and expansion of productive infrastructure, financing for private investment, and development of an institutional and policy framework to encourage rational management of natural resources and investments in agriculture; (ii) to contribute to the alleviation of poverty and an increase in the coverage and efficiency of social services; and (iii) to support modernization of the State.

1.35 The proposed project will contribute to poverty reduction and improve the coverage and efficiency of social services (point ii in the preceding paragraph). By fostering more equitable development for a larger number of children, it will provide them with greater chances of success in school and in their future working lives. The project will also increase family income, since it makes the situation easier for working mothers and provides jobs for caregivers and for the members of the community kitchens, who will be managing the program on the local level.

I. Experience of the Bank and other lending agencies in the sector

1.36 In addition to technical-cooperation projects ATN/TF-4344-PE, ATN/SF-5596-PE, ATN/JF-6075-PE and the Project Preparation Facility, the Bank approved a loan to improve the quality of education (PE-0116) in October 1996, which sets aside a large part of the funds to enhance the quality and coverage of early education for five-year-olds, which would supplement the Wawa Wasi program. That project does not include funds for children under three.

1.37 Participation by other agencies in financing early education is quite limited at present. The OAS is funding a radio program for outlying communities in conjunction with the Ministry of Education, intended for the parents of children under five.

II. PROGRAM DESCRIPTION AND COSTS

A. Objectives

- 2.1 The general objective of the program is to promote services and actions throughout the country to foster the integrated development of children under three, particularly children at risk.
- 2.2 The specific objectives of the program are: (i) to provide quality integrated care for children under three living in extreme poverty; (ii) to develop and promote a suitable culture of nurture in conjunction with parents and the community; and (iii) to promote organized community participation in providing support for children under three.

B. The new Wawa Wasi program

- 2.3 A five-year program has been designed, to be carried out in two stages. Each of the stages will be supported by a separate Bank loan (US\$46.6 million and US\$57 million), with the first being executed in three years and the second in two years. Approval of stage two will be contingent on verifying that at least 80% of the funds for stage I have been disbursed and that satisfactory progress has been made, based on the indicators agreed upon with the Bank. At that point, a memorandum showing disbursements and the progress made, with a request that approval be given for stage two will be presented to the Board of Executive Directors.
- 2.4 The new Wawa Wasi program has the following characteristics:
 - a. It will target areas of extreme poverty;
 - b. The government will finance the bulk of the costs of the program (85%), with parents covering only the remaining 15% through a supplementary payment to caregivers;
 - c. It represents a significant change in the program's operating structure, since the community will participate in the delivery of services and be actively involved in their management and supervision. The community kitchens, which are women's organizations that prepare and serve low-cost meals to poor communities, will manage the program on the local level thanks to the administrative experience they have gained in more than a decade of work.
- 2.5 In July 1998, the Bank approved a new nonreimbursable technical-cooperation project for US\$600,000 (ATN/JF-6075-PE) with funds from the Japanese government to introduce the new operating model for the Wawa Wasi program on a small scale. The program, which will be implemented in four cities close to Lima, will include the

following activities: (a) training for the executing teams (coordinating unit, field teams, community kitchen operators, caregivers); (b) preparation of training materials; (c) establishment of four field offices; (d) design and publication of the program's operating rules; (e) operating costs of the program (salaries for the caregivers and meal costs); and (f) program monitoring and supervision.

- 2.6 This technical-cooperation project will make it possible to launch the program, begin validation of the training materials, promote and disseminate a culture of child nurture and take steps to comply with the special contractual conditions.

C. Institutional framework

1. Program participants

- 2.7 PROMUDEH will execute the program with the assistance of major strategic allies in the public and private sectors and from civil society. In the public sector, PRONAA will provide support chiefly under the food component and the Ministry of Health will operate the growth and development program (CRED) within the ministry's purview. Grass-roots community organizations (particularly women's organizations) will provide support in setting up the program in each area, operate the food service and administer the Wawa Wasis. Private construction firms and individual builders will carry out the infrastructure component, and educational institutions will participate by developing and supporting the training plans.

2. Specific functions of the participating agencies

- 2.8 PRONAA, a decentralized public agency of PROMUDEH, has the mission of improving the nourishment and nutritional levels of people living in extreme poverty. It will support the program by distributing food, through its operating chain, to 50% of the community kitchens and by training their operators in infant nutrition. During the initial stages of the program, it will also provide institutional support for the technical teams from the regional offices, providing them with space to set up their operating units. It will also advise the coordinating unit on selecting the community kitchens that will provide food for the Wawa Wasi homes and community centers.
- 2.9 The Ministry of Health will contribute to the program by including actions in its operating plans for use of the CRED program by the Wawa Wasi (see paragraphs 2.23 and 2.24). It will also establish an on-going training plan for Wawa Wasi program personnel to support their activities as agents for child stimulation and care and implement educational programs for mothers and Wawa Wasi caregivers, in order to promote habits and behavior that will

contribute to their own good health and that of the children attending the program.

- 2.10 Community organizations will help to establish the program by setting up groups of promoters who will work with program staff on self-diagnosis, finding caregivers, enrolling children, and identifying community kitchens and organizations that can act as Wawa Wasi administrators. They will also sit on the oversight councils to be established in each area to supervise the work of the management committees.
- 2.11 Women's organizations will participate by forming management committees to supervise the activities of the Wawa Wasi homes and manage the funds for meals and payments to the caregivers for each child. They will also administer construction of the Wawa Wasi community homes, through works committees.
- 2.12 Private construction firms and individual builders will participate either by building Wawa Wasi community homes or supervising their construction.
- 2.13 Educational institutions will participate by training program personnel and developing proposals and materials for events carried out by the staff of the coordinating unit.

D. Description and implementation of program components

- 2.14 The project has five components: (i) integrated child care; (ii) training; (iii) promotion and dissemination; (iv) infrastructure; and (v) support for execution capacity.
 1. Integrated child care (US\$28.1 million - Stage I)
- 2.15 This is the main component and will absorb close to 40% of total program funds. It consists of full-time care for children in safe surroundings, providing them with affection and stimulation. The care is complemented with psychosocial and motor stimulation, meals and health services. Integrated care will be provided in two different types of environment: (a) Wawa Wasi family home, or the home of a caregiver who will look after six to eight children; and (b) Wawa Wasi community home to be financed by the program to accommodate about 24 children.
- 2.16 This component will be carried out with the participation of technical teams from the regional offices and the program's strategic allies (PRONAA and MINSA) and activities will be coordinated and supervised by the staff of the coordinating unit.
- 2.17 Existing Wawa Wasi facilities will be converted gradually to the new operating model during the first two years of the program.

Coverage will also be expanded up to the end of stage I, in accordance with the following table:

Coverage of the Wawa Wasi program -- Stage I			
Period	Year 1	Year 2	Year 3
1st quarter	<u>1/</u> 20,000	<u>1/</u> 33,000	55,000
2nd quarter	28,000	42,000	75,000
3rd quarter	40,000	55,000	95,000
Note: The program will cover an additional 130,000 children in year four and 150,000 children in year five (stage II).			
<u>1/</u> There is a fairly sharp reduction in program coverage during school vacations. Under the new Wawa Wasi program, coverage is expected to stop declining by year three, particularly with the education campaigns targeted to parents.			

- 2.18 Integrated care consists of three elements: (a) nutrition; (b) health care; and (c) early stimulation.

a. Nutrition

- 2.19 This subcomponent is intended to meet the nutritional requirements of children attending the program, to contribute to their good development. The program will provide three meals: breakfast, lunch and a snack, which together cover 70% of the children's calory requirements and all of their protein requirements. The project will finance the full cost of this assistance, including the cost of the food, its preparation, and distribution.
- 2.20 Based on the coverage plan for stage I, in the first year the program will finance an average of 29,000 daily food portions. The figure will rise to 43,000 in the second year and to 75,000 in the third.
- 2.21 The meals will be provided through community kitchens, which will be chosen by the community and will administer the funds for this service. If there are no community kitchens or if those that do exist are unable to handle the demand, other grass-roots organizations will be used. PRONAA will provide 50% of the kitchens with a basket of nonperishable foods and funds to purchase perishable produce directly and to prepare and distribute the meals for the Wawa Wasi program. The other 50% of the community kitchens will receive and administer program funds to purchase all the food and to prepare and distribute the meals.
- 2.22 To provide good service, with support from PRONAA, the program will train the operators of the kitchens in the nutritional value of

food, hygiene in food handling, and suitable combinations of foods to be served to the children under the Wawa Wasi program.

b. Health care

- 2.23 For health care under the CRED program, personnel from local health posts will administer vaccinations and monitor the weight and height of the beneficiary children in the Wawa Wasi program. These check-ups will preferably be performed at the day care homes.
- 2.24 The activities will be carried out by the Ministry of Health under its CRED program, which has manuals and instructions on how to perform them. Local health establishments will be responsible for monitoring the weight and height of children in the program. These statistics will be taken preferably at Wawa Wasi homes.
- 2.25 The results of the weight and height measurements will be used to assess the children's nutritional condition and refer cases of acute malnutrition to the special services of the Ministry of Health. The psychosocial and motor development results will be used by the field coordinators to plan the stimulation activities to be carried out under the Wawa Wasi program.
- 2.26 The caregivers, operators of the community kitchens, field coordinators and members of the management committees will also receive training from health care establishments in the prevention and early treatment of the most common diseases in their locality and household accidents. The caregivers will also monitor children's development and assist in weight and height measurements.
- 2.27 The Ministry of Health will sign an agreement under the program, which will be a condition precedent to the first disbursement, establishing the functions and responsibilities of the different parties.

c. Stimulation

- 2.28 The main objective of the stimulation subcomponent is to foster the motor, cognitive and socioemotional development of the children. Stimulation will be provided by the caregiver, with support from the field coordinator.
- 2.29 The caregiver must be able to recognize the children's development needs and carry out activities that offer them stimulation and opportunities to interact with other people, explore objects and spaces and, above all, give them affection and attention.
- 2.30 The project will furnish caregivers with suitable equipment, fiches, booklets and materials for these stimulation exercises. It will also provide handbooks and materials for use by the field staff in the periodic training for caregivers. In stage I, it will

finance approximately 11,500 sets of materials and equipment for early childhood stimulation.

- 2.31 The program will pay a minimum financial stipend to the caregivers to encourage their participation and make it unnecessary for them to depend on payments by the parents of the children attending the program. However, the parents will be required to supplement the stipend. Caregivers will be remunerated according to the number of children in their care, at the rate of US\$4 per child per month.
- 2.32 The stimulation subcomponent will be based on a training program to be contracted with universities or specialized agencies. It will target personnel in the regional offices and the coordinating unit, to enable them in turn to train the caregivers and operators of the community kitchens, with external support if necessary. These agencies will also recommend and design the materials for stimulation to be used by the caregivers.

d. Other financial costs under this component

- 2.33 The program plans to use management committees composed of grass-roots organizations, preferably the community kitchens. In each specific area, the committees will be responsible for managing the Wawa Wasí homes, covering between 100 and 120 children. The project will finance the actions needed to identify and establish these committees and their operating costs. The cost of setting up the committees will be approximately US\$2 per child and US\$0.80 a month for each child covered will be provided for their operating costs.

2. Training (US\$1.5 million - Stage I)

- 2.34 The training program will target the people participating in program execution. The component will train qualified teams to manage the program and to provide comprehensive care for the children and to educate families in child nurture.
- 2.35 Activities under this component include initial training events to provide the players with an understanding of program dynamics and information on their functions and how to carry them out. A continuing development process will also be provided, to complement the initial training and upgrade the skills of the personnel in charge of program activities on the different levels and in the different specialties.
- 2.36 Training will be provided in three principal areas: (i) training events for program executors (coordinating unit and technical teams at the regional offices) and participants (strategic allies, promoters, management committees, oversight councils, caregivers, operators of community kitchens and user families); (ii) production of training materials based on the roles and functions of the executors and participants; and (iii) organization of learning

resource centers in the coordinating unit and in program offices for self-instruction and exchanges of experiences between the different program executors and participants (the training plan may be consulted in the program's technical files).

- 2.37 The training will be provided by internal and external agents. The size and nature of the tasks require coordination with the strategic allies and agreements with universities and specialized agencies to be jointly responsible for the training and the review of the materials developed by the program. Training will be provided on all levels of the program's organizational structure and for specialized topics will include the design of events and materials to be used by the staff of the coordinating unit in its educational activities. Training in each regional office will be provided by the technical teams which will also receive support from specialized institutions.
3. Promotion of the program and dissemination of a culture of child nurture (US\$1.6 million - Stage I)
- 2.38 This component includes actions to develop and implement a communications strategy, understood as a series of institutional promotion activities to disseminate and consolidate the image and messages of the program among the different population groups. The program and a culture of child nurture will be fostered.
- 2.39 The promotional and institutional activities will seek to ensure the transparency of the program, encourage demand for Wawa Wasi services, and stimulate community participation in the management, administration and supervision of the service and to encourage parents to adopt a culture of child nurture conducive to integrated child development.
- 2.40 Actions will also be included to promote the program on the political, social, and entrepreneurial levels. Training in social marketing will be given to the members of the Wawa Wasi field teams. The teams will be encouraged to involve the private sector, motivating it to act as a program benefactor, thus increasing the scope and impact.
- 2.41 Funding will be provided to design and produce materials (brochures, videos, radio programs, posters, parent handbooks, etc.) The private sector will be encouraged to cooperate in their production to ensure sustainability and extend the impact. Promotion of the Wawa Wasi program will also be financed at events such as fairs, street shows, congresses, including the necessary publicity materials.
- 2.42 This component will be carried out with the participation of internal and external agents. The program to promote and disseminate a culture of child nurture will be designed by external consulting services, who will be responsible for the execution

- 2.49 Evidence will be presented in advance that the works to be financed under the Bank loan will be built on land that belongs to the community and that rights-of-way and other rights have been obtained.
- 2.50 At the commencement of the program, the coordinating unit will issue a public call for offers for the selection of contractors and supervisors in order to establish a data base with a list of professionals able to comply with construction requirements.
- 2.51 When the works have been completed and received by the works committee, the coordinating unit will transfer them to community representatives under an agreement for maintenance of the physical works and take steps to outfit them as a Wawa Wasi community home.

5. Support for execution capacity (US\$6.7 million - Stage I)

- 2.52 This component includes the following subcomponents.

a. Technical assistance

- 2.53 The purpose is to provide the program executors with greater management capacity. It is anticipated that three short-term consultants will be required during the program for management support. Up to 24 consultant/months have been budgeted to assist in reviewing the operating procedures, preparing the manuals and evaluating the training techniques and methods to be used in the program. Financing will also be provided for computers, printers and audiovisual equipment for the coordinating unit and the program offices.
- 2.54 The consulting services required to support the program strengthening activities will be hired during execution. The Bank will review and approve the terms of reference of the consultants as well as the names and backgrounds of the consulting firms and individual consultants hired with the local counterpart funding.

b. Monitoring and evaluation

- 2.55 This subcomponent includes actions to keep the program's management and technical staff up to date on its progress, the quality of the service and its impact. An information system will be established to cover the technical, administrative, financial and management aspects of the program. The system will be applied on the different operating levels, so that information will be available for the timely adoption of any necessary measures.
- 2.56 Program execution will be evaluated annually by external consultants, who will examine the management and quality of the service and compared them against the original objectives and indicators. This annual evaluation will serve as the basis for the follow-up meetings between the executing agency and the Bank. The

basis for the monitoring and evaluation system is available for consultation in the technical files.

- 2.57 A specialized consulting firm will be hired to implement the monitoring and evaluation system at the national level. The firm will consider the results of the pilot project and the measurement parameters established for the program. The regional offices and the central unit will also be provided with the necessary equipment, and personnel will be trained in record keeping, the use of the software, and administration of the system. The presentation of the monitoring and evaluation indicators to be used for the program will be a condition prior to the first disbursement. Also, evidence that the program monitoring system is in place within three months after the loan is declared eligible will be a special contractual condition. Annex III-3 sets out in draft form the indicators for annual follow up to be used in monitoring the program.
- 2.58 The subcomponent will also include consulting services to perform a detailed evaluation of program results and the impact of the actions on the beneficiary children. The study will be performed when 80% of the loan has been disbursed.

c. Program administration (US\$5.9 million)

- 2.59 The project will be administered by the Wawa Wasi National Program Office, which will have a coordinating unit to ensure the quality and effectiveness of program activities. This subcomponent will finance the operation of the coordinating unit and field staff (regional office chiefs, field coordinators, administrative staff) during the project. It includes fees and overhead. The terms of reference for the staff of the coordinating unit can be consulted in the technical files.

E. Program cost and financing

1. Cost

- 2.60 The total cost of the program has been estimated at the equivalent of US\$148.9 million, with the cost of Stage I being US\$66.6 million and that of Stage II US\$82.3 million. The total cost of the five-year program execution is itemized in Annex II-1. A breakdown of the costs of Stage I (US\$66.6 million) by investment and source of financing is given in the following table.

Table II-1 Total costs — Stage I (US\$000s equivalent)				
Category	Source		Total	Percentage
	IDB/OC	Local		
1. ADMINISTRATION	1,626	4,442	6,068	9.1
1.1 Coordination unit	1,357	0	1,357	2.0
1.2 Regional office teams	0	4,442	4,442	6.7
1.3 PPF reimbursement	140	0	140	0.2
1.4 Technical support	129	0	129	0.2
2. DIRECT COSTS	42,457	9,924	52,381	78.7
2.1 Integrated child care	19,800	7,000	26,800	40.2
2.2 Training	1,537	0	1,537	2.3
2.3 Health	0	1,300	1,300	2.0
2.4 Promotion and dissemination	1,620	0	1,620	2.4
2.5 Infrastructure	19,500	1,624	21,124	31.7
3. CONCURRENT COSTS	766	838	1,604	2.4
3.1 Technical assistance	466	0	466	0.7
3.2 Monitoring and evaluation	300	0	300	0.5
3.3 Maintenance	0	838	838	1.3
SUBTOTAL	44,849	15,204	60,053	90.2
4. CONTINGENCIES	1,285	526	1,811	2.7
5. FINANCIAL EXPENSES	466	4,270	4,736	7.1
5.1 Interest	0	3,736	3,736	5.6
5.2 Credit fee	0	534	534	0.8
5.3 Inspection and supervision	466	0	466	0.7
TOTAL	46,600	20,000	66,600	100.0
Percentage by source	70.0	30.0	100.0	

2. Financing plan

a. Bank financing

2.61 Bank financing for stage I (US\$46.6 million) will come from the ordinary capital resources and will cover 70% of total program requirements.

2.62 The terms and conditions of the Bank loan are:

Table II-2 Terms and conditions of the loan — stage I	
Source:	Ordinary capital (Single Currency Facility in United States dollars)
Amount:	US\$46.6 million
Terms:	
amortization	25 years
grace	3 years
commitment	2.5 years
disbursement	3 years
Interest rate:	Variable
Credit fee:	0.75% per annum on the undisbursed balances
Inspection and supervision:	1%

b. Local counterpart

2.63 The program requires a contribution from the borrower of US\$20 million in stage one, distributed over the three years of execution, with the maximum in year three (US\$9.3 million) since the number of children to be assisted under the program will increase each year. The requirements for the first year are US\$4 million, including an estimated US\$600,000 in financial costs to be covered by the Ministry of Economic Affairs and Finance (MEF). PROMUDEH has budgeted US\$3.5 million equivalent for 1999, which is sufficient to cover requirements for the first year. Since the annual counterpart is manageable in terms of national spending, no problems are anticipated with the borrower's capacity to make the required contributions in subsequent years.

III. PROGRAM EXECUTION

A. The borrower and the executing agency

- 3.1 The borrower will be the Republic of Peru and PROMUDEH will be the executing agency, acting through the Wawa Wasi National Program Office established for that purpose. The program will be carried out through technical teams at regional offices to be established in the country's different departments.
- 3.2 The National Program Office will have a central technical team which will act as coordinating unit for the project. The CU will be responsible for all aspects of the program and will establish Operating Regulations for the agreements with PRONAA and the MINSA regarding the integrated child care services to be provided.
- 3.3 Establishment of the Wawa Wasi National Program Office as an independent administrative and budget unit within PROMUDEH and from the commencement of the process of selecting incremental staff for the CU will be conditions precedent to the first disbursement of the loan.

B. Project execution

1. Project administration

- 3.4 The Wawa Wasi National Program Office, as the coordinating unit, will be responsible for project administration. The CU will be staffed by a general coordinator, 14 professionals and five support staff. The organizational chart of the CU is presented in Annex III-1. The field actions will be carried out by personnel at the 32 regional offices. Each regional office will be headed by a chief who will manage and supervise program implementation on the local level. The main function of the National Program Office will be to supervise the activities of the CU, providing general program guidance, monitoring and controlling local resources and the Bank's loan, and facilitating inter-institutional relations with the agencies that will support execution and the national and international lending and cooperation agencies involved in the program. The borrower, through the executing agency, will consult the Bank regarding any changes in the structure and staff of the CU.

2. Strategy for focusing the program

- 3.5 The areas in which the program will be active (priority departments and districts) will be determined on the basis of the poverty map of Peru. That index uses eight indicators (malnutrition, female illiteracy, school attendance, housing condition, overcrowding, and water, sewerage and electricity services). The second element to

be used for prioritizing program activities is the number of children under four (there is no separate information for children under three). The population census will be used as the source.

- 3.6 The third element concerns the number of mothers who could be potential users of the system. An approximate indicator is the number of women between the ages of 15 and 45 (women of child-bearing or working age). The population census will be used as the source of these data.
- 3.7 Once the priority districts have been selected, the field staff will identify local grass-roots organizations able to manage the program, confirming localities in which such organizations need to be promoted. Identification of priority areas based on the first three elements was made during program preparation and the documents are available in the technical files.
- 3.8 If demand in a target locality outstrips program capacity, additional focusing criteria will be used, giving priority to the children of working mothers, teenage mothers, pregnant mothers, mothers who are heads of households and mothers with the most children under 18.

3. Execution plan

- 3.9 Program execution will be based on community participation, especially by local organizations such as community kitchens, which will form the management core on the local level.
- 3.10 The project cycle described below will be followed:
 - a. Promotion and dissemination of the program in areas targeted. The technical teams at the regional offices will promote and disseminate the program in the areas targeted, providing transparent information on the program's services, its structure, and the responsibilities of the people involved.
 - b. Promotion groups. Promotion groups will be established in the selected communities which will, in the first stage, act as interlocutor between the program and the community. Through a self-diagnosis it will determine the community's real needs and evaluate its willingness and capacity to participate in the program under the established parameters. If the self-diagnosis is positive, the promotion group will present a request to the National Program Office to establish a management committee in its area.
 - c. Establishment of the management committee and the oversight council. The community organization recommended by the promotion group as the prospective management committee should have at least 20 active members and demonstrate that it is an active group. Community kitchens must also have been legally

recognized by PRONAA or the municipality for at least one year. The management committees' actions will be supervised by oversight councils composed of members of the community and one staff member from the regional office. The management committees and oversight councils will function in accordance with the program's Operating Regulations (available in the technical files).

- d. Financing of the management committees. Once a management committee has been established, it will present a request for financing the operation (advised by the program's field staff). The request will be forwarded by the chief of the regional office to the coordinating unit. Once evaluated, an agreement will be signed with the management committee, a budget will be allocated, and the first disbursement made. Materials and equipment will also be provided for the smooth operation of the Wawa Wasi home.
- e. Training. When a request from a management committee is accepted, the program's field staff will educate its members and the members of the oversight council in program operations and the administrative management and control they are required to perform. The operators of the community kitchens who will provide the meal service will receive training in food preparation and food-service management.
- f. Start up of the management committees. Once the agreement has been approved and signed, the committees will begin to enrol children in the program and to select caregivers. The promotion group will participate in both activities, which will be verified by personnel from the regional office. Children and caregivers will be selected and enrolled in accordance with program criteria.

4. Procedures for procurement and consulting services

- 3.11 National legislation will be followed for the construction works valued at less than US\$3 million, with international competitive bidding being used for amounts in excess of this figure. None of the works are expected to cost more than US\$30,000. Local competitive bidding will be used for goods and services costing less than US\$250,000. If larger amounts are involved, international competitive bidding will be used. The Bank's procedures will be followed in hiring consulting services. The procurement plan is presented in Annex III-2.

5. Flow of funds and financial management

- 3.12 Loan and counterpart funds for the program will be allocated annually under the National Budget Act, based on the approved plan of execution. Program income and spending will be administered directly by the coordinating unit through the budget accounts to be

established and approved by law. Counterpart funds will be placed in a bank account in the program name opened with Banco de la Nación. A current account in the program name will be opened with a commercial bank for the loan proceeds, which will be maintained in United States dollars to mitigate the impact of inflation.

- 3.13 Management of the bank accounts will be governed by a financial management manual to be agreed upon with the Bank, which will form part of the Operating Regulations. Opening of the bank accounts will be a condition precedent to the first disbursement.

6. Disbursement schedule

- 3.14 The tentative schedule for disbursement of the loan and counterpart resources is presented below.

Table III-1 Disbursement schedule -- Stage I					
Source	Year 1	Year 2	Year 3	Total	Percentage
IDB	9,320	14,413	22,867	46,600	70
Counterpart	4,056	6,672	9,272	20,000	30
Total	13,376	21,085	32,139	66,600	100
% per year	20.1	31.7	48.2	100	

7. Cost recognition and revolving fund

- 3.15 Since some of the activities required for start up of the program must be carried out prior to the first disbursement, the Bank will recognize preinvestment costs under the program up to a total of US\$850,000 from the local counterpart funding.
- 3.16 Owing to the type of activities involved and the pace of execution, it is recommended that a revolving fund be established for up to the equivalent of 5% of the loan, or US\$2.33 million.

8. Bank supervision during the program

- 3.17 Monitoring and evaluation will serve to identify problems and any changes needed in the execution and/or goals of the program. The Bank's Country Office will monitor progress based on program benchmarks (Annex III-3) and information for that purpose will be compiled in accordance with procedures and conditions to be agreed upon with the Bank. In principle, monitoring and evaluation will be carried out according to the timetable outlined below.

a. Workshop for program executors

- 3.18 Within three months after the loan is declared eligible for disbursement, the borrower and the Bank will hold a workshop to discuss progress in the preliminary small-scale project and the responsibilities of each agent under the program. The event will be attended by the personnel responsible for program execution and other program participants. The content, duration and other aspects will be agreed upon with the Bank.

b. Meeting to review operations

- 3.19 Since it is crucial to begin the program with suitable mechanisms and regulations, a meeting has been planned six months after it begins in order to review the program initiated with funds from ATN/JF-6075-PE and to identify possible obstacles or anomalies in the execution mechanisms and Operating Regulations. The meeting will serve to determine any early corrective measures that are needed.

c. Annual meetings

- 3.20 Each year at a time agreed upon with the Bank, the executing agency will present a detailed report on the progress of each component and the extent to which each of the annual targets set out in the logical framework, which will serve as the basis for the annual work plans, has been met. The annual meetings will take place within two months after the report is presented. The meetings with the Bank will be attended by a representative of the MEF, the national program director, the coordinator and technical staff from the coordinating unit and representatives from the regional offices. The process will be supported by the annual evaluations mentioned above (see paragraph 2.57).

- 3.21 The annual reviews will tentatively include:

- a. Review of the program during the previous year, including activities and disbursements;
- b. Comparison of specific achievements with the targets and benchmarks set out in the logical framework;
- c. Evaluation of the execution mechanisms, with special stress on participation by the community kitchens and other grass-roots organizations;
- d. Agreement on plans of action for the next year, including corrective measures, possible changes in the regulations, funds allocated for investments, and new targets resulting from the review.

d. Final evaluation

- 3.22 In view of the nature of the program, it is recommended that a detailed evaluation of the results be performed when approximately 80% of the funds have been disbursed, looking particularly at the effectiveness and fluidity with which the execution mechanisms were applied and evaluating the impact of the activities on the beneficiary children to the extent possible. The evaluation will be used as the basis for processing the loan for stage two of the program and should be performed by an independent consultant or consulting firm. The results will be reviewed by the executing agency and the Bank.

9. Maintenance

- 3.23 The works built with program funds will be adequately maintained, following the recommendations made by the consultant on infrastructure for the different kinds of buildings in the country's different geographic areas.
- 3.24 When it delivers the works to the community, the coordinating unit will sign an agreement with it establishing the commitments of the parties and the penalties for failing to comply with them, which could lead to suspension of the services provided by the program.

10. External audits

- 3.25 The executing agency will present the program's financial statements annually, duly audited by an independent firm of auditors acceptable to the Bank.

IV. PROGRAM FEASIBILITY, BENEFITS AND RISKS

A. General feasibility

- 4.1 Experience in executing the pilot Wawa Wasi program since 1993 indicates that it is viable and that there is strong demand for the service. The design of the new operating model for the program includes various provisions to improve execution and overcome weaknesses identified during the pilot project.

B. Institutional feasibility

- 4.2 Although PROMUDEH is a relatively new ministry, experience with executing the Wawa Wasi program goes back for several years. The staff that will work at the regional offices have been associated with the program since 1993, and although they reported to the MED until the start of this year, the scope and nature of work under the new plan will be the same. The main strategic allies - PRONAA and MINSA - have also been associated with the program since its inception and the new system will strengthen their actions since the program will now enjoy greater stability. The innovation under the new plan resides in the use of the community kitchens as the basis for the new management committees. The effectiveness and efficiency of the community kitchens have been demonstrated for more than a decade and they are well positioned to participate in program execution. Lastly, providing the Wawa Wasi program with administrative and financial independence will solve one of the main problems encountered in the past: namely, timely allocation of funds. For the above reasons, the project is institutionally feasible.

C. Socioeconomic feasibility

- 4.3 The absence of data makes it impossible to calculate the cost-benefit of the Wawa Wasi program. However, certain historical studies of experiences in poor communities in Bolivia (Van der Gaag & Tan, 1998), the United States (Weikart, 1988) and Turkey (Kagitcibasi, 1996), show that investments in early child development have many positive impacts, including an influence on the school performance of the beneficiaries.
- 4.4 The study in Bolivia confirms that well-focussed high-quality programs have a significant positive impact on school enrolment and performance and are excellent investments in human capital. The studies in the United States and Turkey present results from long-term monitoring of the beneficiaries of programs and of control groups. These studies found that in general the beneficiaries:
- a. Perform better in school and tend to remain in school;
 - b. Experience fewer psychological problems;

- c. Have greater job stability;
 - d. Are more satisfied with their work;
 - e. Have fewer problems with delinquency and crime.
- 4.5 The Wawa Wasi program will help its beneficiaries to break the circle of poverty, insofar as it will foster the comprehensive and sustainable development of children, improving their future performance in school and in society. In addition, the program will generate significant savings over the medium and long terms in spending on health and psychological care and investments in education.
- 4.6 A comparison of personnel costs in different programs to assist children under three in Peru indicates that the Wawa Wasi program is less expensive than the other programs examined (PAIGRUMA and PIETBAF). Although the CUNA program was not included in the study for insufficient information, it is believed to be much more expensive than the Wawa Wasi program since it uses professional, multidisciplinary personnel.
- 4.7 The cost per child of integrated care under the Wawa Wasi program is US\$365 a year, a figure within the range for similar programs in Colombia (US\$356/child/year), Ecuador (US\$372/child/year), and Bolivia (US\$324/child/year).
- D. Program benefits
- 4.8 The national program to assist children under three (Wawa Wasi) will bring major benefits to the direct beneficiaries (children and their families) as well as to the communities where it is implemented. Three types of benefits are involved:
1. Benefits for early child development
- 4.9 Integrated care (stimulation, nutrition and health) will result in better development of the children's intelligence, personalities and social skills which will have a large impact in the medium and long terms on their social adjustment, cognitive and motor skills, and school performance. The integrated care services will be extended to 95,000 children under three during Stage I of the program, with the coverage increasing to 150,000 children in Stage II. The program is expected to result in proper motor, cognitive, and socioemotional development for 90% of the beneficiaries.
- 4.10 The education campaigns for parents and the mothers of small children will supplement other interventions by providing direct assistance and will ensure sustainability over the medium and long terms. The education campaigns will also benefit other children in extremely poor areas who are not assisted directly by the program. This component is expected to benefit 190,000 children in Stage I and 300,000 in Stage II.

2. Economic benefits

- 4.11 The program will facilitate access to jobs for women who wish to join the workforce, since they will be able to obtain child care. The program could also have a positive impact on the incomes of working women. Easing their worries about leaving their children without proper care will lead to an improvement in their ability to concentrate on their work and make for better attendance records. As a result, they will be more productive and hence better paid.
- 4.12 The program will create work for people living in extreme poverty through demand for services and local purchase of products and goods for its components. Approximately 12,000 caregivers will be employed in Stage I and 19,000 in Stage II.

3. Community benefits

- 4.13 Grass-roots community organizations will be strengthened through their inclusion in different stages of the program - implementation, administration and supervision - and through the training they will receive to enable them to provide adequate services. Approximately 800 management committees will be formed to handle the program at the local level in Stage I, with the number rising to 1,200 in Stage II.

E. Environmental impact

- 4.14 The Committee on Environment and Social Impact (CESI) considered this operation at its meeting on July 7, 1997, and did not request an environmental and social impact report or an environmental impact assessment, since this operation is not expected to have any major negative impact on the environment.
- 4.15 The infrastructure to be financed under this operation involves small works, costing an average of about US\$21,000. The negative impacts of the project are small, one-time and short term. They generally involve noise and dust and in some cases the production of waste materials. To mitigate these effects, a check-list of possible environmental impacts has been included in the construction Operating Regulations alongside the mitigation measures to be adopted in each case. This environmental quality control mechanism was included in the project cycle (see paragraph 2.48).

F. Ethnic considerations

- 4.16 In indigenous areas, the integrated child care services will be provided by a local indigenous mother, recommended by the promotion group. The caregiver will have cultural and linguistic patterns similar to those of the beneficiary children. The materials for promoting the program and fostering a culture of child nurture will be adjusted as necessary to the different cultural and linguistic

characteristics of each region, and will include the ethnic elements needed for their acknowledgement and acceptance by indigenous communities.

- 4.17 The training courses for caregivers, community representatives and operators of the community kitchens will be adapted and offered in native languages, if necessary, to successfully reach the target population.

G. Risks

- 4.18 The following main risks have been identified:

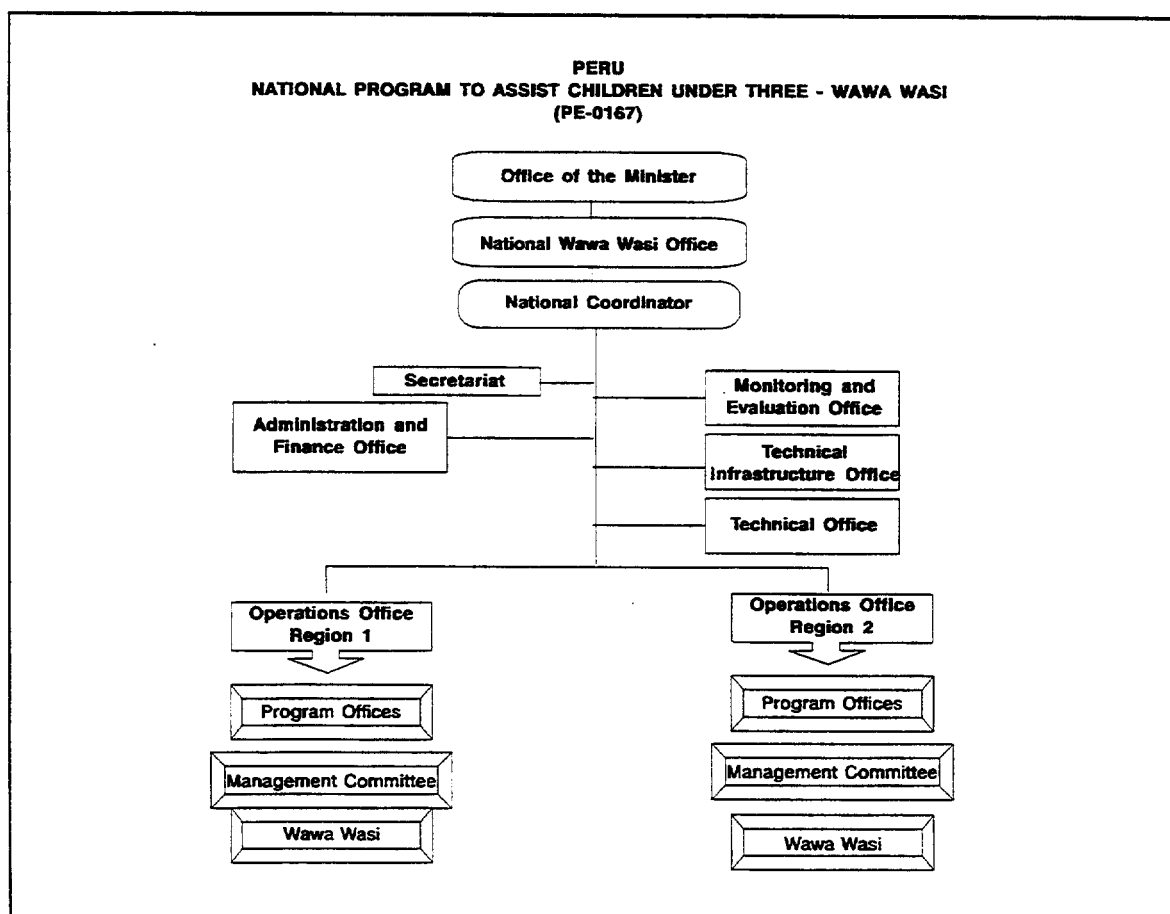
- a. Slow implementation of the program owing to the lack of information and/or capacity of grass-roots organizations to perform the different tasks assigned to them. To minimize this risk, the program includes activities to strengthen the capacity of the organizations involved in administering and supervising the program.
- b. Dependence on other public institutions for the provision of the nutrition and health care components. The following measures will be taken to reduce this risk: (i) PROMUDEH will assemble all the financial resources needed to finance the nutrition component and transfer them to the National Food Assistance Program (PRONAA); they can be redirected if the quality and timeliness of the service is inadequate; and (ii) the direct transfer of funds to purchase, prepare and distribute food will be tested with 50% of the management committees, which will mean that PRONAA will not have to be involved in these cases.
- c. Possible difficulties in execution owing to the large number of participants (communities, parents, community kitchens, private enterprises, PRONAA, MINSA). To alleviate this risk the transparency of the program will be ensured through the promotion and dissemination campaign, particularly with respect to the responsibilities and rights of each of the players. An execution mechanism has been designed, specifying the functions and actions to be performed by each participant. The program will be monitored continuously through: (i) a monitoring system that will regularly collect data on the quality of services delivered to the direct beneficiaries; (ii) annual internal and external evaluations of program management and the quality of the services; and (iii) program management meetings to be held semiannually in the first year and annually thereafter, which will review the results in the preceding period and adjust future execution plans.
- d. Lack of continuity in government investments in the sector. This risk appears to be minimal for the following reasons: (i) the proposed program is a continuation of the pilot project

being partly financed by the Bank since 1993, which confirms the government's commitment to the sector; (ii) a five-year program has been planned, divided into two loan operations, which reflects the government's intention to gradually expand the program, but monitoring and adjusting its implementation; and (iii) promotion of the program on various levels and strong community participation are partial guarantees of the program's sustainability and pushing for continuing with it in the future.

**NATIONAL PROGRAM TO ASSIST CHILDREN UNDER THREE - WAWA WASI
(PE-0167)**

**TABLE OF TOTAL COSTS
(US\$000 equivalent)**

	YEAR 1	YEAR 2	YEAR 3	TOTAL STAGE I			%	YEAR 4	YEAR 5	TOTAL STAGE II			%	TOTAL			%
	TOTAL	TOTAL	TOTAL	IDB	LOCAL	TOTAL		TOTAL	TOTAL	IDB	LOCAL	TOTAL		IDB	LOCAL	TOTAL	
ATION	2,148	1,770	2,150	1,626	4,442	6,068	9.1	2,585	2,873	1,078	4,380	5,458	6.6	2,704	8,822	11,526	
ing Unit	407	465	485	1,357	0	1,357	2.0	520	558	1,078	0	1,078	1.3	2,435	0	2,435	
Office teams	1,536	1,273	1,633	0	4,442	4,442	6.7	2,065	2,315	0	4,380	4,380	5.3	0	8,822	8,822	
bursement	140	0	0	140	0	140	0.2	0	0	0	0	0	0.0	140	0	140	
l support	65	32	32	129	0	129	0.2	0	0	0	0	0	0.0	129	0	129	
STS	9,850	16,511	26,020	42,457	9,924	52,381	78.7	32,302	33,675	54,547	11,430	65,977	80.2	97,004	21,354	118,358	
d child care	3,319	8,390	15,091	19,800	7,000	26,800	40.2	22,395	27,304	42,589	7,130	49,699	60.4	62,369	14,130	76,499	
	491	544	502	1,537	0	1,537	2.3	600	410	1,010	0	1,010	1.2	2,547	0	2,547	
	273	377	650	0	1,300	1,300	2.0	650	650	0	1,300	1,300	1.6	0	2,600	2,600	
n and dissemination	405	498	717	1,620	0	1,620	2.4	838	843	1,681	0	1,681	2.0	3,301	0	3,301	
ture	5,362	6,702	9,060	19,500	1,624	21,124	31.7	7,819	4,468	9,287	3,000	12,287	14.9	28,787	4,624	33,411	
NT COSTS	297	568	739	766	838	1,604	2.4	973	1,605	248	2,330	2,578	3.1	1,014	3,168	4,182	
assistance	222	214	30	466	0	466	0.7	68	30	98	0	98	0.1	564	0	564	
g and evaluation	75	75	150	300	0	300	0.5	75	75	150	0	150	0.2	450	0	450	
nce	0	279	559	0	838	838	1.3	830	1,500	0	2,330	2,330	2.8	0	3,168	3,168	
	12,295	18,849	28,909	44,849	15,204	60,053	90.2	35,860	38,153	55,873	18,140	74,013	89.9	100,722	33,344	134,066	
ICIES	328	589	866	1,285	526	1,811	2.7	976	997	557	1,416	1,973	2.4	1,842	1,942	3,784	
COSTS	755	1,647	2,334	466	4,270	4,736	7.1	2,344	3,970	570	5,744	6,314	7.7	1,036	10,014	11,050	
	350	1,292	2,084	0	3,736	3,736	5.6	1,763	3,685	0	5,448	5,448	6.6	0	9,184	9,184	
	250	200	84	0	534	534	0.8	296	0	0	296	296	0.4	0	830	830	
n and supervision	155	155	156	466	0	466	0.7	285	285	570	0	570	0.7	1,036	0	1,036	
	13,376	21,085	32,139	46,600	20,000	66,600	100.0	39,180	43,120	57,000	25,300	82,300	100.0	103,600	45,300	148,900	
source	9.0	14.2	21.6	31.3	13.4	44.7		28.3	29.0	38.3	17.0	55.3	0.1	69.6	30.4	100.0	



NATIONAL PROGRAM TO ASSIST CHILDREN UNDER THREE – WAWA WASI
(PE-0167)

PRELIMINARY PROCUREMENT PLAN				
MAIN ITEMS OF PROCUREMENT	FINANCING	METHOD	PREQUALIFICATION	DATE OF PROCUREMENT
CIVIL WORKS:				
1. Approx. 266 works, US\$5.6 million	IDB 90%	PS	No	1999
2. Approx. 319 works, US\$6.7 million	IDB 90%	PS	No	2000
3. Approx. 426 works, US\$8.9 million	IDB 90%	PS	No	2001
GOODS:				
1. Approx. 2,750 sets of equipment and materials for Wawa Wasi homes, US\$605,000	IDB 100%	LCB	No	I/99
2. Approx. 3,750 sets of equipment and materials for Wawa Wasi homes, US\$825,000	IDB 100%	LCB	No	I/00
3. Approx. 5,250 sets of equipment and materials for Wawa Wasi homes, US\$1 million	IDB 100%	LCB	No	I/01
4. Furniture and equipment for the CU/regional offices, two lots, US\$170,000	IDB 100%	LCB	No	I/99
Services: Aggregate amount US\$2.6 million				
1. Promotion and dissemination	IDB 100%	LCB	No	I,III/99 I,III/00
2. Technical assistance	IDB 100%	PS	No	I/01
LCB = Local competitive bidding not restricted to local firms PS = Price shopping Dates: For the civil works, date refers to the entire year during which they will be built; in the other cases, date refers to the semester in which procurement will be done.				

NATIONAL PROGRAM TO ASSIST CHILDREN UNDER THREE – WAWA WASI
(PE-0167)

LOGICAL FRAMEWORK 1/

SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
to the development of children by improving their well- promoting their integrated	<ul style="list-style-type: none"> • Infant mortality rate • Percentage of children vaccinated • Percentage of children with adequate growth and development • School repeater rate 	CENSUS <ul style="list-style-type: none"> • MINSA reports • MED reports 	<ul style="list-style-type: none"> • Government programs to assist c are effective and have continuity
services and actions throughout to foster the integrated of children under three, and children at risk	<ul style="list-style-type: none"> • Percentage of Wawa Wasi homes established as compared with the target • Percentage of children with proper growth and development in the target communities • Percentage of children served by the program as compared with the target 	<ul style="list-style-type: none"> • Semiannual progress reports • Annual internal evaluation reports • Annual external evaluation reports 	<ul style="list-style-type: none"> • Demand for services in targeted a • Interest by targeted communities participating in the program • Continued priority attached to the program at a political level
d care homes implemented and in	<ul style="list-style-type: none"> • Percentage of children who remain in the program • Percentage of Wawa Wasi homes properly equipped in comparison with the target • Percentage of Wawa Wasi homes that remain open 	<ul style="list-style-type: none"> • Regional office reports • Supervision visits (coordinating unit, regional office teams) 	<ul style="list-style-type: none"> • Interest by potential caregivers in participating in the program

targets of the program are given in the Matrix of Annual Monitoring Indicators found after the end of the Logical Framework (pp. 6-9 of this Annex).

SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>...ing assistance are developing their age</p> <p>...or children operates with efficiency</p> <p>...a and Development Program mented and operating the Wawa Wasi program</p>	<ul style="list-style-type: none"> • Percentage of children with positive motor, cognitive and socioemotional development • Percentage of children whose nutrition improves • Percentage of kitchens that receive sufficient and timely funds and/or food • Percentage of Wawa Wasi homes in which meals are provided on time • Percentage of Wawa Wasi homes that receive sufficient quantities of good-quality food • Percentage of children who receive the meals • Percentage of children receiving medical checkups, as scheduled • Percentage of children vaccinated 	<ul style="list-style-type: none"> • MINSA reports (CRED) • CRED reports • Field observations • External evaluation report • Regional office reports • Reports on receipt and quality of the food provided to the Wawa Wasi homes (caregiver) • Reports on receipt of food by the community kitchens • Field observations • CRED reports (MINSA) • Regional office reports 	<ul style="list-style-type: none"> • Continuity of program actions in the home • Compliance by the strategic allies (PRONAA and MINSA) with their commitments • Operating capacity of the strategic allies in the target zones • Compliance by the strategic allies with their commitments • Operating capacity of the strategic allies in the target zones

SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>Management committees operating in the target areas</p> <p>Knowledge of their rights and responsibilities</p> <p>Communities sensitized and integrated care for children</p>	<ul style="list-style-type: none"> Percentage of management committees operating satisfactorily out of the total Percentage of actors informed of their rights and responsibilities Percentage of parents who attend program events Percentage of user families that follow positive child nurture practices at home Percentage of user families informed about aspects of child nurture Percentage of dissemination and sensitization campaign on child nurture carried out compared with target Percentage of parents who comply with their responsibilities (payments, meetings) 	<ul style="list-style-type: none"> Regional office evaluation reports Minutes of the meetings of management committees Supervision visits (coordinating unit and regional office teams) Regional office reports Annual internal and external evaluations Records of attendance and reports on events Field observations Visits to homes Reports by caregivers on payments by parents Annual internal and external evaluation reports 	<ul style="list-style-type: none"> Interest of community women's organizations in participating in program management Management experience of community women's organizations Community organizational capacity Appreciation of the importance of child development by families and the community

SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>Regional strengthening</p> <p>Unit properly equipped and y out the program</p> <p>s equipped, staffed and</p> <p>committees with resources to organize the Wawa Wasi local level</p>	<ul style="list-style-type: none"> Offices equipped on schedule Personnel contracted on schedule Percentage of regional offices fully staffed on schedule Regional offices equipped on schedule Percentage of management committees that report suitably and on time Percentage of management committees that receive funds on schedule 	<ul style="list-style-type: none"> Personnel contracts Semiannual progress report Personnel contracts Semiannual progress report Accounting by the management committees Regional office reports Semiannual progress reports 	<ul style="list-style-type: none"> Program financing received on schedule Program financing received on schedule Administrative experience of the community kitchens
<p>Monitoring and evaluation</p> <p>d evaluation system d efficient</p>	<ul style="list-style-type: none"> Information system implemented (software) Percentage of reports submitted on time Annual evaluations performed 	<ul style="list-style-type: none"> Semiannual progress reports Regional office reports 	
<p>Infrastructure</p> <p>homes properly built on</p>	<ul style="list-style-type: none"> Percentage of Wawa Wasi homes properly built as compared with the target Percentage of applications for the construction of Wawa Wasi community homes as compared with the target Percentage of complaints received regarding the works 	<ul style="list-style-type: none"> Semiannual progress reports Reports on completion of the works and delivery to the community Works supervisors' reports 	<ul style="list-style-type: none"> Community land available Demand for Wawa Wasi community homes

SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Participants and executors trained	<ul style="list-style-type: none"> • Learning resource centers operating on time in the coordinating unit and regional offices • Percentage of training events as compared with the target • Percentage of events rated as positive by the participants • Percentage of appropriate materials distributed on schedule as compared with the target 	<ul style="list-style-type: none"> • Semiannual progress reports • Regional office reports 	<ul style="list-style-type: none"> • Existence of external agents in the field of training needed and their willingness to carry out joint work

**NATIONAL PROGRAM TO ASSIST CHILDREN UNDER THREE — WAWA WASI
MATRIX OF ANNUAL MONITORING INDICATORS**

COMPONENTS	YEAR 1	YEAR 2	YEAR 3
<p>are</p> <p>es established and operating</p> <p>arget population show pment for their age</p> <p>children operating with ency</p> <p>plemented and operating Wawa Wasi program</p>	<ul style="list-style-type: none"> • 3,125 Wawa Wasi homes equipped and operating • 25,000 children served under the new operating model • 80% of the children served evolve positively in their motor, cognitive and socioemotional development • 80% of the children's nutrition has improved • 90% of the kitchens receive funds and/or food in sufficient quantities and on schedule • 90% of the Wawa Wasi homes receive the meals punctually • 90% of the Wawa Wasi homes receive good quality food in sufficient quantities • 90% of the children receive the meals • 80% of the children are monitored by the CRED program • 80% of the children are vaccinated 	<ul style="list-style-type: none"> • 6,875 Wawa Wasi homes equipped and operating • 55,000 children served under the new operating model • 80% of the Wawa Wasi homes operate the program continuously, year-round • 85% of the children served evolve positively in their motor, cognitive and socioemotional development • 85% of the children's nutrition has improved • 90% of the kitchens receive funds and/or food in sufficient quantities and on schedule • 90% of the Wawa Wasi homes receive the meals punctually • 90% of the Wawa Wasi homes receive good quality food in sufficient quantities • 90% of the children receive the meals • 85% of the children are monitored by the CRED program • 85% of the children are vaccinated 	<ul style="list-style-type: none"> • 11,875 Wawa Wasi homes equipped and operating • 95,000 children served under the new operating model • 90% of the Wawa Wasi homes operate the program continuously, year-round • 90% of the children served evolve positively in their motor, cognitive and socioemotional development • 90% of the children's nutrition has improved • 95% of the kitchens receive funds and/or food in sufficient quantities and on schedule • 95% of the Wawa Wasi homes receive the meals punctually • 95% of the Wawa Wasi homes receive good quality food in sufficient quantities • 95% of the children receive the meals • 90% of the children are monitored by the CRED program • 90% of the children are vaccinated

COMPONENTS	YEAR 1	YEAR 2	YEAR 3
<p>Education and promotion</p> <p>Management committees operating efficiently as planned</p> <p>Actors informed of their rights and duties</p> <p>Communities sensitized and integrated child care</p>	<ul style="list-style-type: none"> • 208 management committees are operating adequately • 80% of the actors are informed of their rights and responsibilities • 80% of parents attend program events • 60% of user families practice positive child nurture at home • 80% of user families are informed about aspects of child nurture • 90% of the dissemination and sensitization campaign performed • 90% of parents comply with their responsibilities (payments, meetings) 	<ul style="list-style-type: none"> • 458 management committees are operating adequately • 85% of the actors are informed of their rights and responsibilities • 85% of parents attend program events • 60% of user families practice positive child nurture in the home • 90% of user families are informed about aspects of child nurture • 95% of the dissemination and sensitization campaign performed • 90% of parents comply with their responsibilities (payments, meetings) 	<ul style="list-style-type: none"> • 792 management committees are operating adequately • 90% of the actors are informed of their rights and responsibilities • 90% of parents attend program events • 70% of user families practice positive child nurture in the home • 95% of user families are informed about aspects of child nurture • 95% of the dissemination and sensitization campaign performed • 95% of parents comply with their responsibilities (payments, meetings)
<p>Capacity strengthening</p> <p>Office equipped and staffed to manage the program</p> <p>Regional offices equipped, staffed and functioning</p> <p>Management committees with resources to organize the Wawa Wasi at the local level</p>	<ul style="list-style-type: none"> • One office equipped on schedule • 100% of the personnel of the CU contracted on schedule • 16 regional office chiefs and 84 field coordinators for the new model contracted on schedule • 16 regional offices equipped on schedule • 85% of the management committees report properly and on time • 95% of the management committees receive funds on schedule 	<ul style="list-style-type: none"> • One office equipped and functioning • 100% of the personnel of the CU contracted on schedule • 32 regional office chiefs and 184 field coordinators for the new model contracted on schedule • 16 regional offices equipped on schedule • 90% of the management committees report properly and on time • 100% of the management committees receive funds on schedule 	<ul style="list-style-type: none"> • One office equipped and operational • 100% of the personnel of the CU contracted on schedule • 32 regional office chiefs and 317 field coordinators for the new model contracted on schedule • 32 regional offices functioning • 95% of the management committees report properly and on time • 100% of the management committees receive funds on schedule

COMPONENTS	YEAR 1	YEAR 2	YEAR 3
<p>and evaluation</p> <p>evaluation system operational</p>	<ul style="list-style-type: none"> • One information system operating • 80% of reports submitted on time • Annual evaluation performed 	<ul style="list-style-type: none"> • One information system operating • 85% of reports submitted on time • Annual evaluation performed 	<ul style="list-style-type: none"> • One information system operating • 90% of reports submitted on time • Annual evaluation performed
<p>e</p> <p>es properly built on schedule</p>	<ul style="list-style-type: none"> • 266 Wawa Wasi homes properly built • 20% complaints in relation to the number of works 	<ul style="list-style-type: none"> • 320 Wawa Wasi homes properly built • 10% complaints in relation to the number of works 	<ul style="list-style-type: none"> • 414 Wawa Wasi homes properly built • 5% complaints in relation to the number of works
<p>ants and executors trained</p>	<ul style="list-style-type: none"> • 17 learning resource centers operating in the coordinating unit and the regional offices • 85% of training events held • 80% of events rated as positive by the participants • 80% of appropriate materials distributed on schedule 	<ul style="list-style-type: none"> • 33 learning resource centers operating • 90% of training events held • 90% of events rated as positive by the participants • 85% of appropriate materials distributed on schedule 	<ul style="list-style-type: none"> • 33 learning resource centers operating • 90% of training events held • 95% of events rated as positive by the participants • 90% of appropriate materials distributed on schedule

PROPOSED RESOLUTION

PERU. LOAN ___/OC-PE TO THE REPUBLIC OF PERU

(National Program to Assist Children Under the Age of Three – Wawa Wasi Stage I)

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Republic of Peru, as Borrower, for the purpose of granting it a loan to cooperate in the execution of the National Program to Assist Children Under the Age of Three – Wawa Wasi Stage I. Such loan will be for the amount of up to forty-six million six hundred thousand United States of America dollars (US\$46,600,000), from the Single Currency Facility of the ordinary capital resources of the Bank, and will be subject to the "Special Contractual Conditions" and the "Terms and Financial Conditions" set forth in the Executive Summary of the Loan Proposal.